
ROSEAU RIVER ANISHINABE
FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

ROSEAU RIVER ANISHINABE FIRST NATION

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MARCH 31, 2020

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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 auditor's report.

The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted 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 AUDITOR'S REPORT

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

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Opinion

We have audited the accompanying consolidated financial statements of Roseau River Anishinabe First Nation, which comprise the consolidated statement of financial position as at March 31, 2020, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

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 section of our report, these consolidated financial statements which comprise the consolidated statement of financial position of Roseau River Anishinabe First Nation as at March 31, 2020, and the results of its consolidated operations and its consolidated cash flows for the year then ended are prepared, in all material respects, in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Roseau River Anishinabe First Nation in accordance with the ethical requirements that are relevant to our audit of the 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.

We have been unable to satisfy ourselves over the completeness, existence and valuation of the various financial statement line items for Ginew Housing Authority Inc. which is an entity included in these consolidated financial statements using the modified equity method. The financial records of Ginew Housing Authority Inc. for the year ended March 31, 2020 were not readily available to the auditor for examination. As a result, we were not able to assess whether any potentially material adjustments were required to financial assets, liabilities, non-financial assets and accumulated surplus on the consolidated statement of financial position and revenue and expenditures on the consolidated statement of operations and accumulated surplus.

We have been unable to satisfy ourselves over the existence and valuation of expenditures for band-owned housing units during the year ended March 31, 2020 as reported by Roseau River Anishinabe First Nation On-Reserve Housing in their financial statements. Appropriate supporting documentation for the vast majority of purchases associated with band-owned housing units was not available to the auditor for examination. As a result, we were unable to assess whether potentially material adjustments were required to liabilities, accumulated surplus and Housing segment expenditures.

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 documentation to support both the historical cost of additions and the details regarding any disposals during previous fiscal years, specifically for the community buildings and infrastructure categories, have not been provided to the auditor for examination. 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.

Responsibilities of Management and Those Charged with Governance for the 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 Roseau River Anishinabe 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 Roseau River Anishinabe 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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Roseau River Anishinabe 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 Roseau River Anishinabe 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 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 Roseau River Anishinabe First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Baker Tilly HMA LLP

Chartered Professional Accountants

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2020	2019 (Restated)
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FINANCIAL ASSETS

Cash - unrestricted	\$ 3,334,359	\$ 2,395,237
Restricted cash (Note 3)	263,164	1,040,358
Accounts receivable (Note 4)	1,285,642	804,580
Due from Roseau River 1903 Trust (Note 5)	1,289,648	859,805
Investments (Note 6)	<u>830,971</u>	<u>766,972</u>
	<u>7,003,784</u>	<u>5,866,952</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 7)	3,690,900	1,273,776
Capital construction costs payable	590,471	
Due to Roseau River Anishinabe First Nation Trust (Note 8)	1,789,503	2,073,551
Deferred revenue (Note 9)	1,832,279	1,569,837
Long term debt (Note 10)	<u>946,618</u>	<u>1,108,956</u>
	<u>8,849,771</u>	<u>6,026,120</u>

NET DEBT	(1,845,987)	(159,168)
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NON-FINANCIAL ASSETS

Tangible capital assets (Note 11)	10,667,387	8,263,182
Construction in progress (Note 12)	278,000	2,000,000
Prepaid expenses	<u>171,222</u>	<u>171,049</u>
	<u>11,116,609</u>	<u>10,434,231</u>

ACCUMULATED SURPLUS (Note 13)	\$ <u>9,270,622</u>	\$ <u>10,275,063</u>
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CONTINGENT LIABILITIES (Note 14)

COMMITMENTS (Note 15)

