

**Rolling River First Nation
Consolidated Financial Statements**
March 31, 2018

Rolling River First Nation
Consolidated Contents
For the year ended March 31, 2018

	Page
Management's Responsibility	
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Debt.....	3
Consolidated Statement of Cash Flows.....	4
Notes to the Consolidated Financial Statements	5
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	14
Schedule 2 - Consolidated Schedule of Expenses by Object.....	16
Schedule 3 - Consolidated Schedule of Revenue and Expenses by Segment.....	17
Schedule 4 - Southquill Health - Consolidated Schedule of Revenue and Expenses.....	18
Schedule 5 - Post Secondary - Consolidated Schedule of Revenue and Expenses.....	19
Schedule 6 - Social Assistance - Consolidated Schedule of Revenue and Expenses.....	20
Schedule 7 - Operations - Consolidated Schedule of Revenue and Expenses.....	21
Schedule 8 - Business - Consolidated Schedule of Revenue and Expenses.....	23

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.

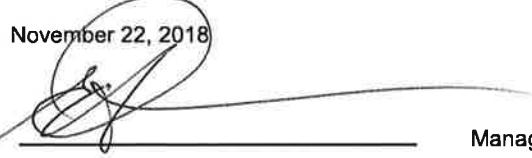
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate 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.

November 22, 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, 2018, 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, 2018 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

November 22, 2018

MNP LLP

Chartered Professional Accountants

Rolling River First Nation
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017
Financial assets		
Cash and cash equivalents	626,795	536,694
Accounts receivable (Note 3)	481,798	389,261
Inventory for resale (Note 4)	18,552	26,755
Funds held in Ottawa Trust Fund (Note 5)	2,237	2,189
Patronage equity	10,000	10,000
Notes receivable (Note 6)	453,271	437,130
Moveable asset reserve (Note 7)	32,656	32,656
VLT administration fee (Note 8)	411,400	467,500
Investment in KRW Limited Partnership (Note 9)	1,181,905	1,178,572
Total of assets	3,218,814	3,080,757
Liabilities		
Bank indebtedness (Note 10)	506,323	384,598
Accounts payable and accruals (Note 11)	1,042,756	1,232,052
Deferred revenue (Note 12)	926,967	746,306
Long-term debt (Note 13)	794,995	1,191,384
Capital lease obligations (Note 14)	8,855	23,955
Total of financial liabilities	3,279,896	3,578,295
Net debt	(61,282)	(497,538)
Contingencies (Note 19)		
Non-financial assets		
Tangible capital assets (Schedule 1)	15,223,867	15,771,496
Prepaid expenses	101,888	52,352
Total non-financial assets	15,325,355	15,823,848
Accumulated surplus (Note 22)	15,284,073	15,326,310

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, 2018

	<i>Schedules</i>	<i>2018 Budget (Note 17)</i>	<i>2018</i>	<i>2017</i>
Revenue				
Indigenous Services Canada (Note 15)		3,967,349	4,579,450	5,454,767
Health Canada (Note 15)		1,161,845	1,950,987	1,334,334
Canada Mortgage and Housing Corporation (Note 15)		16,100	55,780	-
First Peoples' Development Inc.		265,885	239,967	293,754
Additional government funding		51,700	94,683	51,111
Community addictions		-	3,000	-
Administration fees		-	33,638	62,990
Band revenue funds		-	-	13,603
Earnings (loss) from investment in joint partnership (Note 9)		-	3,333	(5,741)
Earnings (loss) from Band Farms		-	-	814
Earnings (loss) in TLE Trust		-	16,141	(62,038)
Gain (loss) on disposal of tangible capital assets		-	20,000	43,054
Insurance proceeds		-	51,980	-
GST and Tobacco Tax rebates		-	157,914	177,325
Decommissioned receivables		-	(50,330)	-
Investment income		-	23,444	17,258
Lease income		-	177,741	155,310
Other income		-	14,987	5,844
Parks Canada		-	-	37,976
Rental income		-	421,477	213,916
Repayment of funding		-	(78,118)	-
Revenue from Southquill Gaming Centre		4,600,000	6,038,193	5,042,949
Revenue from Southquill Gas Bar		792,000	484,334	604,459
Revenue from Southquill Restaurant		-	633,773	556,993
User fees		-	7,002	21,527
Deferred revenue - current year (Note 12)		-	(926,967)	(746,306)
Deferred revenue - prior year (Note 12)		-	746,306	808,696
		10,854,879	14,698,715	14,082,595
Expenses				
Southquill Health	4	1,215,953	1,862,832	1,379,534
Post Secondary	5	349,639	352,304	339,219
Social Assistance	6	364,900	483,750	503,893
Operations	7	4,219,222	5,234,572	5,632,125
Business	8	5,456,350	6,827,494	6,137,768
Total expenses (Schedule 2)		11,606,064	14,760,952	13,992,539
Surplus (deficit)		(791,795)	(62,237)	90,056
Accumulated surplus, beginning of year		15,236,249	15,326,310	15,236,254
Accumulated surplus, end of year		14,444,454	15,264,073	15,326,310

