
ROSEAU RIVER ANISHINABE
FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

ROSEAU RIVER ANISHINABE FIRST NATION

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MARCH 31, 2016

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Roseau River Anishinabe First Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

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

The external auditors, Collins Barrow HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to the financial management of Roseau River Anishinabe First Nation and meet when required.



Chief



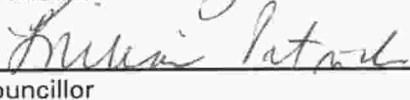
Councillor



Councillor



Councillor



Councillor

INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership
Roseau River Anishinabe First Nation

We have audited the accompanying consolidated financial statements of Roseau River Anishinabe First Nation, ("the First Nation") which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (net debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Opening Balances

The audit of the consolidated financial statements of Roseau River Anishinabe First Nation for the year ended March 31, 2015 resulted in a Disclaimer of Opinion. Since opening balances affect the determination of the current year results of operations, we were unable to determine whether any adjustments might be necessary for the year ended March 31, 2016 pertaining to prior year amounts. Further, we were unable to determine if adjustments are required to the corresponding figures for the year ended March 31, 2015.

INDEPENDENT AUDITORS' REPORT *continued*

Long Term Investments

We have been unable to satisfy ourselves over the completeness, existence, and valuation of long term investments. The Ginew Urban Housing Project entity has not been consolidated within these financial statements due to incomplete financial reporting. As a result, we were not able to assess whether potentially material adjustments were required to long term investments and gain or loss on investments.

Tangible Capital Assets

We have been unable to satisfy ourselves over the completeness, existence, and valuation of tangible capital assets as well as the accuracy of the amounts recorded in accumulated amortization. Appropriate supporting documentation to support the additions and disposals during the year ended March 31, 2016, specifically for the community buildings and infrastructure categories, were not provided to the auditors for their examination. Residential houses acquired under Canada Mortgage and Housing Corporation ("CMHC") sponsored programs are amortized at a rate equivalent to the annual principal reduction in the related long term debt which is not based on the useful lives of the assets. As a result, we were not able to assess whether potentially material adjustments were required to tangible capital assets, accumulated amortization, amortization expense and gain (loss) on disposal of tangible capital assets.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to the areas as described in the Basis for Qualified Opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Roseau River Anishinabe First Nation as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Collins Barrow HMA LLP
Chartered Professional Accountants

Winnipeg, Manitoba
February 23, 2018

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 1

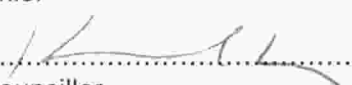
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2016	2015
FINANCIAL ASSETS		
Cash	\$ 1,902,840	\$ 2,384,740
Restricted cash (Note 3)	108,776	96,303
Short term investments	171,235	181,235
Accounts receivable (Note 4)	1,335,141	741,466
Long term investments (Note 5)	<u>1,182,949</u>	<u>993,115</u>
	<u>4,700,941</u>	<u>4,396,859</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	2,785,787	1,511,642
Deferred revenue (Note 7)	89,003	136,572
Long term debt (Note 8)	<u>1,798,545</u>	<u>4,258,288</u>
	<u>4,673,335</u>	<u>5,906,502</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>27,606</u>	<u>(1,509,643)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	5,269,812	7,461,431
Prepaid expenses	<u>54,689</u>	<u>57,926</u>
	<u>5,324,501</u>	<u>7,519,357</u>
ACCUMULATED SURPLUS (Note 10)	\$ <u>5,352,107</u>	\$ <u>6,009,714</u>
CONTINGENT LIABILITIES (Note 11)		
COMMITMENTS (Note 12)		