Approved on behalf of Chief and Council


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Chief


.....
Councillor

.....
Councillor


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Councillor

.....
Councillor

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	2020	2019 (Restated)
REVENUE		
Indigenous Services Canada (ISC) (Note 16)	\$ 7,636,460	\$ 5,812,144
ISC - funding recoveries	(24,667)	(1,715)
First Nations and Inuit Health Branch (FNIHB) (Note 17)	4,809,783	3,523,477
Canada Mortgage and Housing Corporation (CMHC)	226,661	554,981
Roseau River 1903 Trust (Note 18)	3,518,020	2,623,008
Province of Manitoba	1,752,116	2,112,848
First Peoples Development Inc. (FPDI)	487,790	664,968
FPDI - funding recoveries		(20,918)
Land lease	284,048	55,000
Rental	194,673	536,701
Equity income (loss) on investment in RRAFN LP	63,599	(456,029)
Other sources	764,350	407,129
Deferred from prior year	1,569,837	796,498
Deferred to following year	(1,832,279)	(1,569,837)
	<u>19,450,391</u>	<u>15,038,255</u>
EXPENDITURES		
Band Government	691,923	401,915
Capital	936,210	360,877
Community Development Account	4,627,278	2,041,714
Economic Development	124,003	89,003
Education	472,811	721,288
Employment and Training	508,210	593,570
Ginew Seniors Lodge	105,251	115,136
Ginew Wellness Centre	4,124,248	3,385,458
Housing	2,362,437	2,013,273
Own Source	2,753,240	3,068,671
Public Works	1,456,069	595,731
Social	<u>2,293,152</u>	<u>2,186,049</u>
	<u>20,454,832</u>	<u>15,572,685</u>
ANNUAL DEFICIT	<u>(1,004,441)</u>	<u>(534,430)</u>
ACCUMULATED SURPLUS, beginning of year, as previously stated	11,488,809	11,927,824
Prior period adjustments (Note 26)	<u>(1,213,746)</u>	<u>(1,118,331)</u>
ACCUMULATED SURPLUS, beginning of year, as restated	<u>10,275,063</u>	<u>10,809,493</u>
ACCUMULATED SURPLUS, end of year	<u><u>\$ 9,270,622</u></u>	<u><u>\$ 10,275,063</u></u>

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

YEAR ENDED MARCH 31

	2 0 2 0	2 0 1 9 (Restated)
Annual deficit	\$(1,004,441)	\$(534,430)
Acquisition of tangible capital assets and construction in progress	(1,902,513)	(1,276,298)
Amortization of tangible capital assets	897,492	981,115
Disposal of tangible capital assets	<u>322,816</u>	<u>3,466</u>
	(682,205)	(291,717)
Acquisition of prepaid expenses	(171,222)	(171,049)
Use of prepaid expenses	<u>171,049</u>	<u>59,878</u>
	(173)	(111,171)
CHANGE IN NET FINANCIAL ASSETS (NET DEBT) FOR YEAR	(1,686,819)	(937,318)
NET FINANCIAL ASSETS, beginning of year, as previously stated	1,054,578	1,896,481
Prior period adjustments (Note 26)	(1,213,746)	(1,118,331)
NET FINANCIAL ASSETS (NET DEBT), beginning of year, as restated	(159,168)	778,150
NET DEBT, end of year	<u>\$(1,845,987)</u>	<u>\$(159,168)</u>

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2020	2019
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from Indigenous Services Canada (ISC)	\$ 7,382,226	\$ 6,837,125
Cash received from First Nations and Inuit Health Branch	4,779,892	3,523,477
Cash received from other sources	6,918,382	6,167,167
Cash paid to suppliers and employees	(17,140,389)	(16,071,502)
Interest paid on long term debt	(19,755)	(22,721)
	<u>1,920,356</u>	<u>433,546</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets and related capital costs	(1,312,042)	(1,276,298)
<i>FINANCING ACTIVITIES</i>		
Repayment of long term debt	(162,338)	(159,379)
Repayment to Roseau River Anishinabe First Nation Trust	(284,048)	(150,000)
	<u>(446,386)</u>	<u>(309,379)</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	161,928	(1,152,131)
CASH, <i>beginning of year</i>	<u>3,435,595</u>	<u>4,587,726</u>
CASH, <i>end of year</i>	<u>\$ 3,597,523</u>	<u>\$ 3,435,595</u>
Cash consists of the following:		
Cash - unrestricted	\$ 3,334,359	\$ 2,395,237
Restricted cash	<u>263,164</u>	<u>1,040,358</u>
	<u>\$ 3,597,523</u>	<u>\$ 3,435,595</u>

ROSEAU RIVER ANISHINABE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

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 which 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:

- Ginew Employment and Training Services Inc.
- Ginew Housing Authority Inc.
- Ginew Seniors Lodge
- Ginew Wellness Centre
- Roseau River Anishinabe First Nation Co-Managed ISC Funded Programs
- Roseau River Anishinabe First Nation Community Development Account
- Roseau River Anishinabe First Nation On-Reserve Housing
- Roseau River Anishinabe First Nation Own Source Revenue
- Roseau River Anishinabe First Nation Third Party Management

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

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

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 whereby 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 (including the general partner, 5002818 Manitoba Ltd.)
- 10002085 Manitoba Ltd.
- 10019238 Manitoba Ltd.
- 10026446 Manitoba Ltd.
- 10026448 Manitoba Ltd.

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, construction in progress 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.

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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

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

Residential buildings 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
Construction 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, 2020

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 Services Canada (ISC), 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 in the year that the rebates are received or receivable from the Province of Manitoba, if the amount to be recorded can be reasonably estimated and collection is reasonably assured.