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, 2018

	2018 Budget	2018	2017
Surplus (deficit)	(817,782)	(62,237)	90,056
Purchases of tangible capital assets	-	(520,789)	(1,113,151)
Amortization of tangible capital assets	819,800	1,068,618	1,071,372
Proceeds of disposal of tangible capital assets	-	20,000	77,750
Gain on disposal of assets included in surplus	-	(20,000)	(43,054)
	819,800	547,829	(7,083)
Acquisition of prepaid expenses	-	(101,688)	(52,347)
Use of prepaid expenses	-	52,352	64,927
	-	(49,336)	12,580
Decrease in net debt	2,018	436,256	95,553
Net debt, beginning of year	(593,091)	(497,538)	(593,091)
Net debt, end of year	(591,073)	(61,282)	(497,538)

Rolling River First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities:		
Operating activities		
Cash receipts from contributors	14,810,534	14,618,997
Cash paid to suppliers	(11,161,335)	(10,377,434)
Cash paid to employees	(2,732,346)	(2,401,256)
Interest on long-term debt	(36,151)	(66,242)
	880,702	1,774,065
Financing activities		
Advances of long-term debt	150,000	130,151
Repayment of long-term debt	(546,389)	(561,478)
Repayment of capital lease obligations	(15,100)	(12,188)
	(411,489)	(443,515)
Capital activities		
Purchases of tangible capital assets	(520,789)	(1,113,151)
Proceeds of disposal of tangible capital assets	20,000	77,750
	(500,789)	(1,035,401)
Investing activities		
Increase in Ottawa Trust Fund	(48)	(41)
Increase (decrease) in cash resources	(31,624)	295,108
Cash resources (deficiency), beginning of year	152,096	(143,012)
Cash resources, end of year	120,472	152,096
Cash resources are composed of:		
Cash and cash equivalents	626,795	536,694
Bank indebtedness	(506,323)	(384,598)
	120,472	152,096

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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, 2018, 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, 2018

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, 2018

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, 2018. There are no known liabilities at March 31, 2018.

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

	2018	2017
Indigenous and Northern Affairs Canada	70,712	50,330
Other government agencies	188,592	195,100
Trade receivables	178,615	72,202
Members	130,965	129,284
	568,884	446,916
Less: Allowance for doubtful accounts	87,086	57,655
	481,798	389,261

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

4. Inventory for resale

	2018	2017
Southquill Gas Bar	2,205	11,102
Southquill Restaurant	3,000	3,000
Southquill Gaming	13,347	12,653
	18,552	26,755

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.

	2018	2017
Balance, beginning of year	2,189	2,148
Interest earned	48	41
	2,237	2,189

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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.

	2018	2017
Balance, beginning of year	437,130	499,168
Current year income (loss)	16,141	(62,038)
Balance, end of year	453,271	437,130

7. Moveable asset reserve

	2018	2017
Balance beginning of year	32,656	31,539
Annual allocation	-	1,117
	32,656	32,656

8. VLT Administration Fee

	2018	2017
Opening balance	467,500	540,100
Less: administration fee amortization	(56,100)	(72,600)
	411,400	467,500

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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.

