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Rolling River First Nation
Consolidated Financial Statements
March 31, 2017

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Rolling River First Nation
Consolidated Contents
For the year ended March 31, 2017

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Management's Responsibility

To Chief and Council and the Members of Rolling River First Nation:

The accompanying consolidated financial statements of Rolling River First Nation (the "Nation") are the responsibility of management and have been approved by Chief and Council.

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

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

The Rolling River First Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council is also responsible for appointing the Nation's external auditors.

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

January 26, 2018



Manager

Independent Auditors' Report

To Chief and Council and the Members of Rolling River First Nation:

We have audited the accompanying consolidated financial statements of Rolling River First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, change in 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 Consolidated 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 consolidated 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 from 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 audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Rolling River First Nation as at March 31, 2017 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Moosomin, Saskatchewan

January 26, 2018

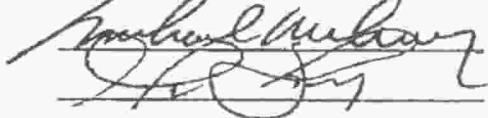
MNP LLP

Chartered Professional Accountants

Rolling River First Nation
Consolidated Statement of Financial Position
As at March 31, 2017

	2017	2016
Financial assets		
Cash and cash equivalents	536,694	98,270
Accounts receivable (Note 3)	389,261	878,138
Inventory for resale (Note 4)	26,755	30,742
Funds held in Ottawa Trust Fund (Note 5)	2,189	2,148
Patronage equity	10,000	10,000
Notes receivable (Note 6)	437,130	499,168
Moveable asset reserve (Note 7)	32,656	31,539
VLT administration fee (Note 8)	467,500	540,100
Investment in KRW Limited Partnership (Note 9)	1,178,572	1,184,313
Total of assets	3,080,757	3,274,418
Liabilities		
Bank indebtedness (Note 10)	384,598	241,282
Accounts payable and accruals (Note 11)	1,232,052	1,158,677
Deferred revenue (Note 12)	746,306	808,696
Long-term debt (Note 13)	1,191,384	1,622,711
Capital lease obligations (Note 14)	23,955	36,143
Total of financial liabilities	3,578,295	3,867,509
Net debt	(497,538)	(593,091)
Commitments (Note 19)		
Contingencies (Note 20)		
Non-financial assets		
Tangible capital assets (Schedule 1)	15,771,496	15,764,413
Prepaid expenses	52,347	64,927
Total non-financial assets	15,823,843	15,829,340
Accumulated surplus (Note 23)	15,326,305	15,236,249

Approved on behalf of the First Nation



Chief

Councillor



Councillor

Rolling River First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	<i>Schedules</i>	<i>2017 Budget (Note 17)</i>	<i>2017</i>	<i>2016</i>
Revenue				
Indigenous and Northern Affairs Canada (Note 15)		4,007,349	5,454,767	4,166,789
Health Canada (Note 15)		1,161,845	1,334,334	1,457,994
Canada Mortgage and Housing Corporation (Note 15)				5,830
First Peoples' Development Inc.		265,885	293,754	263,587
Additional government funding		51,700	51,111	116,822
Aboriginal Language Initiative				16,925
Administration fees			62,990	27,000
Band revenue funds			13,603	19,269
Debt forgiveness				247,356
Earnings (loss) from investment in joint partnership (Note 9)			(5,741)	2,875
Earnings (loss) from Band Farms			814	(412)
Earnings (loss) in TLE Trust			(62,038)	(31,352)
Gain (loss) on disposal of tangible capital assets			43,054	24,500
GST and Tobacco Tax rebates			177,325	159,296
Hydro line project				47,871
Investment income			17,258	35,236
Lease income			155,310	140,542
Miscellaneous			5,844	12,460
National Association of Cultural Education				23,894
Parks Canada			37,976	121,004
Rental income		80,500	213,916	224,518
Residential schools				27,000
Repayment of funding				(48,965)
Revenue from Rolling River Trucking				35,618
Revenue from Southquill Gaming Centre		4,600,000	5,042,949	4,305,609
Revenue from Southquill Gas Bar		792,000	604,459	831,507
Revenue from Southquill Restaurant			556,993	508,900
User fees			21,527	14,769
West Region Tribal Council				150
Deferred revenue - current year (Note 12)			(746,306)	(808,696)
Deferred revenue - prior year (Note 12)			808,696	840,141
		10,959,279	14,082,595	12,788,037
Expenses				
Southquill Health	4	1,217,740	1,379,534	1,419,680
Post Secondary	5	347,339	339,219	337,529
Social Assistance	6	364,900	503,893	412,829
Operations	7	4,350,122	5,632,125	5,522,977
Business	8	5,456,350	6,137,768	5,609,555
Total expenses (Schedule 2)		11,736,451	13,992,539	13,302,570
Surplus (deficit)		(817,782)	90,056	(514,533)
Accumulated surplus, beginning of year		15,236,249	15,236,249	15,750,782
Accumulated surplus, end of year		14,418,467	15,326,305	15,236,249