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 twelve 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, accounts receivable, due from Roseau River 1903 Trust, investments, accounts payable and accrued liabilities, capital construction costs payable, due to Roseau River Anishinabe First Nation Trust, 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, 2020

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 investments, due to Roseau River Anishinabe First Nation Trust 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 investments, due to Roseau River Anishinabe First Nation Trust 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, 2020

3. RESTRICTED CASH

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, 2019 - \$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, 2020, the accumulated balance of \$119,697 (March 31, 2019 - \$120,352) in this reserve was fully funded.

REPLACEMENT RESERVE - ROSEAU RIVER ANISHINABE FIRST NATION ON-RESERVE HOUSING

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 \$29,500 (March 31, 2019 - \$29,500).

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, 2020, the accumulated balance of \$370,982 (March 31, 2019 - \$356,978) in this reserve was underfunded by \$309,718 (March 31, 2019 - \$248,708) and due from operations.

SPECIAL PROJECTS - ROSEAU RIVER ANISHINABE FIRST NATION ON-RESERVE HOUSING

Special projects funding provided by Indigenenous Services Canada (ISC) whereby monies are held in a separate trust account is restricted for expenditures related to the capital construction of new band-owned housing units as approved by ISC in accordance with the applicable agreement.

	2 0 2 0	2 0 1 9
Replacement reserve - Ginew Seniors Lodge	\$ 158,815	\$ 146,067
Replacement reserve - Roseau River Anishinabe First Nation On-Reserve Housing	61,264	108,270
Special projects - Roseau River Anishinabe First Nation On-Reserve Housing	<u>43,085</u>	<u>786,021</u>
	<u>\$ 263,164</u>	<u>\$ 1,040,358</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

4. ACCOUNTS RECEIVABLE

	2 0 2 0	2 0 1 9
Indigenous Services Canada (ISC):		
Band Employee Benefits (Non-statutory) - 2017/18 funding	\$ 312	\$ 312
Band Employee Benefits (Statutory) - 2017/18 funding	481	481
Band Support (Third Party Manager) - 2017/18 funding	23,478	23,478
Band Support (Third Party Manager) - 2016/17 funding	25,269	25,269
Basic Needs - 2019/20 funding	50,137	
Basic Needs - 2018/19 funding		92,892
Community Economic Development - 2014/15 funding	29,907	29,907
Community Waste Coordinator & Support - 2018/19 funding		73,201
Economic Development - 2019/20 funding	7,746	
Economic Development - Solid Waste Transfer Station - 2019/20 funding	82,000	
Economic Development - Solid Waste Transfer Station - 2018/19 funding		78,510
Flood Protection - 2018/19 funding		85,083
Flood Protection - 2017/18 funding	2,843	2,843
Flood Protection - 2016/17 funding	60,870	60,870
Indian Registry Administration - 2017/18 funding	17,164	17,164
Indian Registry Administration - 2016/17 funding	15,940	15,940
Indian Registry Administration - 2015/16 funding	9,300	9,300
Preparedness/Mitigation - 2019/20 funding	61,019	
Response - Flood Prevention & Mitigation - 2019/20 funding	66,100	
Solid Waste Management - 2017/18 funding	<u>46,000</u>	<u>46,000</u>
	498,566	561,250
Canada Mortgage and Housing Corporation (CMHC)	14,726	67,745
First Nations and Inuit Health Branch (FNIHB)	29,891	
First Peoples Development Inc. (FPDI)	4,674	4,767
Kiinu Gaming Centre	55,594	
10019238 Manitoba Ltd.	328,228	
10026446 Manitoba Ltd.	208,476	
Trade and other receivables	<u>152,518</u>	<u>471,043</u>
	1,292,673	1,104,805
Less allowance for doubtful accounts	<u>(7,031)</u>	<u>(300,225)</u>
	<u>\$ 1,285,642</u>	<u>\$ 804,580</u>

5. DUE FROM ROSEAU RIVER 1903 TRUST

The amount of \$1,289,648 (March 31, 2019 - \$859,805) due from Roseau River 1903 Trust is non-interest bearing with no fixed terms of repayment and is normally received on April 1 of the following fiscal year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

6. INVESTMENTS

	2 0 2 0	2 0 1 9
* Roseau River Anishinabe Limited Partnership	\$ 830,571	\$ 766,972
10002085 Manitoba Ltd.	100	
10019238 Manitoba Ltd.	100	
10026446 Manitoba Ltd.	100	
10026448 Manitoba Ltd.	<u>100</u>	<u>-</u>
	<u>\$ 830,971</u>	<u>\$ 766,972</u>

* Includes the investment in the general partner of the Roseau River Anishinabe Limited Partnership, 5002818 Manitoba Ltd.