Approved on behalf of Chief and Council



 Chief


 Councillor


 Councillor



 Councillor


 Councillor

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	2016	2015
REVENUE		
Indigenous and Northern Affairs Canada (INAC) (Note 13)	\$ 4,134,815	\$ 4,629,313
INAC funding recoveries	(33,412)	(15,434)
First Nations and Inuit Health Branch (FNIHB)	2,803,660	2,246,757
Canada Mortgage and Housing Corporation (CMHC)	242,022	304,544
Community development account trust allocation	5,972,381	1,298,726
Province of Manitoba	3,464,247	1,120,939
Own source revenue	1,211,278	2,744,554
Roseau River Anishinabe First Nation TLE Trust	1,047,250	
Lease and rental	596,303	913,643
Other sources	471,813	588,883
First Peoples Development Inc.	355,267	459,607
Deferred from prior year	136,572	70,006
Deferred to subsequent year	(89,003)	(136,572)
	<u>20,313,193</u>	<u>14,224,966</u>
EXPENDITURES		
Band Government	213,437	212,681
Community Development Account	5,996,812	1,309,379
Economic Development		59,125
Education	439,870	430,831
Employment and Training	328,872	367,101
Ginew Housing Authority	3,947,392	700,230
Ginew Seniors Lodge	104,348	109,495
Ginew Wellness Centre	2,352,057	2,286,428
Own Source	4,983,542	4,221,537
Public Works	374,887	782,748
Social	<u>2,229,583</u>	<u>2,696,242</u>
	<u>20,970,800</u>	<u>13,175,797</u>
ANNUAL SURPLUS (DEFICIT)	(657,607)	1,049,169
ACCUMULATED SURPLUS, beginning of year	<u>6,009,714</u>	<u>4,960,545</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 5,352,107</u>	<u>\$ 6,009,714</u>

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)

YEAR ENDED MARCH 31

	2016	2015
Annual surplus (deficit)	\$(657,607)	\$ 1,049,169
Acquisition of tangible capital assets	(632,169)	(29,324)
Amortization of tangible capital assets	2,821,760	335,426
Disposal of tangible capital assets - net book value	<u>2,028</u>	<u>-</u>
	<u>2,191,619</u>	<u>306,102</u>
Acquisition of prepaid expenses	(54,689)	(57,926)
Use of prepaid expenses	<u>57,926</u>	<u>39,213</u>
	<u>3,237</u>	<u>(18,713)</u>
CHANGE IN NET FINANCIAL ASSETS FOR YEAR	1,537,249	1,336,558
NET DEBT, <i>beginning of year</i>	(1,509,643)	(2,846,201)
NET FINANCIAL ASSETS (NET DEBT), <i>end of year</i>	<u>\$ 27,606</u>	<u>\$(1,509,643)</u>

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2016	2015
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from Indigenous and Northern Affairs Canada	\$ 4,069,146	\$ 4,610,963
Cash received from other sources	15,602,803	9,535,867
Cash paid to suppliers and employees	(16,933,393)	(12,821,857)
Interest on long term debt	(126,071)	(207,624)
	<u>2,612,485</u>	<u>1,117,349</u>
<i>CAPITAL ACTIVITY</i>		
Acquisition of tangible capital assets	(632,169)	(29,324)
<i>INVESTING ACTIVITY</i>		
Purchase of short term investments	<u>10,000</u>	(21,279)
<i>FINANCING ACTIVITY</i>		
Repayment of long term debt	(2,459,743)	(112,260)
NET INCREASE (DECREASE) IN CASH DURING YEAR	(469,427)	954,486
CASH, <i>beginning of year</i>	<u>2,481,043</u>	<u>1,526,557</u>
CASH, <i>end of year</i>	<u>\$ 2,011,616</u>	<u>\$ 2,481,043</u>

Cash consists of the following:

Cash	\$ 1,902,840	\$ 2,384,740
Restricted cash	<u>108,776</u>	<u>96,303</u>
	<u>\$ 2,011,616</u>	<u>\$ 2,481,043</u>

ROSEAU RIVER ANISHINABE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

1. NATURE OF OPERATIONS

The Roseau River Anishinabe First Nation ("the First Nation") is located in the province of Manitoba, and provides various services to its members. The Roseau River Anishinabe First Nation financial reporting entity includes all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

These consolidated financial statements are the representations of management and have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as defined by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, which encompasses the following principles.