The accompanying notes are an integral part of these financial statements

Rolling River First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2017

	2017 Budget	2017	2016
Surplus (deficit)	(817,782)	90,056	(514,533)
Purchases of tangible capital assets	-	(1,113,151)	(123,638)
Purchase of capital lease asset	-	-	(65,000)
Amortization of tangible capital assets	876,300	1,071,372	933,588
Proceeds of disposal of tangible capital assets	-	77,750	-
Gain on disposal of assets included in surplus	-	(43,054)	-
	876,300	(7,083)	744,950
Acquisition of prepaid expenses	-	(52,347)	(64,927)
Use of prepaid expenses	-	64,927	52,682
	-	12,580	(12,245)
Decrease in net debt	58,518	95,553	218,172
Net debt, beginning of year	(593,091)	(593,091)	(811,263)
Net debt, end of year	(534,573)	(497,538)	(593,091)

Rolling River First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities:		
Operating activities		
Cash receipts from contributors	14,565,759	12,070,269
Cash paid to suppliers	(10,409,548)	(10,100,634)
Cash paid to employees	(2,315,904)	(2,328,224)
Interest on long-term debt	(66,242)	(60,493)
	1,774,065	(419,082)
Financing activities		
Advances of long-term debt	130,151	929,000
Repayment of long-term debt	(561,478)	(821,366)
Repayment of capital lease obligations	(12,188)	(28,857)
	(443,515)	78,777
Capital activities		
Purchases of tangible capital assets	(1,113,151)	(123,638)
Proceeds of disposal of tangible capital assets	77,750	-
	(1,035,401)	(123,638)
Investing activities		
Increase in Ottawa Trust Fund	(41)	(44)
Increase (decrease) in cash resources	295,108	(463,987)
Cash resources (deficiency), beginning of year	(143,012)	320,975
Cash resources (deficiency), end of year	152,096	(143,012)
Cash resources (deficiency) are composed of:		
Cash and cash equivalents	536,694	98,270
Bank indebtedness	(384,598)	(241,282)
	152,096	(143,012)

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

1. Operations

The Rolling River First Nation (the "First Nation") is located in the province of Manitoba, and provides various services to its members. Rolling River First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

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

Basis of presentation

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

Reporting entity

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

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

- Rolling River First Nation - Operations
- Southquill Health
- Rolling River Post Secondary
- Rolling River Social Assistance
- Southquill Gaming Centre
- Southquill Gas Bar

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.

Investment in the KRW Limited Partnership is accounted for using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

Cash resources

Cash resources includes cash on hand and balances with banks net of bank overdraft.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Inventory held for resale is classified as a financial asset when all of the following criteria are met:

- Prior to March 31, 2017, the First Nation has committed to sell the asset;
- The asset is in a condition to be sold;
- The asset is publicly seen to be for sale;
- There is an active market for the asset;
- A plan exists for selling the asset; and
- A sale to a party external to the First Nation can reasonably be expected within one year.