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

	2 0 2 0	2 0 1 9 (Restated)
Cash	\$ 104,604	\$ 60,353
Accounts receivable	2,967	140
Inventory	1,300	1,300
Capital assets	827,164	941,727
Due from 5002818 Manitoba Ltd.	<u>11,655</u>	<u>-</u>
Total assets	<u>\$ 947,690</u>	<u>\$ 1,003,520</u>
Accounts payable and accrued liabilities	\$ 65,401	\$ 180,954
Due to Roseau River Anishinabe First Nation	<u>51,718</u>	<u>55,594</u>
Total liabilities	<u>117,119</u>	<u>236,548</u>
Partners' capital	<u>830,571</u>	<u>766,972</u>
Total liabilities and partners' capital	<u>\$ 947,690</u>	<u>\$ 1,003,520</u>
Revenue	\$ 16,839,049	\$ 15,651,718
Expenditures	(16,331,419)	(15,363,178)
Other items	<u>(444,031)</u>	<u>(615,477)</u>
Net earnings (loss) for year	<u>\$ 63,599</u>	<u>\$ (326,937)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Indigenous Services Canada (ISC):		
Funding recoveries	\$	\$
Band Employee Benefits - 2016/17 funding	1,929	1,929
Skills Link - 2014/15 funding	13,472	13,472
Skills Link (Summer Students) - 2014/15 funding	1,071	1,071
Skills Link (Summer Work Experience) - 2016/17 funding	19,138	19,138
Skills Link (Work Placement) - 2016/17 funding	37,390	37,390
Skills Link (Work Placement) - 2015/16 funding	33,412	33,412
Skills Link (Work Placement) - 2014/15 funding	891	891
	107,303	107,303
First Peoples Development Inc. (FPDI)		5,543
Accrued liabilities - other	641,153	745,206
Employee wages and source deductions payable	87,500	217,696
Trade and other payables	278,575	198,028
* Roseau River 1903 Trust	2,576,369	-
	\$ 3,690,900	\$ 1,273,776

* Paragraph 6.1 of the Roseau River Settlement Community Development Account (CDA) Expenditure By-law states that with 60 days after each fiscal year ends, Chief and Council of Roseau River Anishinabe First Nation shall ensure the contribution to Roseau River 1903 Trust of an amount equal to the portion of the annual payment received by CDA in excess of the annual allotment.

8. DUE TO ROSEAU RIVER ANISHINABE FIRST NATION TRUST

During previous fiscal years, Roseau River Anishinabe First Nation Trust ("the TLE Trust") had notes receivable from Highway Six Limited Partnership and the Diamondback Investment Ltd. Partnership which were guaranteed by Roseau River Anishinabe First Nation ("the First Nation").

Collection of these notes receivable by the TLE Trust became doubtful and, as a result, the entity reduced its carrying value to nil as of December 31, 2017.

On March 29, 2018, the TLE Trust entered into a contractual arrangement with the First Nation who agreed to pay the TLE Trust an amount of \$2,223,551 in respect of the notes receivable over 8 years.

The First Nation paid the TLE Trust \$150,000 during the fiscal year ended March 31, 2019 and \$284,048 during the fiscal year ended March 31, 2020 (\$434,048 in total as at March 31, 2020).

The remaining balance of \$1,789,503 is payable over the next six fiscal years, as follows:

March 31,	2021	\$ 284,048
	2022	284,048
	2023	284,048
	2024	312,453
	2025	312,453
	2026	<u>312,453</u>
		\$1,789,503

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

9. DEFERRED REVENUE

	2 0 2 0	2 0 1 9
Indigenous Services Canada (ISC):		
CCP Kick Start Capacity Development	\$ 87,208	\$
Capital - 2018 Budget Housing Renovation Needs		400,000
Capital - Manitoba Housing Capacity Enhancement		20,000
Community Well Being Jurisdiction Initiative	202,326	164,048
Covid - 19	60,888	
Economic Development - Solid Waste Transfer Station	82,000	78,510
Education Innovation	8,405	
Emergency Management Program	10,447	
Flood Protection	60,870	90,187
Implementation of Capacity Development	50,000	
On Reserve - New Housing	269,087	
PIDP - Default Prevention and Management Policy		119,845
RHI 5 Unit Duplex Housing Project		372,000
Skills Link Program	22,660	
Skills Link - Mentored Work (Class 1 Training)	100,762	
Social - Basic Needs	63,038	92,892
Social - Special Needs	1,728	
Solid Waste Management	46,000	46,000
Waste Coordinator & Community Waste Support	<u>54,591</u>	<u>73,201</u>
	1,120,010	1,456,683
First Nations and Inuit Health Branch - Ginew Wellness Centre	592,019	54,584
Ginew Employment and Training Services Inc.	97,803	36,588
Ginew Seniors Lodge	1,890	1,425
Unearned lease/other revenue - Ginew Housing Authority Inc.	<u>20,557</u>	<u>20,557</u>
	<u>\$ 1,832,279</u>	<u>\$ 1,569,837</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