Sources of revenue and expenditures 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.

REPORTING ENTITY

The consolidated financial statements report the financial activities of all entities and departments comprising the reporting entity of the First Nation.

PRINCIPLES OF CONSOLIDATION

All entities controlled by the First Nation are fully consolidated on a line-by-line basis except for the commercial enterprises that meet the definition of government business enterprise, which are included in the consolidated financial statements using the modified equity method of accounting.

These consolidated financial statements combine the assets, liabilities, revenue and expenditures of the following entities and departments:

- Gineu Employment and Training Services Inc.
- Gineu Housing Authority Inc.
- Gineu Seniors Lodge
- Gineu Wellness Centre
- Roseau River Anishinabe First Nation Community Development Account
- Roseau River Anishinabe First Nation Own Source Revenue
- Roseau River Anishinabe First Nation Third Party Management

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

All inter-entity balances have been eliminated on consolidation. However, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Incorporated and unincorporated business entities which are owned or controlled by the First Nation but which are not dependent on the First Nation for their continuing operations are included in the consolidated financial statements using the modified equity method of accounting. Under the modified equity method, only the First Nation's investment in the government business enterprise and the business enterprise's net income and other changes in equity are recorded. The enterprise's accounting principles are not adjusted to conform to those of the First Nation. Entities accounted for by the modified equity method include:

- Roseau River Anishinabe Limited Partnership

The Urban Housing segment of Ginew Housing Authority Inc. which owns and leases off-reserve housing, has not been combined within these consolidated financial statements due to the insufficient availability of financial information.

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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

CASH

Cash includes cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short term cash commitments.

RESTRICTED CASH

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

SHORT TERM INVESTMENTS

Short term investments are carried at the lower of cost and market value and consist of term deposits with varying interest rates and maturity dates.

NET FINANCIAL ASSETS (NET DEBT)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)**NON-FINANCIAL ASSETS*

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold.

TANGIBLE CAPITAL ASSETS

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets acquired are reported at net book value.

Social housing assets acquired under Canada Mortgage and Housing Corporation ("CMHC") sponsored programs are amortized at a rate equivalent to the annual principal reduction in the related long term debt. Assets under construction are not amortized until the asset is available to be put into service.

Contributions received to assist in the acquisition of tangible capital assets are reported as deferred revenue and amortized at the same rate as the related asset.

Amortization of tangible capital assets is provided for on a straight line basis, over the expected useful lives of the assets as follows:

Automotive	5-10 years
Computer equipment	5-10 years
Furniture and equipment	5-10 years
Residential buildings	15-40 years

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 the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in the statement of operations and accumulated surplus for the year in which the asset becomes impaired.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2016****2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)******REVENUE RECOGNITION***

Revenue is recognized in the year in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis, except when the accrual cannot be determined with a reasonable degree of certainty or when its estimation is impracticable.

Government transfer revenue which includes Indigenous and Northern Affairs Canada (INAC), First Nations and Inuit Health Branch (FNIHB) and Canada Mortgage and Housing Corporation (CMHC) is recognized as revenue when the transfer is authorized and any eligibility criteria under the terms of the applicable funding agreement are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations and accumulated surplus as the stipulations are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

Tobacco tax rebates are recognized when the rebates have been earned from the Province of Manitoba.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped.

SEGMENTS

The First Nation conducts its business through eleven reportable segments as identified in Note 20. 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 segment separately reported, the segment revenue and expenditures 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 consolidated financial statements as disclosed in the Basis of Presentation and Summary of Significant Accounting Policies.