	2018	2017
Balance, beginning of year	1,178,572	1,184,313
Add: Current year income (loss)	3,333	(5,741)
	1,181,905	1,178,572

10. Bank indebtedness

At March 31, 2018, the First Nation had lines of credit totaling \$250,000 (2017 - \$340,000), in which \$239,314 (\$335,373 in 2017) were drawn. The interest rate on lines of credit are prime plus 3.30%, which at year end amounted to 9.39% (2017 - 7.00%). The First Nation had outstanding cheques at the end of the year which resulted in a total bank indebtedness of \$506,323 (\$384,598 in 2017). 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

	2018	2017
Trade payables	674,096	1,071,015
Payroll liabilities	84,639	85,159
Government remittances	206,297	75,878
Indigenous and Northern Affairs Canada payable	77,724	-
	1,042,756	1,232,052

12. Deferred revenue

	Balance March 31, 2017	Funding Received 2018	Revenue (loss) Recognized 2018	Balance March 31, 2018
Indigenous Services Canada				
PID Program	-	20,781	(3,522)	17,259
Health Canada				
Jordan's Principle	-	488,605	(341,392)	147,213
Other				
TLE Trust - community restricted	746,306	-	16,189	762,495
Total	746,306	509,386	(328,725)	926,967

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

13. Long-term debt

	2018	2017
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 \$26,079 (2017 - \$161,207), due May 2024.	173,924	202,049
Median Credit Union loan payable in monthly installments of \$26,099 including interest at 6.39% (2017 - 5.70%), secured by general security agreement, due April 2018.	24,250	326,420
Median Credit Union loan payable in monthly installments of \$10,000 including interest at 7.69% (2017 - 7.00%), secured by general security agreement, due August 2018.	48,539	160,694
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 \$411,400 (2017 - 467,500), due August 2022.	362,149	439,603
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 \$78,091 (2017 - \$104,121), due July 2020.	36,133	62,618
Median Credit Union loan payable in monthly installments of \$4,720 including interest at 8.390% (2017 - 0.00%), secured by assets with a net book value of \$183,926, due April 2021	150,000	-
	794,995	1,191,384

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

2019	254,780
2020	166,630
2021	167,010
2022	113,620
2023	59,750

Interest on long-term debt amounted to \$36,151 (2017 - \$66,242).

14. Capital lease obligations

	2018	2017
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 \$26,000 (2017 - \$39,000), due October 2018.	8,855	23,955

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

<u>2019</u>	<u>8,855</u>
	<u>8,855</u>

Rolling River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

15. Government transfers

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

	2018			2017		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers:						
Indigenous Services Canada	4,579,450	-	4,579,450	4,553,767	901,000	5,454,767
Health Canada	1,950,987	-	1,950,987	1,334,334	-	1,334,334
Canada Mortgage and Housing Corporation	55,780	-	55,780	-	-	-
Total	6,586,217	-	6,586,217	5,88,101	901,000	6,789,101

16. Indian pension agreement

The Rolling River First Nation has entered into an agreement with Indigenous Services Canada for funding contributions for an employee registered pension plan for Indigenous Services Canada funded employees. Employees participating in the pension agreement number 26 (2017 - 27). No pension obligations were outstanding at year end. The following amounts relate to the agreement.

	2018	2017
Total eligible salaries for participating employees	807,327	833,799
Private pension plan - employer contributions	46,965	33,036

17. Economic dependence

Rolling River First Nation receives 31% (2017 - 39%) of its revenue from Indigenous Services Canada (ISC) and 13% (2017 - 9%) 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. 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, 2018

20. 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	(443,880)	10,854,879
Expenses	12,132,259	(526,195)	11,606,064
	(833,500)	82,315	(751,185)
Statement of changes in net financial assets			
Annual deficit	(833,500)	82,315	(751,185)
Amortization	876,300	-	876,300
	42,800	82,315	125,115

21. 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, 2018. As the audit is dated after July 31, 2018, the First Nation is in breach of this requirement.

22. Accumulated surplus

Current year surplus (deficit) consists of the following:

	Operating Fund	Capital Asset Fund	Moveable assets Reserve	Trust Funds	2018 Total	2017 Total
Beginning of year	(191,409)	15,482,874	32,656	2,189	15,326,310	15,236,254
Program transfers	-	-	-	-	-	-
Current year surplus (deficit)	565,834	(628,119)	-	48	(62,237)	90,056
	374,425	14,854,755	32,656	2,237	15,264,073	15,326,310

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

Southquill Health	193,334	892,193	32,656	-	1,118,183	1,113,027
Post Secondary	73,425	-	-	-	73,425	25,223
Social Assistance	(89,712)	-	-	-	(89,712)	(118,040)
Operations	(168,902)	13,483,905	-	2,237	13,317,240	13,854,439
Business	366,280	478,657	-	-	844,937	451,661
	374,425	14,854,755	32,656	2,237	15,264,073	15,326,310