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

2. Significant accounting policies (Continued from previous page)

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	20 %
Housing	straight-line	4 %
Automotive (including leased)	straight-line	20 %
Equipment	straight-line	20 %
Infrastructure	declining balance	2.5 %
Signage	declining balance	20 %

Land is not amortized. Assets under construction are not amortized until assets are put into use.

Asset classification

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

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

Measurement uncertainty

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

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Payable to funding agencies is based on anticipated repayment requirements; however, actual repayments will be determined upon funding agencies review of financial statements. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the operations in the periods in which they become known.

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

2. Significant accounting policies (Continued from previous page)

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Rental and other revenue

Rental revenue is recognized over the rental term. Other revenues earned from other services provided and goods sold by the Nation, including Video Lotto revenues, are recognized at their fair value when the service is provided or at time of sale.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2017. There are no known liabilities at March 31, 2017.

Segments

The First Nation conducts its business through five reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Southquill Health - reports on health and wellness programs funded by Health Canada

Post Secondary - reports on the operations of post secondary programs

Social Assistance - reports on social assistance programs

Operations - reports on general operations and maintenance programs in the First Nation

Business - reports on the enterprises undertaken by the First Nation

Inter-segment transfers are recorded at their exchange amount. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

3. Accounts receivable

	2017	2016
Indigenous and Northern Affairs Canada	50,330	362,236
Other government agencies	195,100	197,824
Trade receivables	72,202	148,883
Members	129,284	143,119
Health Canada	-	73,000
Less: Allowance for doubtful accounts	446,916	925,062
	57,655	46,924
	389,261	878,138

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

4. Inventory for resale

	2017	2016
Southquill Gas Bar	11,102	13,636
Southquill Restaurant	3,000	-
Southquill Gaming	12,653	8,896
Rolling River Band Farm	-	8,210
	26,755	30,742

5. Funds held in Ottawa Trust Fund

The Ottawa Trust account arises from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. Sections 63 to 69 of the Indian Act primarily govern the management of these funds.

	2017	2016
Balance, beginning of year	2,148	2,104
Interest earned	41	44
	2,189	2,148

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

6. Notes receivable

Amounts owing from the Rolling River First Nation TLE Trust are unsecured, non-interest bearing and due on demand provided that the request from Council conforms to the provisions set out in the trust agreement. These funds are available to the Rolling River First Nation under the Framework Agreement signed on May 29, 1997. The Framework Agreement also states that the revenue earned from the Treaty Land Entitlement will have no effect on existing or future funding for programs.

Section 39.01 of the Framework Agreement states:

- (1) Nothing in this agreement shall affect the ability of an Entitlement First Nation to have access to programs and services offered by Canada and Manitoba on the same basis as other First Nations in Canada in accordance with the laws and policies established from time to time for those programs and services;
- (2) For greater certainty, neither the amount of the federal payment, nor the income from the federal payment shall be factored into or considered in any negative manner in the determination of any amount of funding for any programs or services of Canada or Manitoba for which an Entitlement First Nation qualifies under the criteria for those programs or services.

	2017	2016
Balance, beginning of year	499,168	530,520
Current year loss	(62,038)	(31,352)
Balance, end of year	437,130	499,168

7. Moveable asset reserve

	2017	2016
Balance beginning of year	31,539	30,393
Annual allocation	1,117	1,146
	32,656	31,539

8. VLT Administration Fee

	2017	2016
Opening balance	540,100	42,000
Add: administration fee advance	-	561,000
Less: administration fee amortization	(72,600)	(62,900)
	467,500	540,100

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

9. Investment in KRW Limited Partnership

The Nation holds a one-third interest in a partnership with two other First Nations. The partnership owns land which it rents out.