FINANCIAL INSTRUMENTS

Financial instruments include cash, restricted cash, short term investments, accounts receivable, long term investments, accounts payable and accrued liabilities, deferred revenue and long term debt. Unless otherwise stated, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying value of the First Nation's financial assets and liabilities approximates their fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)**FAIR VALUE*

Due to the short term nature of all financial instruments other than long term investments and long term debt, the carrying values as presented in the financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so any difference would be accounted for in the year in which it becomes known. For long term investments and long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because these financial instruments are not traded in an organized financial market.

USE OF ESTIMATES

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

Accounts receivable are stated after estimates as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations and accumulated surplus in the year in which they become known.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

3. RESTRICTED CASH

REPLACEMENT RESERVE - GINEW HOUSING AUTHORITY

Under the terms of the operating agreements with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve is to be credited with an annual allocation of \$49,226 (March 31, 2015 - \$65,033). These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Expenditures are charged to accumulated interest first and then to principal. As of March 31, 2016, an accumulated balance \$1,021,412 (March 31, 2015 - \$1,203,127) for this reserve remains unfunded and due from operating.

REPLACEMENT RESERVE - GINEW SENIORS LODGE

Under the terms of the operating agreements with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve is to be credited with an annual allocation of \$12,000 (March 31, 2015 - \$12,000). These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Expenditures are charged to accumulated interest first and then to principal. As of March 31, 2016, the accumulated balance of \$96,754 (March 31, 2015 - \$86,240) in this reserve was fully funded.

	2016	2015
Ginew Housing Authority	\$ 108,776	\$ 96,303
Ginew Seniors Lodge	\$ 108,776	\$ 96,303

4. ACCOUNTS RECEIVABLE

	2016	2015
Indigenous and Northern Affairs Canada (INAC):		
Band support - 2014/15 funding	\$ 26,345	\$ 16,459
Band support - 2015/16 funding	29,907	29,907
Economic development - 2014/15 funding	72,828	
Economic development - 2015/16 funding	9,300	-
Indian registry - 2015/16 funding	138,380	46,366
First Nations and Inuit Health Branch (FNIHB)	8,305	4,000
Trade and other receivables	1,551,031	907,282
	1,697,716	957,648
Less allowance for doubtful accounts	(362,575)	(216,182)
	\$ 1,335,141	\$ 741,466

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

5. LONG TERM INVESTMENTS

The following table presents condensed financial information for the Roseau River Anishinabe Limited Partnership which operates Video Lotto terminal sites.

	2 0 1 6	2 0 1 5
Cash	\$ 167,422	\$ 90,546
Accounts receivable	542	142
Due from related parties	38,063	
Capital assets	<u>1,151,078</u>	<u>1,194,164</u>
Total assets	<u>\$ 1,357,105</u>	<u>\$ 1,284,852</u>
Accounts payable and accrued liabilities	\$ 42,845	\$ 19,911
Long term debt	<u>131,311</u>	<u>271,826</u>
Total liabilities	<u>174,156</u>	<u>291,737</u>
Equity	<u>1,182,949</u>	<u>993,115</u>
Total liabilities and equity	<u>\$ 1,357,105</u>	<u>\$ 1,284,852</u>
Revenue	\$ 14,780,076	\$ 6,771,947
Expenditures	(14,117,382)	(6,487,656)
Other items	(472,860)	(128,604)
Net income	<u>\$ 189,834</u>	<u>\$ 155,687</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 6	2 0 1 5
Indigenous and Northern Affairs Canada (INAC):		
Mortgage principal payments to CIBC	\$ 2,013,560	\$
Skills Link funding recovery (2014/15)	13,472	13,472
Skills Link - Summer Students funding recovery (2014/15)	1,071	1,071
Skills Link - Work Placement funding recovery (2014/15)	891	891
Skills Link - Work Placement funding recovery (2015/16)	<u>33,412</u>	<u>-</u>
	2,062,406	15,434
Accrued liabilities - mortgage interest	23,890	1,110,692
Accrued liabilities - other	328,552	163,038
Employee wages and source deductions payable	57,521	21,718
Trade and other payables	<u>313,418</u>	<u>200,760</u>
	<u>\$ 2,785,787</u>	<u>\$ 1,511,642</u>