Rolling River First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<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	9,573,258	6,673,663	3,616,425	1,021,543	4,702,579	4,904,160	30,491,628
Acquisition of tangible capital assets	-	-	474,216	-	-	-	474,216
Construction-in-progress	46,573	-	-	-	-	-	46,573
Disposal of tangible capital assets	-	-	(70,000)	-	-	-	(70,000)
Balance, end of year	9,619,831	6,673,663	4,020,641	1,021,543	4,702,579	4,904,160	30,942,417
Accumulated amortization							
Balance, beginning of year	4,497,272	3,893,353	3,100,778	652,318	2,616,841	-	14,760,562
Annual amortization	302,068	266,947	299,054	34,474	152,789	-	1,055,332
Accumulated amortization on disposals	-	-	(70,000)	-	-	-	(70,000)
Balance, end of year	4,799,340	4,160,300	3,329,832	686,792	2,769,630	-	15,745,894
Net book value of tangible capital assets	4,820,491	2,513,363	690,809	334,751	1,932,949	4,904,160	15,196,523
2017 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

Rolling River First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Signage</i>	<i>Automotive Leased</i>	2018	2017
Cost					
Balance, beginning of year	30,491,628	13,650	65,000	30,570,278	29,543,867
Acquisition of tangible capital assets	474,216	-	-	474,216	246,651
Construction-in-progress	46,573	-	-	46,573	866,500
Disposal of tangible capital assets	(70,000)	-	-	(70,000)	(86,740)
Balance, end of year	30,942,417	13,650	65,000	31,021,067	30,570,278
Accumulated amortization					
Balance, beginning of year	14,760,562	12,220	26,000	14,798,782	13,779,454
Annual amortization	1,055,332	286	13,000	1,068,618	1,071,372
Accumulated amortization on disposals	(70,000)	-	-	(70,000)	(52,044)
Balance, end of year	15,745,894	12,506	39,000	15,797,400	14,798,782
Net book value of tangible capital assets	15,196,523	1,144	26,000	15,223,667	15,771,496
2017 Net book value of tangible capital assets	15,731,066	1,430	39,000	15,771,496	

Rolling River First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2018

	2018 Budget	2018	2017
Consolidated expenses by object			
Administration	93,146	116,238	86,687
Advertising	5,100	12,211	2,564
Allowances	98,500	74,420	84,672
Amortization	819,800	1,068,618	1,071,372
Automotive	37,000	31,696	30,717
Bad debts	5,600	27,769	43,521
Bank charges and interest	8,000	48,522	60,742
Benefits	8,500	11,879	7,219
Building materials	138,000	63,252	35,228
Cash over/short	50	6,263	29,283
Community events	-	10,700	52,965
Computer	14,450	29,570	3,371
Consulting	7,400	104,315	33,139
Contracted services	14,000	24,442	15,664
Donations	123,000	81,996	131,739
Economic	-	-	39,526
Elders fees	-	1,400	1,117
Employable income support	234,000	133,741	251,851
Food and beverage	11,300	30	868
Fuel	110,900	171,702	99,130
Funeral	-	2,844	-
Graduation	-	-	15,423
Honouraria	167,000	132,853	106,070
Instruction	14,000	11,340	8,533
Insurance	126,800	274,149	213,264
Interest on long-term debt	2,400	36,151	66,242
MLC Share	118,800	169,623	175,884
MLC registration fees	-	12,745	12,745
Meetings	-	3,050	-
Miscellaneous	1,400	29,308	37,795
Off reserve travel	-	1,109	-
Office	90,470	139,808	84,591
Office equipment lease	22,800	34,840	27,094
Office rent	14,500	15,659	16,888
Professional fees	88,300	155,157	203,976
Program expense	128,589	187,909	250,644
Property taxes	-	10,576	-
Purchases	965,400	1,113,678	1,163,601
Rent	11,600	14,591	14,964
Repairs and maintenance	346,550	579,106	575,234
Salaries and benefits	2,126,704	2,732,346	2,377,318
Student incentives	4,600	22,562	5,850
Subcontracts	-	62,659	70,619
Supplies	85,462	114,279	111,004
Telephone	63,700	64,507	67,449
Training	56,200	50,773	46,601
Transportation	111,174	65,977	141,220
Travel	214,808	263,340	205,244
Tuition	1,299,200	986,956	1,493,982
Unemployable income support	43,500	195,926	131,089
User fees	2,700	10,554	2,785
Utilities	159,500	268,930	206,385
VLT payouts	3,550,000	4,902,967	4,010,113
Workshop	61,161	75,916	68,557
	11,606,064	14,760,952	13,992,539