	2017	2016
Balance, beginning of year	1,184,313	1,186,769
Add: Current year income (loss)	(5,741)	2,875
Less: Withdrawals/transfers	-	(5,331)
	1,178,572	1,184,313

10. Bank indebtedness

At March 31, 2017, the First Nation had lines of credit totaling \$340,000 (2016 - \$200,000), in which \$335,373 (\$153,022 in 2016) were drawn. The interest rate on lines of credit are prime plus 3.30%, which at year end amounted to 7.00% (2016 - 6.00%). The First Nation had outstanding cheques at the end of the year which resulted in a total bank indebtedness of \$384,598 (\$241,282 in 2016). The following has been collateralized in connection with this line of credit:

- General security agreement; and
- Band Council Resolution redirecting all funds from Indigenous and Northern Affairs Canada to the financial institution.

11. Accounts payable and accruals

	2017	2016
Trade payables	1,071,015	1,036,670
Payroll liabilities	85,159	54,347
Government remittances	75,878	30,777
Indigenous and Northern Affairs Canada payable	-	36,883
	1,232,052	1,158,677

12. Deferred revenue

	Balance March 31, 2016	Funding Received 2017	Revenue (loss) Recognized 2017	Balance March 31, 2017
Other				
TLE Trust - community restricted	808,696	-	(62,390)	746,306

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

13. Long-term debt

	2017	2016
First People's Economic Growth loan payable in monthly installments of \$2,344 including interest at 0%, secured by second charge general security agreement including assets with a net book value of \$161,207 (\$296,335 in 2016), due May 2024.	202,049	230,174
Median Credit Union loan payable in monthly installments of \$26,099 including interest at 5.70% (2016 - 5.70%), secured by general security agreement, due May 2018.	326,420	612,059
Median Credit Union loan payable in monthly installments of \$10,000 including interest at 7.00% (2016 - 7%), secured by general security agreement, due August 2018.	160,694	265,409
Liquor and Gaming Authority of Manitoba loan payable in weekly installments of \$1,672 including interest at 2.35%, secured by video lottery terminals having a net book value of \$467,500 (2016 - 540,100), due August 2022.	439,603	515,069
Bank of Montreal loan payable in monthly installments of \$2,536 including interest at 7.79%, secured by assets with a net book value of \$104,121, due June 2019.	62,618	-
	1,191,384	1,622,711

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2018	546,310
2019	209,000
2020	116,860
2021	112,900
2022	113,290

Interest on long-term debt amounted to \$66,242 (2016 - \$60,493).

14. Capital lease obligations

	2017	2016
National Leasing lease payable in monthly installments of \$1,570 including interest at 21.62%, secured by automotive equipment having a net book value of \$39,000 (2016 - \$52,000), due October 2018.	23,955	36,143

Minimum lease payments related to the obligation under capital lease are as follows:

2018	15,100
2019	8,855
	23,955

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

15. Government transfers

During the year, the First Nation recognized the following government transfers:

	2017			2016		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers:						
Indigenous and Northern Affairs Canada	4,553,767	901,000	5,454,767	4,166,789	-	4,166,789
Health Canada	1,334,334	-	1,334,334	1,457,994	-	1,457,994
Canada Mortgage and Housing Corporation	-	-	-	5,830	-	5,830
Total	5,888,101	901,000	6,789,101	5,630,613	-	5,630,613

16. Indian pension agreement

The Rolling River First Nation has entered into an agreement with Indigenous and Northern Affairs Canada for funding contributions for an employee registered pension plan for Indigenous and Northern Affairs Canada funded employees. Employees participating in the pension agreement number 27 (2016 - 35). No pension obligations were outstanding at year end. The following amounts relate to the agreement.

	2017	2016
Total eligible salaries for participating employees	833,799	940,535
Private pension plan - employer contributions	33,036	44,066

17. Economic dependence

Rolling River First Nation receives 39% (2016 - 33%) of its revenue from Indigenous and Northern Affairs Canada (INAC) and 9% (2016 - 11%) of its revenue from Health Canada as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

18. Comparative figures

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

19. Commitments

The First Nation has entered into an agreement to purchase a multi-unit residential building that was currently under construction as at March 31, 2017. Commitment for future capital investments at March 31, 2017, totaled approximately \$45,000, all of which is expected to incur in 2018.