7. DEFERRED REVENUE

	2 0 1 6	2 0 1 5
Indigenous and Northern Affairs Canada (INAC):		
Economic development	\$ 89,003	\$
Employment and training		57,130
Own source	<u>-</u>	<u>79,442</u>
	<u>\$ 89,003</u>	<u>\$ 136,572</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

8. LONG TERM DEBT

	2016	2015
Canada Mortgage and Housing Corporation mortgage, 3.14%, repayable in monthly installments of \$2,412 including interest, matures January 2017, secured by a ministerial guarantee by the Government of Canada and assignment of fire insurance.	\$ 53,593	\$ 63,847
Canada Mortgage and Housing Corporation mortgage, 3.14%, repayable in monthly installments of \$1,019 including interest, matures January 2017, secured by a ministerial guarantee by the Government of Canada and assignment of fire insurance.	22,783	27,091
Canada Mortgage and Housing Corporation mortgage, 1.71%, repayable in monthly installments of \$580 including interest, renews September 2017, matures November 2024, secured by a ministerial guarantee by the Government of Canada and assignment of fire insurance.	63,330	65,036
Canada Mortgage and Housing Corporation mortgage, 1.71%, repayable in monthly installments of \$1,848 including interest, renews September 2017, matures July 2025, secured by a ministerial guarantee by the Government of Canada and assignment of fire insurance.	214,001	219,465
Canada Mortgage and Housing Corporation mortgage, 1.71%, repayable in monthly installments of \$1,322 including interest, renews September 2017, matures September 2032, secured by a ministerial guarantee by the Government of Canada and assignment of fire insurance.	244,305	246,637
Canada Mortgage and Housing Corporation mortgage, 1.71%, repayable in monthly installments of \$7,693 including interest, renews September 2017, matures November 2021, secured by a ministerial guarantee by the Government of Canada and assignment of fire insurance.	592,105	620,230
Canada Mortgage and Housing Corporation mortgage, 1.67%, repayable in monthly installments of \$3,612 including interest, renews April 2017, matures March 2032, secured by a ministerial guarantee by the Government of Canada and assignment of fire insurance.	608,428	641,320
CIBC mortgage, 5.3%, repayable in monthly installments of \$8,007 including interest, secured by a ministerial guarantee by the Government of Canada and assignment of fire insurance, fully retired November 2015.		632,569
CIBC mortgage, 5.3%, repayable in monthly installments of \$5,948 including interest, secured by a ministerial guarantee by the Government of Canada and assignment of fire insurance, fully retired November 2015.		623,390

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

8. LONG TERM DEBT *(continued)*

	2016	2015
CIBC mortgage, 5.3%, repayable in monthly installments of \$6,762 including interest, secured by a ministerial guarantee by the Government of Canada and assignment of fire insurance, fully retired November 2015.		316,635
CIBC mortgage, 6.3%, repayable in monthly installments of \$9,748 including interest, secured by a ministerial guarantee by the Government of Canada and assignment of fire insurance, fully retired November 2015.	-	802,068
	<u>\$ 1,798,545</u>	<u>\$ 4,258,288</u>

The scheduled principal amounts payable within the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2017	\$ 191,973
2018	192,293
2019	157,916
2020	160,623
2021	163,377