10. LONG TERM DEBT

	2 0 2 0	2 0 1 9
Canada Mortgage and Housing Corporation mortgage, 2.49%, repayable in monthly installments of \$594 including interest, renews May 2023, matures November 2024.	\$ 31,388	\$ 37,653
Canada Mortgage and Housing Corporation mortgage, 2.49%, repayable in monthly installments of \$1,899 including interest, renews May 2023, matures July 2025.	113,752	133,449
Canada Mortgage and Housing Corporation mortgage, 2.49%, repayable in monthly installments of \$1,393 including interest, renews May 2023, matures September 2032.	179,570	191,665
Canada Mortgage and Housing Corporation mortgage, 2.24%, repayable in monthly installments of \$7,763 including interest, matures November 2021.	152,280	240,948
Canada Mortgage and Housing Corporation mortgage, 1.43%, repayable in monthly installments of \$3,550 including interest, renews April 2022, matures March 2032.	<u>469,628</u>	<u>505,241</u>
	<u>\$ 946,618</u>	<u>\$ 1,108,956</u>

All mortgages are secured by a ministerial guarantee from the Minister of Indigenous Services Canada and an assignment of fire insurance and are insured by CMHC.

The aggregate of principal payments required within the next five years to meet retirement provisions, assuming long term debt subject to refinancing is renewed, is estimated as follows:

March 31, 2021	\$ 165,762
2022	138,181
2023	78,178
2024	79,711
2025	78,902

ROSEAU RIVER ANISHINABE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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MARCH 31, 2020

11. 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	Total
									2020	2019
Automotive	\$ 521,714	\$ 130,728	\$ (39,078)	\$ 613,364	\$ 269,492	\$ 53,181	\$ 31,262	\$ 291,411	\$ 321,953	\$ 252,222
Computer equipment	249,282	33,390	(86,340)	196,332	182,449	42,769	86,340	138,878	57,454	66,833
Construction equipment	345,705	485,127		830,832	52,571	107,140		159,711	671,121	293,134
Furniture and equipment	734,805	12,264		747,069	537,932	49,630		587,562	159,507	196,873
Land	315,000		(315,000)							315,000
Residential buildings	19,826,562	963,004	2,000,000	22,789,566	12,687,442	644,772	-	13,332,214	9,457,352	7,139,120
	<u>\$ 21,993,068</u>	<u>\$ 1,624,513</u>	<u>\$ 1,559,582</u>	<u>\$ 25,177,163</u>	<u>\$ 13,729,886</u>	<u>\$ 897,492</u>	<u>\$ 117,602</u>	<u>\$ 14,509,776</u>	<u>\$ 10,667,387</u>	<u>\$ 8,263,182</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

12. CONSTRUCTION IN PROGRESS

	2 0 2 0	2 0 1 9
5 duplex project	\$	\$ 2,000,000
3 unit project - tiny homes	<u>278,000</u>	<u>-</u>
	<u>\$ 278,000</u>	<u>\$ 2,000,000</u>

The costs of construction in progress for these projects will be transferred to tangible capital assets upon completion and subsequently amortized accordingly.

13. ACCUMULATED SURPLUS

	2 0 2 0	2 0 1 9
Accumulated deficit from operations	\$ (549,803)	\$ (989,246)
Community Development Account	(909,523)	865,779
Equity in long term investments	830,971	766,972
Equity in tangible capital assets and construction in progress	9,408,298	9,154,226
Replacement reserve	<u>490,679</u>	<u>477,330</u>
	<u>\$ 9,270,622</u>	<u>\$10,275,061</u>

14. CONTINGENT LIABILITIES

- a) The First Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenditures 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, 2020 might be recovered.

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

- b) In March 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.

- c) During the year, the Province of Manitoba provided monthly tobacco tax rebates to Roseau River Anishinabe First Nation based on estimates.

Upon the submission of actual rebate claims it is expected that the Province of Manitoba will recover any amounts paid in excess of the submitted claims from future claims.