20. Contingent liabilities

These consolidated financial statements are subject to review by the First Nation's funding agents. It is possible that adjustments could be made based on the results of their review and amounts may be subject to repayment or recovery, depending on terms and conditions of the relevant agreements.

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

21. Budget information

The disclosed budget information has been approved by the Chief and Council and presented to the members of the Rolling River First Nation at the budget meeting held on September 19, 2015. As per confirmation received on October 30, 2017 the budget from the previous year remained in effect for the current year. The budget information for the First Nation's business entities have not been reported in these financial statements and programs no longer in operation were removed from the approved budget. Below is a reconciliation of the figures from the approved budget to the budget per the consolidated financial statements:

	Approved budget	Adjustments	Budget per consolidated financial statements
Statement of operations			
Revenue	11,298,759	(339,480)	10,959,279
Expenses	12,132,259	(395,808)	11,736,451
	(833,500)	15,718	(817,782)
Statement of changes in net financial assets			
Annual deficit	(833,500)	15,718	(817,782)
Amortization	876,300	-	876,300
	42,800	15,718	58,518

22. Compliance with laws

The First Nations Financial Transparency Act required First Nations to make their financial statements publicly available and submit their consolidated financial statements to Indigenous and Northern Affairs Canada by July 31, 2017. As the audit is dated after July 31, 2017, the First Nation is in breach of this requirement.

23. Accumulated surplus

Current year surplus (deficit) consists of the following:

	Operating Fund	Capital Asset Fund	Moveable assets Reserve	Trust Funds	2017 Total	2016 Total
Beginning of year	(295,534)	15,498,096	31,539	2,148	15,236,249	15,750,782
Program transfers	-	-	-	-	-	-
Current year deficit	104,120	(15,222)	1,117	41	90,056	(514,533)
	(191,414)	15,482,874	32,656	2,189	15,326,305	15,236,249

Current year surplus (deficit) by segment consists of the following:

Southquill Health	220,954	859,417	32,656	-	1,113,027	1,095,345
Post Secondary	25,223	-	-	-	25,223	(18,065)
Social Assistance	(118,040)	-	-	-	(118,040)	(112,977)
Operations	(260,969)	14,113,214	-	2,189	13,854,434	13,889,973
Business	(58,582)	510,243	-	-	451,661	381,973
	(191,414)	15,482,874	32,656	2,189	15,326,305	15,236,249

Rolling River First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Buildings</i>	<i>Housing</i>	<i>Automotive</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Land</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	8,706,758	6,673,663	3,457,413	1,020,644	4,702,579	4,904,160	29,465,217
Acquisition of tangible capital assets	-	-	245,752	899	-	-	246,651
Construction-in-progress	866,500	-	-	-	-	-	866,500
Disposal of tangible capital assets	-	-	(86,740)	-	-	-	(86,740)
Balance, end of year	9,573,258	6,673,663	3,616,425	1,021,543	4,702,579	4,904,160	30,491,628
Accumulated amortization							
Balance, beginning of year	4,188,180	3,626,406	2,861,573	614,611	2,463,822	-	13,754,592
Annual amortization	309,092	266,947	291,249	37,707	153,019	-	1,058,014
Accumulated amortization on disposals	-	-	(52,044)	-	-	-	(52,044)
Balance, end of year	4,497,272	3,893,353	3,100,778	652,318	2,616,841	-	14,760,562
Net book value of tangible capital assets	5,075,986	2,780,310	515,647	369,225	2,085,738	4,904,160	15,731,066
2016 Net book value of tangible capital assets	4,518,578	3,047,257	595,840	406,033	2,238,757	4,904,160	15,710,625