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

9. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Adjustments and Disposals	Closing Balance	Opening Balance	Amortization	Adjustments, Disposals and Impairment	Closing Balance	Total 2 0 1 6	Total 2 0 1 5
Automotive	\$ 241,212	\$ 45,290	\$ 28,760	\$ 257,742	\$ 229,604	\$ 15,623	\$ 26,732	\$ 218,495	\$ 39,247	\$ 11,608
Computer										
equipment	174,587	8,558		183,145	138,190	8,725		146,915	36,230	36,397
Furniture and										
equipment	505,420	87,844		593,264	399,764	29,289		429,053	164,211	105,656
Residential										
buildings	13,966,635	490,477	-	14,457,112	6,658,865	2,768,123	-	9,426,988	5,030,124	7,307,770
	<u>\$ 14,887,854</u>	<u>\$ 632,169</u>	<u>\$ 28,760</u>	<u>\$ 15,491,263</u>	<u>\$ 7,426,423</u>	<u>\$ 2,821,760</u>	<u>\$ 26,732</u>	<u>\$ 10,221,451</u>	<u>\$ 5,269,812</u>	<u>\$ 7,461,431</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

10. ACCUMULATED SURPLUS

	2 0 1 6	2 0 1 5
Accumulated surplus (deficit) from operations	\$(420,275)	\$ 524,089
Equity in tangible capital assets	3,471,267	3,203,143
Equity in long term investments	1,182,949	993,115
Replacement reserve	<u>1,118,166</u>	<u>1,289,367</u>
	<u>\$ 5,352,107</u>	<u>\$ 6,009,714</u>

11. CONTINGENT LIABILITIES

- a) The First Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their funding agreements. At this time, it was not yet determined to what extent any funding amounts related to the fiscal year ended March 31, 2016 might be recovered.

For accounting purposes, any amounts assessed or claims paid will be accounted for in the year of determination.

- b) In March of 2014 an application was filed in the court of Queen's Bench by members of Roseau River Anishinabe First Nation requesting a court order for a forensic audit of the Community Development Account for 2012 and 2013. The outcome of this application is not determinable, nor has it been established what impact such an order would have on the Community Development Account.

12. COMMITMENTS

- a) During the year ended March 31, 2016, the First Nation's Chief and Council authorized Roseau River Anishinabe First Nation 1903 Trust ("the 1903 Trust") to secure a \$10,000,000 loan from RBC Royal Bank of Canada of which \$5,000,000 was provided to re-finance the loan from the previous corporate Trustee and the additional \$5,000,000 as per the terms of the by-law. The net proceeds from the loan were transferred to Community Development Account (CDA) and recorded as additional trust allotment revenue. The 1903 Trust will reduce future annual allotments to CDA by the amount of the annual loan installments paid to the RBC Royal Bank of Canada, which are estimated to be \$1,000,000 plus interest at 2.85% per annum.

13. RECONCILIATION OF INDIGENOUS AND NORTHERN AFFAIRS CANADA REVENUE

	2 0 1 6	2 0 1 5
INAC funding per agreement #1415-MB-000036 (MANITOBA)	\$ 4,137,498	\$ 4,629,313
Band support funding - 3rd party manager services - discrepancy	<u>(2,683)</u>	<u>-</u>
Total INAC revenue per financial statements	<u>\$ 4,134,815</u>	<u>\$ 4,629,313</u>

14. ECONOMIC DEPENDENCE

The First Nation receives a majority of its revenue from Indigenous and Northern Affairs Canada (INAC) and First Nations Inuit Health Branch (FNIHB) pursuant to funding arrangements with the Government of Canada. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by the funding arrangements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

15. RELATED PARTY TRANSACTIONS

In the normal course of operations, the First Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the First Nation and its related parties, aggregate revenue and expenditures derived from related party transactions is not determinable.

16. SEGMENTS

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

Band Government - activities include the governance function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes.

Community Development Account - activities include the management, investment and expenditure of the annual community development allotment from the 1903 Trust.

Economic Development - benefits include better access to more and larger businesses and business opportunities both within and beyond the community and a better economic environment.

Education - activities include overseeing many aspects of educational opportunities for community members at all levels of learning both within the community and externally.

Employment and Training - activities include the delivery of culturally sensitive employment services to assist community members in identifying and overcoming potential barriers to employment and to find and maintain meaningful employment.