If any excess payments become repayable to the Province of Manitoba, the amounts will be recognized in the year of repayment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

15. COMMITMENTS

During the 2015-2016 fiscal year, Chief and Council of Roseau River Anishinabe First Nation ("the First Nation") authorized Roseau River 1903 Trust ("the 1903 Trust") to secure a \$10,000,000 loan from RBC Royal Bank (\$5,000,000 to re-finance the loan from the previous Corporate Trustee and an additional \$5,000,000 as per the terms of the by-law).

The net loan proceeds were transferred to Roseau River Anishinabe First Nation Community Development Account ("the Community Development Account") and recorded as an additional trust payment revenue.

Principal repayments of \$2,000,000 (\$1,000,000 during the 2016-2017 fiscal year and \$1,000,000 during the 2017-2018 fiscal year) were made by the 1903 Trust toward the initial \$10,000,000 authorized loan from RBC Royal Bank to reduce the outstanding balance to \$8,000,000 as of April 1, 2017.

During the 2017-2018 fiscal year, the First Nation's Chief and Council authorized the 1903 Trust to secure an additional \$8,000,000 in loan proceeds from RBC Royal Bank, of which \$2,543,500 in net proceeds was transferred to the Community Development Account and recorded as additional trust payment revenue.

The resulting balance of the authorized loan from RBC Royal Bank (guaranteed by the First Nation) became \$16,000,000 as of March 31, 2018 which the 1903 Trust is liable to repay in fixed principal installments of \$1,600,000 annually on December 31 over the next 10 years plus interest at the rate of prime (2.45%) plus 0.15% (March 31, 2019 - prime (3.95%) plus 0.15%).

Principal repayments of \$3,200,000 (\$1,600,000 during the 2018-2019 fiscal year and \$1,600,000 during the 2019-2020 fiscal year) were made by the 1903 Trust toward the \$16,000,000 authorized loan from RBC Royal Bank to reduce the outstanding balance to \$12,800,000 as of March 31, 2020 (March 31, 2019 - \$14,400,000).

The 1903 Trust will reduce future annual payments to the Community Development Account by the amount of the annual principal installments and related interest paid toward the authorized loan from RBC Royal Bank.

16. RECONCILIATION OF INDIGENOUS SERVICES CANADA (ISC) REVENUE

	2 0 2 0	2 0 1 9
ISC funding per agreement #1819-MB-000041 (MANITOBA)	\$ <u>7,636,460</u>	\$ <u>5,812,144</u>
Total ISC revenue per financial statements	\$ <u>7,636,460</u>	\$ <u>5,812,144</u>

17. RECONCILIATION OF FIRST NATIONS AND INUIT HEALTH BRANCH (FNIHB) REVENUE

	2 0 2 0	2 0 1 9
FNIHB funding per agreement #1617-MB-000023 (MANITOBA)	\$ <u>4,809,783</u>	\$ <u>3,523,477</u>
Total FNIHB revenue per financial statements	\$ <u>4,809,783</u>	\$ <u>3,523,477</u>

18. ROSEAU RIVER 1903 TRUST REVENUE

	2 0 2 0	2 0 1 9
Annual Trust Payment	\$ <u>1,252,850</u>	\$ 823,008
Additional Trust Payment	<u>2,265,170</u>	<u>1,800,000</u>
	\$ <u>3,518,020</u>	\$ <u>2,623,008</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

19. ECONOMIC DEPENDENCE

The First Nation receives a majority of its revenue from Indigenous Services Canada (ISC) and First Nations and 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.

20. SEGMENTS

The First Nation has twelve 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.

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

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

Housing - activities include the provision of residential housing opportunities for community members both on and off reserve.

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

Public Works - activities include the development and maintenance of the community's infrastructure, buildings, roads, bridges and related equipment and the provision of other more specialized community services.

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

21. BUDGET INFORMATION

The First Nation has not prepared a complete consolidated budget for the year ended March 31, 2020. Accordingly, budget figures are not presented in these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

22. 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.

23. EXPENSES BY OBJECT

	2 0 2 0	2 0 1 9
Administration and office	\$ 549,764	\$ 399,833
Amortization	897,493	981,115
Bad debts	33,522	9,243
Bank charges and interest	25,332	12,736
Business development	98,575	107,493
Contract fees and services	1,056,426	739,700
Contribution to Roseau River 1903 Trust	2,576,369	
Fuel	13,405	14,460
Insurance	90,814	142,432
Interest on long term debt	19,755	22,721
Non-capital equipment	81,103	620,785
Other	1,496,354	1,165,786
Payments to contractor for housing construction	832,000	
Rent	634,080	112,498
Repairs and maintenance	1,797,448	1,023,484
Replacement reserve	29,500	32,092
Salaries, honoraria, wages and benefits	4,204,155	4,550,142
Settlement payments	52,000	228,000
Social assistance	3,080,006	2,633,904
Supplies and materials	571,839	509,783
Telecommunication	123,817	80,093
Tobacco tax rebate distributions	876,058	1,047,007
Travel and accommodations	783,670	563,898
Training	296,291	445,712
Utilities	235,056	129,768
	<u>\$ 20,454,832</u>	<u>\$ 15,572,685</u>

24. SIGNIFICANT EVENT

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn.