Rolling River First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Signage</i>	<i>Automotive Leased</i>	<i>2017</i>	<i>2016</i>
Cost					
Balance, beginning of year	29,465,217	13,650	65,000	29,543,867	29,224,754
Acquisition of tangible capital assets	246,651	-	-	246,651	188,638
Construction-in-progress	866,500	-	-	866,500	-
Disposal of tangible capital assets	(86,740)	-	-	(86,740)	130,475
Balance, end of year	30,491,628	13,650	65,000	30,570,278	29,543,867
Accumulated amortization					
Balance, beginning of year	13,754,592	11,862	13,000	13,779,454	12,715,391
Annual amortization	1,058,014	358	13,000	1,071,372	933,588
Accumulated amortization on disposals	(52,044)	-	-	(52,044)	130,475
Balance, end of year	14,760,562	12,220	26,000	14,798,782	13,779,454
Net book value of tangible capital assets	15,731,066	1,430	39,000	15,771,496	15,764,413
2016 Net book value of tangible capital assets	15,710,625	1,788	52,000	15,764,413	

Rolling River First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2017

	2017 Budget	2017	2016
Consolidated expenses by object			
Administration	84,619	86,668	124,954
Advertising	5,100	2,564	2,479
Allowances	98,500	84,672	94,768
Amortization	876,300	1,071,372	933,588
Automotive	28,500	30,717	50,029
Bad debts	5,600	43,521	20,584
Bank charges and interest	4,100	60,761	72,867
Benefits	8,500	7,219	6,747
Building materials	122,900	35,228	88,543
Cash over/short	50	29,283	29,641
Community events	-	52,965	37,587
Computer	14,450	4,609	35,341
Consulting	2,400	33,139	62,070
Contracted services	14,000	15,664	11,706
Donations	123,000	131,739	72,954
Economic	-	39,526	63,282
Elders fees	2,300	6,967	6,176
Employable income support	234,000	251,851	211,600
Food and beverage	11,300	868	1,725
Fuel	122,400	99,130	101,482
Graduation	-	15,423	13,179
Honouraria	168,200	106,070	147,137
Instruction	12,000	8,533	1,201
Insurance	140,000	213,264	170,257
Interest on long-term debt	6,300	66,242	60,493
MLC Share	118,800	175,884	156,243
MLC registration fees	-	12,745	13,716
Miscellaneous	1,800	37,795	27,334
Office equipment lease	23,400	27,559	19,835
Office rent	15,300	16,888	15,000
Office supplies	80,056	82,886	80,879
Professional fees	96,100	203,976	146,086
Program expense	240,989	318,203	238,105
Property taxes	-	-	71,500
Purchases	965,400	1,163,601	1,307,744
Renovations	49,700	29,358	38,348
Rent	10,500	11,364	19,237
Repairs and maintenance	406,150	575,237	574,130
Salaries and benefits	2,006,504	2,315,904	2,336,724
Subcontracts	-	70,619	-
Supplies	88,062	110,504	108,883
Telephone	68,000	68,926	67,118
Training	18,100	17,743	19,880
Transportation	121,174	141,220	158,712
Travel	217,508	204,044	250,762
Tuition	1,299,700	1,493,982	1,474,501
Unemployable income support	43,500	131,089	102,623
User fees	2,700	2,785	2,554
Utilities	161,200	203,562	185,194
VLT payouts	3,550,000	4,010,113	3,398,373
Workshop	67,289	68,557	68,699
	11,736,451	13,992,539	13,302,570

Rolling River First Nation
Schedule 3 - Consolidated Schedule of Revenue and Expenses by Segment
For the year ended March 31, 2017

	<i>INAC</i> Revenue	Other Revenue	Deferred Revenue	Funds Held in Trust	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Surplus (Deficit)
Southquill Health	-	1,356,606	-	-	1,356,606	1,379,534	40,610	17,682
Post Secondary	382,507	-	-	-	382,507	339,219	-	43,288
Social Assistance	498,830	-	-	-	498,830	503,893	-	(5,063)
Operations	4,573,430	1,063,413	62,390	(62,038)	5,637,196	5,632,125	(40,610)	(35,539)
Business	-	6,207,456	-	-	6,207,456	6,137,768	-	69,688
Total	5,454,767	8,627,475	62,390	(62,038)	14,082,595	13,992,539	-	90,056