Ginew Housing Authority - activities include the provision of residential housing opportunities for community members.

Ginew Seniors Lodge - activities include the provision of lodging opportunities for community members and protection and care by experienced employees to those community members who can no longer care for themselves.

Ginew Wellness Centre - activities include the delivery of programs to promote community health and to address environmental issues and non-insured health benefits.

Own Source - activities include the management and expenditure of revenue generated within the community.

Public Works - activities include the planning, managing and delivery of large scale infrastructure and capital projects to the community.

Social - activities include satisfying the economic, social or health related needs of community members who require assistance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

17. COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified where necessary to conform to the financial statement presentation adopted for the current year.

18. EXPENSES BY OBJECT

	2 0 1 6	2 0 1 5
Administration and office	\$ 388,003	\$ 446,135
Amortization	2,821,760	335,426
Bad debts	146,393	28,993
Bank charges and interest	42,621	76,908
Business development	42,052	274,218
Contract fee and services	2,128,955	2,560,327
Fuel	2,882	935
Insurance	90,815	89,406
Interest on long term debt	126,071	207,624
Maintenance	1,747,782	1,121,908
Non-capital equipment	1,377,090	687,746
Other	1,022,648	399,560
Rent	61,451	113,738
Salaries, honoraria, wages and benefits	3,919,267	2,957,838
Social assistance	2,797,298	3,163,464
Supplies and material	537,098	128,806
Telephone and communication	57,081	113,432
Tobacco tax rebate distributions	3,195,081	
Travel and accommodations	345,988	313,462
Training	52,231	49,539
Utilities	68,233	106,332
	<u>\$ 20,970,800</u>	<u>\$ 13,175,797</u>

19. BUDGET INFORMATION

The First Nation has not prepared a complete consolidated budget for the year ended March 31, 2016. Accordingly, budget figures are not presented in these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31

20. SEGMENT DISCLOSURE

Roseau River Anishinabe First Nation provides a range of services to its community members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the Basis of Presentation and Summary of Significant Accounting Policies as described in Note 2. The segment results for the year are as follows:

	Band Governance		Community Development Account		Economic Development		Education		Employment and Training	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue:										
Federal Government										
INAC	\$ 417,509	\$ 424,933	\$ -	\$ -	\$ 89,003	\$ 89,003	\$ 574,543	\$ 594,563	\$ -	\$ -
FNIH	-	-	-	-	-	-	-	-	-	-
CMHC	-	-	-	-	-	-	-	-	-	-
Subtotal	417,509	424,933	-	-	89,003	89,003	574,543	594,563	-	-
Funding recoveries							(33,412)	(15,434)		
Other revenue	2	2,660	5,972,381	1,298,726					256,666	418,812
Deferred revenue	-	-	-	-	(89,003)	-	-	-	57,130	(51,711)
Total revenue	<u>417,511</u>	<u>427,593</u>	<u>5,972,381</u>	<u>1,298,726</u>	<u>-</u>	<u>89,003</u>	<u>541,131</u>	<u>579,129</u>	<u>313,796</u>	<u>367,101</u>
Expenditures:										
Amortization			9,084	12,265						
Debt servicing										
Salaries and benefits	60,966	101,410	1,356,773	144,240			36,405	66,649	55,544	64,883
Other	<u>152,471</u>	<u>111,271</u>	<u>4,630,955</u>	<u>1,152,874</u>	<u>-</u>	<u>59,125</u>	<u>403,465</u>	<u>364,182</u>	<u>273,328</u>	<u>302,218</u>
Total expenditures	<u>213,437</u>	<u>212,681</u>	<u>5,996,812</u>	<u>1,309,379</u>	<u>-</u>	<u>59,125</u>	<u>439,870</u>	<u>430,831</u>	<u>328,872</u>	<u>367,101</u>
Annual Surplus (Deficit)	<u>\$ 204,074</u>	<u>\$ 214,912</u>	<u>\$ (24,431)</u>	<u>\$ (10,653)</u>	<u>\$ -</u>	<u>\$ 29,878</u>	<u>\$ 101,261</u>	<u>\$ 148,298</u>	<u>\$ (15,076)</u>	<u>\$ -</u>