Rolling River First Nation
Schedule 3 - Consolidated Schedule of Revenue and Expenses by Segment
For the year ended March 31, 2018

	<i>INAC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Funds Held in Trust</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/ Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>
Southquill Health	*	1,974,591	(147,213)	-	1,827,378	1,862,832	40,610	5,156
Post Secondary	399,158	1,348	-	-	400,506	352,304	-	48,202
Social Assistance	533,152	(21,074)	-	-	512,078	483,750	-	28,328
Operations	3,647,140	1,108,151	(33,448)	16,141	4,737,883	5,234,572	(40,610)	(537,199)
Business	-	7,220,770	-	-	7,220,770	6,827,494	-	393,276
Total	4,579,450	10,283,786	(180,661)	16,141	14,698,715	14,760,952	-	(62,237)

Rolling River First Nation
Southquill Health
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Health Canada	1,161,845	1,950,985	1,334,333
Community addictions	-	3,000	-
Investment income	-	1,559	2,469
Rental income	-	16,800	16,800
Other income	-	2,247	3,004
Deferred revenue - current year	-	(147,213)	-
	1,161,845	1,827,378	1,356,606
Expenses			
Administration	64,646	47,922	2,819
Amortization	-	77,393	72,494
Automotive	37,000	31,696	30,717
Bank charges and interest	2,000	1,249	1,072
Consulting	2,400	25,824	33,139
Contracted services	14,000	24,442	15,664
Elders fees	-	-	1,117
Honouraria	67,500	48,249	46,674
Insurance	21,600	152,157	25,645
Miscellaneous	-	26,516	23,322
Off reserve travel	-	1,109	-
Office	21,020	80,341	31,831
Office equipment lease	15,000	19,366	11,174
Office rent	7,200	9,600	9,600
Professional fees	21,000	18,395	15,593
Program expense	-	34,106	2,912
Rent	-	191	-
Repairs and maintenance	31,150	55,916	36,161
Salaries and benefits	684,606	886,085	768,568
Supplies	33,562	61,376	41,989
Telephone	18,600	31,371	26,684
Training	10,600	7,977	6,811
Transportation	40,000	65,977	56,210
Travel	40,908	51,121	26,775
Utilities	22,000	28,537	24,006
Workshop	61,161	75,916	68,557
	1,215,953	1,862,832	1,379,534
Deficit before transfers	(54,108)	(35,454)	(22,928)
Transfers between programs			
Transfer from Rolling River First Nation	-	40,610	40,610
Surplus (deficit)	(54,108)	5,156	17,682

Rolling River First Nation
Post Secondary
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous Services Canada	337,883	399,158	382,507
Administration fees	- 1,348		
	337,883	400,506	382,507
Expenses			
Administration	500	1,714	1,051
Advertising	-	-	280
Allocation	98,500	74,420	84,672
Bank charges and interest	2,000	4,404	4,900
Benefits	8,500	11,879	7,219
Consulting	-	5,025	-
Food and beverage	11,300	30	868
Honouraria	4,500	2,300	8,000
Meetings	-	1,350	-
Miscellaneous	-	1,068	718
Office	12,250	12,259	9,362
Office rent	7,300	6,059	7,288
Professional fees	9,500	7,490	6,889
Program expense	25,589	-	16,183
Salaries and benefits	101,000	116,963	95,720
Student incentives	4,600	22,562	5,850
Supplies	-	6,491	1,350
Telephone	5,600	7,552	7,638
Travel	15,300	23,258	22,937
Tuition	43,200	47,480	58,294
	349,639	352,304	339,219
Surplus (deficit)	(11,756)	48,202	43,288

Rolling River First Nation
Social Assistance
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous Services Canada	393,500	533,152	498,830
Other income	-	250	-
Repayment of funding	-	(21,324)	-
	393,500	512,078	498,830
Expenses			
Employable income support	234,000	133,741	251,851
Funeral	-	2,844	-
Supplies	9,900	25,258	18,255
Unemployable income support	43,500	195,926	131,089
User fees	2,700	10,554	2,785
Utilities	74,800	115,427	99,913
	364,900	483,750	503,893
Surplus (deficit)	28,600	28,328	(5,063)