Rolling River First Nation
Southquill Health
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Health Canada	1,161,845	1,334,333	1,457,994
Aboriginal Language Initiative	-	-	3,000
Investment income	-	2,469	1,994
Miscellaneous	-	3,004	-
Rental income	-	16,800	16,800
	1,161,845	1,356,606	1,479,788
Expenses			
Administration	54,219	2,819	22,012
Amortization	-	72,494	72,494
Automotive	28,500	30,717	50,029
Bank charges and interest	2,000	1,072	2,156
Consulting	2,400	33,139	27,156
Contracted services	14,000	15,664	11,706
Elders fees	-	1,117	1,146
Honouraria	68,700	46,674	51,009
Insurance	21,600	25,645	19,895
Miscellaneous	-	23,322	18,069
Office equipment lease	15,000	11,174	9,601
Office rent	8,000	9,600	9,600
Office supplies	24,106	31,831	20,074
Professional fees	21,000	15,593	10,093
Program expense	-	2,912	1,204
Repairs and maintenance	29,150	36,161	48,815
Salaries and benefits	675,906	768,568	752,450
Supplies	33,062	41,989	37,281
Telephone	24,600	26,684	25,516
Training	10,600	6,811	7,200
Transportation	50,000	56,210	79,878
Travel	45,608	26,775	45,116
Utilities	22,000	24,006	28,481
Workshop	67,289	68,557	68,699
	1,217,740	1,379,534	1,419,680
Surplus (deficit) before transfers	(55,895)	(22,928)	60,108
Transfers between segments	40,610	40,610	40,610
Surplus (deficit)	(55,895)	17,682	100,718

Rolling River First Nation
Post Secondary
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	337,883	382,507	346,863
Expenses			
Administration	-	1,051	5,613
Advertising	-	280	-
Allocation	98,500	84,672	94,768
Bank charges and interest	2,000	4,900	6,774
Benefits	8,500	7,219	6,747
Computer	-	1,238	1,126
Elders fees	2,300	5,850	5,030
Food and beverage	11,300	868	1,725
Honouraria	4,500	8,000	1,650
Miscellaneous	-	718	204
Office rent	7,300	7,288	5,400
Office supplies	12,250	8,124	8,189
Professional fees	9,500	6,889	6,773
Program expense	34,389	40,122	21,456
Salaries and benefits	92,200	71,781	88,677
Supplies	-	1,350	2,110
Telephone	5,600	7,638	6,155
Travel	15,300	22,937	12,693
Tuition	43,700	58,294	62,439
	347,339	339,219	337,529
Surplus (deficit)	(9,456)	43,288	9,334

Rolling River First Nation
Social Assistance
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	393,500	498,830	392,672
Repayment of funding	-	-	(19,711)
	393,500	498,830	372,961
Expenses			
Employable income support	234,000	251,851	211,600
Supplies	9,900	18,255	15,362
User fees	2,700	2,785	2,554
Utilities	74,800	99,913	80,690
Unemployable income support	43,500	131,089	102,623
	364,900	503,893	412,829
Surplus (deficit)	28,600	(5,063)	(39,868)

Rolling River First Nation
Operations
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	3,275,966	4,573,430	3,427,254
Canada Mortgage and Housing Corporation	-	-	5,830
First Peoples' Development Inc.	265,885	293,755	263,587
Additional government funding	51,700	51,111	116,822
Aboriginal Language Initiative	-	-	13,925
Administration fees	-	62,990	27,000
Band revenue funds	-	13,603	19,269
Debt forgiveness	-	-	30,196
Deferred revenue - current year (Note 12)	-	(746,306)	(808,696)
Deferred revenue - prior year (Note 12)	-	808,696	840,141
Earnings (loss) from Band Farms	-	814	(412)
Earnings from investment in joint partnership	-	(5,741)	2,875
GST and Tobacco Tax rebates	-	177,325	159,296
Gain (loss) on disposal of tangible capital assets	-	43,054	24,500
Hydro line project	-	-	47,871
Income (loss) in TLE Trust	-	(62,038)	(31,352)
Income from Rolling River Trucking	-	-	35,618
Investment income	-	14,789	33,242
Lease income	-	155,310	140,542
Miscellaneous	-	-	11,050
National Association of Cultural Education	-	-	23,894
Parks Canada	-	37,761	121,004
Rental income	80,500	197,116	207,718
Repayment of funding	-	-	(29,254)
Residential schools	-	-	27,000
User fees	-	21,527	14,769
West Region Tribal Council	-	-	150
	3,674,051	5,637,196	4,723,839