This outbreak may also cause staff shortages, reduced demand and increased government regulations or interventions, all of which may negatively impact the financial condition or results of operations of Roseau River Anishinabe First Nation.

The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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25. COMPARATIVE FIGURES

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

26. PRIOR PERIOD ADJUSTMENTS

During the fiscal year, Roseau River Anishinabe First Nation determined that the following errors occurred within their March 31, 2019 consolidated financial statements:

a) The annual trust payment from Roseau River 1903 Trust was being recorded on a cash basis as received rather than in accordance with the accrual basis of accounting resulting in due from Roseau River 1903 Trust being understated on the consolidated statement of financial position by \$859,805 as at March 31, 2019.

b) Financial information pertaining to a settlement agreement between Roseau River Anishinabe First Nation Trust and Roseau River Anishinabe First Nation was not included in the consolidated financial statements of previous fiscal years resulting in due to Roseau River Anishinabe First Nation Trust being understated on the consolidated statement of financial position by \$2,073,551 as at March 31, 2019.

The First Nation's management has decided to correct both of the aforementioned errors by retroactively restating the comparative figures reported as at March 31, 2019 and for the year then ended.

The following table outlines the impact of the above errors and their corrections on the prior period consolidated statements of financial position, operations and accumulated surplus and changes in net financial assets (net debt):

	As previously reported	Increase (Decrease)	Restated
<u>Consolidated Statement of Financial Position:</u>			
Due from Roseau River 1903 Trust	\$	\$ 859,805	\$ 859,805
Due to Roseau River Anishinabe First Nation Trust	\$	\$ 2,073,551	\$ 2,073,551
Net financial assets (net debt)	\$ 1,054,578	\$(1,213,746)	\$(159,168)
Accumulated surplus	\$ 11,488,809	\$(1,213,746)	\$ 10,275,063
<u>Consolidated Statement of Operations and Accumulated Surplus:</u>			
Revenue	\$ 15,133,670	\$(95,415)	\$ 15,038,255
Annual deficit	\$(439,015)	\$(95,415)	\$(534,430)
Accumulated surplus, beginning of year	11,927,824	(1,118,331)	10,809,493
Accumulated surplus, end of year	\$ 11,488,809	\$(1,213,746)	\$ 10,275,063
<u>Consolidated Statement of Changes in Net Financial Assets (Net Debt):</u>			
Annual deficit	\$(439,015)	\$(95,415)	\$(534,430)
Change in net financial assets (net debt) for year	\$(841,903)	\$(95,415)	\$(937,318)
Net financial assets (net debt), beginning of year	1,896,481	(1,118,331)	778,150
Net financial assets (net debt), end of year	\$ 1,054,578	\$(1,213,746)	\$(159,168)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

27. 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 Government		Capital		Community Development		Economic Development		Education	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue:										
Federal Government										
ISC	\$ 908,075	\$ 797,423	\$ 899,721	\$ 1,161,011	\$ -	\$ -	\$ 124,003	\$ 89,003	\$ 868,959	\$ 791,330
FNIHB										
CMHC	-	-	-	-	-	-	-	-	-	-
Subtotal	908,075	797,423	899,721	1,161,011	-	-	124,003	89,003	868,959	791,330
Funding recoveries										(1,715)
Other revenue	2,070	414			3,518,020	2,623,008				
Deferred from prior year	119,845		571,711							
Deferred to following year	(137,208)	(119,845)	(136,591)	(571,711)	-	-	-	-	(131,827)	-
Total revenue	<u>892,782</u>	<u>677,992</u>	<u>1,334,841</u>	<u>589,300</u>	<u>3,518,020</u>	<u>2,623,008</u>	<u>124,003</u>	<u>89,003</u>	<u>737,132</u>	<u>789,615</u>
Expenditures:										
Amortization			49,486	25,825	16,269	4,181				
Interest on long term debt										
Salaries/wages/benefits	97,895	88,723	92,308		172,925	116,170			147,000	201,777
Other	<u>594,028</u>	<u>313,192</u>	<u>794,416</u>	<u>335,052</u>	<u>4,438,084</u>	<u>1,921,363</u>	<u>124,003</u>	<u>89,003</u>	<u>325,811</u>	<u>519,511</u>
Total expenditures	<u>691,923</u>	<u>401,915</u>	<u>936,210</u>	<u>360,877</u>	<u>4,627,278</u>	<u>2,041,714</u>	<u>124,003</u>	<u>89,003</u>	<u>472,811</u>	<u>721,288</u>
Annual Surplus (Deficit)	<u>\$ 200,859</u>	<u>\$ 276,077</u>	<u>\$ 398,631</u>	<u>\$ 228,423</u>	<u>\$ (1,109,258)</u>	<u>\$ 581,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,321</u>	<u>\$ 68,327</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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27. SEGMENT DISCLOSURE (continued)