**Rolling River First Nation
Operations**
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous Services Canada	3,235,966	3,647,140	4,573,430
Canada Mortgage and Housing Corporation	16,100	55,780	-
First Peoples' Development Inc.	265,885	239,968	293,755
Additional government funding	51,700	94,683	51,111
Administration fees	-	32,290	62,990
Band revenue funds	-	-	13,603
Deferred revenue - current year (Note 12)	-	(779,754)	(746,306)
Deferred revenue - prior year (Note 12)	-	746,306	808,696
Earnings (loss) from Band Farms	-	-	814
Earnings from investment in joint partnership	-	3,333	(5,741)
GST and Tobacco Tax rebates	-	157,914	177,325
Gain (loss) on disposal of tangible capital assets	-	20,000	43,054
Hydro line project	-	(50,330)	-
Income (loss) in TLE Trust	-	16,141	(62,038)
Investment income	-	21,886	14,789
Lease income	-	177,741	155,310
Parks Canada	-	-	37,761
Rental income	-	404,677	197,116
Repayment of funding	-	(56,794)	-
User fees	-	7,002	21,527
	3,569,651	4,737,983	5,637,196

Continued on next page

Rolling River First Nation
Operations
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue (Continued from previous page)	3,569,651	4,737,983	5,637,196
Expenses			
Administration	28,000	66,602	82,817
Advertising	-	9,341	-
Amortization	735,000	959,639	966,209
Bad debts	-	19,559	23,917
Bank charges and interest	3,900	37,158	48,040
Building materials	138,000	63,252	35,228
Community events	-	10,700	52,965
Computer	14,450	29,570	3,371
Consulting	5,000	73,466	-
Economic	-	-	39,526
Elders fees	-	1,400	-
Fuel	110,900	171,702	99,130
Graduation	-	-	15,423
Honouraria	95,000	82,154	50,856
Instruction	14,000	11,340	8,533
Insurance	99,200	102,196	168,146
Interest on long-term debt	-	26,672	54,775
Meetings	-	1,700	-
Miscellaneous	1,400	906	13,171
Office	44,100	39,544	35,171
Office equipment lease	7,800	10,310	11,069
Professional fees	44,000	106,738	142,312
Program expense	103,000	153,803	231,549
Property taxes	-	10,576	-
Rent	11,600	14,400	14,964
Repairs and maintenance	283,500	504,099	518,004
Salaries and benefits	869,898	1,395,954	1,146,815
Subcontracts	-	62,659	70,619
Supplies	38,000	11,690	37,284
Telephone	25,000	10,931	18,338
Training	44,600	28,143	30,502
Transportation	71,174	-	85,010
Travel	142,000	180,658	135,128
Tuition	1,256,000	939,477	1,435,689
Utilities	33,700	98,233	57,564
	4,219,222	5,234,572	5,632,125
Surplus (deficit) before transfers	(649,571)	(496,589)	5,071
Transfers between segments	(40,610)	(40,610)	(40,610)
Deficit	(690,181)	(537,199)	(35,539)

Rolling River First Nation
Business
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Income from Southquill Gaming Centre	4,600,000	6,038,193	5,042,949
Income from Southquill Gas Bar	792,000	484,334	604,459
Income from Southquill Restaurant	-	633,773	556,993
Insurance proceeds	-	51,980	-
Other income	-	12,490	2,840
Parks Canada	-	-	215
	5,392,000	7,220,770	6,207,456
Expenses			
Advertising	5,100	2,870	2,284
Amortization	84,800	31,586	32,669
Bad debts	5,600	8,210	19,604
Bank charges and interest	100	5,712	6,729
Cash over/short	50	6,263	29,283
Donations	123,000	81,996	131,739
Honouraria	-	150	540
Insurance	6,000	19,797	19,474
Interest on long-term debt	2,400	9,479	11,467
MLC Share	118,800	169,623	175,884
MLC registration fees	-	12,745	12,745
Miscellaneous	-	819	584
Office	13,100	7,663	8,226
Office equipment lease	-	5,165	4,851
Professional fees	13,800	22,534	39,182
Purchases	965,400	1,113,678	1,163,601
Repairs and maintenance	31,900	19,087	21,072
Salaries and benefits	471,200	333,344	366,214
Southquill Gaming Centre	3,550,000	4,902,967	4,010,113
Supplies	4,000	9,463	12,126
Telephone	14,500	14,653	14,788
Training	1,000	14,653	9,287
Travel	16,600	8,304	20,405
Utilities	29,000	26,733	24,901
	5,456,350	6,827,494	6,137,768
Surplus (deficit)	(64,350)	393,276	69,688