Continued on next page

Rolling River First Nation
Operations
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue <i>(Continued from previous page)</i>	3,674,051	5,637,196	4,723,839
Expenses			
Administration	30,400	82,798	97,329
Amortization	791,500	966,209	827,492
Bad debts	-	23,917	2,387
Bank charges and interest	-	48,059	56,241
Building materials	122,900	35,228	88,543
Community events	-	52,965	37,587
Computer	14,450	3,371	34,214
Consulting	-	-	34,913
Economic	-	39,526	63,282
Fuel	122,400	99,130	101,482
Graduation	-	15,423	13,179
Honouraria	95,000	50,856	94,478
Instruction	12,000	8,533	1,201
Insurance	112,400	168,146	144,088
Interest on long-term debt	3,900	54,775	52,927
Miscellaneous	1,800	13,171	7,907
Office equipment lease	8,400	11,534	7,165
Office supplies	30,600	34,704	44,151
Professional fees	51,800	142,312	113,708
Program expense	206,600	275,170	215,445
Property taxes	-	-	71,500
Renovations	49,700	29,358	38,348
Rent	10,500	11,364	19,237
Repairs and maintenance	345,100	518,004	507,826
Salaries and benefits	767,198	1,109,339	1,036,922
Southquill Gaming Centre	-	-	26,190
Subcontracts	-	70,619	-
Supplies	41,100	36,784	40,669
Telephone	23,300	19,815	20,571
Training	6,500	1,645	2,810
Transportation	71,174	85,010	78,834
Travel	140,000	133,928	172,532
Tuition	1,256,000	1,435,689	1,412,062
Utilities	35,400	54,743	57,757
	4,350,122	5,632,125	5,522,977
Surplus (deficit) before transfers	(676,071)	5,071	(799,138)
Transfers between segments	(40,610)	(40,610)	(40,610)
Deficit	(716,681)	(35,539)	(839,748)

Rolling River First Nation
Business
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Income from Southquill Gaming Centre	4,600,000	5,042,949	4,305,609
Income from Southquill Gas Bar	792,000	604,459	831,507
Income from Southquill Restaurant	-	556,993	508,900
Miscellaneous	-	2,840	1,410
Parks Canada	-	215	-
Debt forgiveness	-	-	217,160
	5,392,000	6,207,456	5,864,586
Expenses			
Advertising	5,100	2,284	2,479
Amortization	84,800	32,669	33,602
Bad debts	5,600	19,604	18,196
Bank charges and interest	100	6,729	7,696
Cash over/short	50	29,283	29,641
Donations	123,000	131,739	72,954
Honouraria	-	540	-
Insurance	6,000	19,474	6,275
Interest on long-term debt	2,400	11,467	7,567
MLC Share	118,800	175,884	156,243
MLC registration fees	-	12,745	13,716
Miscellaneous	-	584	1,153
Office equipment lease	-	4,851	3,069
Office supplies	13,100	8,226	8,465
Professional fees	13,800	39,182	15,513
Purchases	965,400	1,163,601	1,307,744
Repairs and maintenance	31,900	21,072	17,488
Salaries and benefits	471,200	366,214	458,676
Southquill Gaming Centre	3,550,000	4,010,113	3,372,183
Supplies	4,000	12,126	13,460
Telephone	14,500	14,788	14,876
Training	1,000	9,287	9,870
Travel	16,600	20,405	20,422
Utilities	29,000	24,901	18,267
	5,456,350	6,137,768	5,609,555
Surplus	(64,350)	69,688	255,031