	Employment and Training		Ginew Seniors Lodge		Ginew Wellness Centre		Housing		Own Source	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue:										
Federal Government										
ISC	\$	\$	\$	\$	\$	\$	\$ 729,450	\$	\$	\$
FNIHB					4,809,783	3,523,477				
CMHC	-	-	49,466	49,466	-	-	177,195	505,515	-	-
Subtotal	-	-	49,466	49,466	4,809,783	3,523,477	906,645	505,515	-	-
Funding recoveries		(20,918)								
Other revenue	570,333	671,713	54,046	73,368	187,854	111,924	91,947	465,906	2,614,499	1,997,292
Deferred from prior year	36,588	103,831	1,425		54,584	43,447	392,557	487,350		55,000
Deferred to following year	(97,803)	(36,588)	(1,890)	(1,425)	(592,019)	(54,584)	(289,644)	(392,557)	-	-
Total revenue	509,118	718,038	103,047	121,409	4,460,202	3,624,264	1,101,505	1,066,214	2,614,499	2,052,292
Expenditures:										
Amortization	7,443	7,443	35,613	35,124	217,514	215,621	467,557	641,348	54,096	51,573
Interest on long term debt			6,944	7,435			12,811	15,286		
Salaries/wages/benefits	196,524	212,986			2,261,441	2,203,828	138,230	310,378	597,241	1,045,931
Other	304,243	373,141	62,694	72,577	1,645,293	966,009	1,743,839	1,046,261	2,101,903	1,971,167
Total expenditures	508,210	593,570	105,251	115,136	4,124,248	3,385,458	2,362,437	2,013,273	2,753,240	3,068,671
Annual Surplus (Deficit)	\$ 908	\$ 124,468	\$ (2,204)	\$ 6,273	\$ 335,954	\$ 238,806	\$ (1,260,932)	\$ (947,059)	\$ (138,741)	\$ (1,016,379)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

27. SEGMENT DISCLOSURE (continued)

	Public Works		Social		TOTAL	
	2020	2019	2020	2019	2020	2019 (Restated)
Revenue:						
Federal Government						
ISC	\$ 1,645,959	\$ 465,191	2,460,293	2,508,186	\$ 7,636,460	\$ 5,812,144
FNIHB					4,809,783	3,523,477
CMHC	-	-	-	-	226,661	554,981
Subtotal	1,645,959	465,191	2,460,293	2,508,186	12,672,904	9,890,602
Funding recoveries	(24,667)				(24,667)	(22,633)
Other revenue	25,827				7,064,596	5,943,625
Deferred from prior year	136,187	106,870	256,940		1,569,837	796,498
Deferred to following year	(178,205)	(136,187)	(267,092)	(256,940)	(1,832,279)	(1,569,837)
Total revenue	<u>1,605,101</u>	<u>435,874</u>	<u>2,450,141</u>	<u>2,251,246</u>	<u>19,450,391</u>	<u>15,038,255</u>
Expenditures:						
Amortization	46,013		3,502		897,493	981,115
Interest on long term debt					19,755	22,721
Salaries/wages/benefits	362,617	217,565	137,974	152,784	4,204,155	4,550,142
Other	<u>1,047,439</u>	<u>378,166</u>	<u>2,151,676</u>	<u>2,033,265</u>	<u>15,333,429</u>	<u>10,018,707</u>
Total expenditures	<u>1,456,069</u>	<u>595,731</u>	<u>2,293,152</u>	<u>2,186,049</u>	<u>20,454,832</u>	<u>15,572,685</u>
Annual Surplus (Deficit)	<u>\$ 149,032</u>	<u>\$ (159,857)</u>	<u>\$ 156,989</u>	<u>\$ 65,197</u>	<u>\$ (1,004,441)</u>	<u>\$ (534,430)</u>