ROSEAU RIVER ANISHINABE FIRST NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31

20. SEGMENT DISCLOSURE (continued)

	Ginew Housing Authority		Ginew Senior Lodge		Ginew Wellness Center		Own Source		Public Works	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue:										
Federal Government										
INAC	\$ 344,800	\$	\$	\$	\$	14,000	\$	\$	\$ 467,981	\$ 811,423
FNIH					2,803,660	2,246,757				
CMHC	<u>191,818</u>	<u>254,340</u>	<u>50,204</u>	<u>50,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	536,618	254,340	50,204	50,204	2,803,660	2,260,757	-	-	467,981	811,423
Funding recoveries										
Other revenue	1,383,254	800,138	69,463	69,011	126,554	155,215	5,279,949	4,375,234	30,270	35,557
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,442</u>	<u>(43,856)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,919,872</u>	<u>1,054,478</u>	<u>119,667</u>	<u>119,215</u>	<u>2,930,214</u>	<u>2,415,972</u>	<u>5,359,391</u>	<u>4,331,378</u>	<u>498,251</u>	<u>846,980</u>
Expenditures:										
Amortization	2,623,528	169,652	32,893	32,373	151,061	117,664	5,194	3,472		
Debt servicing	115,672	196,702	10,399	10,922						
Salaries and benefits	219,501	122,899			1,475,596	1,518,256	536,868	812,768	85,579	76,728
Other	<u>988,691</u>	<u>210,977</u>	<u>61,056</u>	<u>66,200</u>	<u>725,400</u>	<u>650,508</u>	<u>4,441,480</u>	<u>3,405,297</u>	<u>289,308</u>	<u>706,020</u>
Total expenditures	<u>3,947,392</u>	<u>700,230</u>	<u>104,348</u>	<u>109,495</u>	<u>2,352,057</u>	<u>2,286,428</u>	<u>4,983,542</u>	<u>4,221,537</u>	<u>374,887</u>	<u>782,748</u>
Annual Surplus (Deficit)	<u>\$(2,027,520)</u>	<u>\$ 354,248</u>	<u>\$ 15,319</u>	<u>\$ 9,720</u>	<u>\$ 578,157</u>	<u>\$ 129,544</u>	<u>\$ 375,849</u>	<u>\$ 109,841</u>	<u>\$ 123,364</u>	<u>\$ 64,232</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31

20. SEGMENT DISCLOSURE *(continued)*

	Social		TOTAL	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue:				
Federal Government				
INAC	\$ 2,240,979	\$ 2,695,391	\$ 4,134,815	\$ 4,629,313
FNIH			2,803,660	2,246,757
CMHC	-	-	242,022	304,544
Subtotal	2,240,979	2,695,391	7,180,497	7,180,614
Funding recoveries			(33,412)	(15,434)
Other revenue			13,118,539	7,155,353
Deferred revenue	-	-	47,569	(95,567)
Total revenue	<u>2,240,979</u>	<u>2,695,391</u>	<u>20,313,193</u>	<u>14,224,966</u>
Expenditures:				
Amortization			2,821,760	335,426
Debt servicing			126,071	207,624
Salaries and benefits	92,035	50,005	3,919,267	2,957,838
Other	<u>2,137,548</u>	<u>2,646,237</u>	<u>14,103,702</u>	<u>9,674,909</u>
Total expenditures	<u>2,229,583</u>	<u>2,696,242</u>	<u>20,970,800</u>	<u>13,175,797</u>
Annual Surplus (Deficit)	\$ <u>11,396</u>	\$ (<u>851</u>)	\$ (<u>657,607</u>)	\$ <u>1,049,169</u>