

**ROLLING RIVER FIRST NATION**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2019**

**ROLLING RIVER FIRST NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2019**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

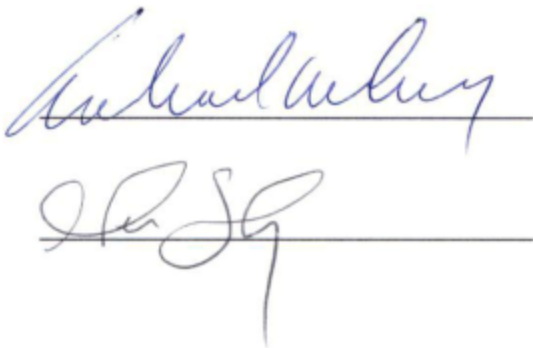
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The consolidated financial statements of Rolling River First Nation have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Rolling River First Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

Chief and Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Chief and Council meets periodically with management and the organization's auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, Chief and Council approves the financial statements. Chief and Council also approves the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Lazer Grant LLP, in accordance with Canadian public sector accounting standards.



Erickson, MB

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Rolling River First Nation

### *Opinion*

We have audited the consolidated financial statements of Rolling River First Nation (the Organization), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets (debt) and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as at March 31, 2019, and the consolidated results of its operations and consolidated cash flow for the year then ended in accordance with Canadian public sector accounting standards..

### *Basis for 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 Consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with ethical requirements that are relevant to our audit of the consolidated 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 opinion.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 the Organization'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 the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 the Organization'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 the Organization'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 consolidated 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 the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.



Winnipeg, MB  
November 7, 2019

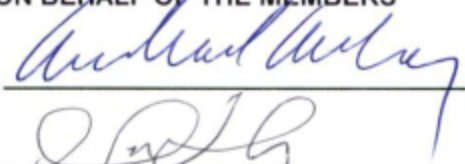
CHARTERED PROFESSIONAL ACCOUNTANTS

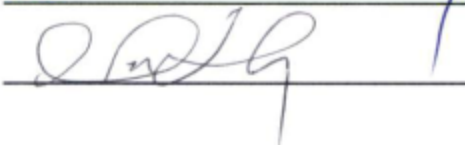
**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2019**

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash (Note 4)	\$ 502,304	\$ 153,128
Accounts receivable (Note 5)	921,778	499,403
Investments (Note 6)	1,208,506	1,191,905
Note receivable (Note 7)	381,711	453,271
Ottawa trust funds (Note 8)	2,288	2,237
	<b>3,016,587</b>	<b>2,299,944</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 9)	1,417,391	1,040,997
Deferred revenue (Note 10)	690,935	926,967
Long term debt (Note 11)	540,657	794,995
Obligations under capital lease (Note 12)	12,045	8,855
	<b>2,661,028</b>	<b>2,771,814</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>355,559</b>	<b>(471,870)</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventory (Note 13)	19,648	18,552
Prepaid expenses	70,371	101,691
VLT Administration fee (Note 14)	362,032	411,400
Tangible capital assets (Note 15)	14,355,992	14,292,988
Construction in progress	-	913,073
	<b>14,808,043</b>	<b>15,737,704</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 15,163,602</b>	<b>\$ 15,265,834</b>

CONTINGENT LIABILITY (Note 21)

ON BEHALF OF THE MEMBERS

 Chief

 Councillor

 Councillor

**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2019**

	2019	2018
<b>REVENUES</b>		
Indigenous Services Canada	\$ 4,897,320	\$ 4,638,060
First Nation & Inuit Health Branch	2,102,517	1,949,686
First Peoples Development Inc.	223,691	247,742
Province of Manitoba	228,554	199,213
Video lottery terminals	5,884,779	6,038,193
Sales (Note 17)	1,181,578	1,076,809
Income from investment in limited partnership	3,799	3,333
Administration fees	149,483	90,943
Rent	324,062	264,778
Interest	1,464	23,253
Other (Note 17)	547,498	960,835
Prior year recoveries	(40,691)	(78,118)
Decommissioned accounts receivable	(52,595)	(50,330)
Deferred from prior year	926,967	746,306
Deferred to subsequent year	(690,935)	(926,967)
	<b>15,687,491</b>	15,183,736
<b>EXPENSES (Schedule 1)</b>	<b>14,600,579</b>	14,188,176
<b>SURPLUS FROM OPERATIONS</b>	<b>1,086,912</b>	995,560
<b>OTHER EXPENSES (INCOME)</b>		
Amortization	1,141,021	1,026,197
Amortization of VLT Administration fee	49,368	51,600
Gain on disposal of assets	-	(20,000)
	<b>1,190,389</b>	1,057,797
<b>ANNUAL DEFICIT</b>	<b>\$ (103,477)</b>	\$ (62,237)

**ROLLING RIVER FIRST NATION**

**Consolidated Statement of Changes in Accumulated Surplus**

**Year Ended March 31, 2019**

	2019	2018
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>\$ 15,265,834</b>	<b>\$ 15,328,071</b>
ANNUAL DEFICIT	<b>(103,477)</b>	<b>(62,237)</b>
	<b>15,162,357</b>	<b>15,265,834</b>
Moveable assets reserve allocation	<b>1,245</b>	<b>-</b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 15,163,602</b>	<b>\$ 15,265,834</b>



**ROLLING RIVER FIRST NATION**

**Consolidated Statement of Changes in Net Financial Assets (Debt)**

**Year Ended March 31, 2019**

	2019	2018
<b>ANNUAL DEFICIT</b>	<b>\$ (103,477)</b>	<b>\$ (62,237)</b>
Amortization of tangible capital assets	1,141,021	1,026,197
Amortization of VLT Administration fee	49,368	51,600
Purchase of tangible capital assets	(1,204,025)	(431,795)
Proceeds on disposal of tangible capital assets	-	20,000
Loss (gain) on disposal of assets	-	(20,000)
Decrease in prepaid expenses	31,319	14,908
Decrease (increase) in inventory	(1,095)	8,203
Decrease (increase) in construction in progress	913,073	(46,573)
Moveable assets reserve allocation	1,245	-
	<b>930,906</b>	<b>622,540</b>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>827,429</b>	<b>560,303</b>
<b>NET FINANCIAL DEBT - BEGINNING OF YEAR</b>	<b>(471,870)</b>	<b>(1,032,173)</b>
<b>NET FINANCIAL ASSETS (DEBT) - END OF YEAR</b>	<b>\$ 355,559</b>	<b>\$ (471,870)</b>

**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Cash Flow**  
**Year Ended March 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Annual deficit	\$ (103,477)	\$ (62,237)
Items not affecting cash:		
Amortization	1,141,021	1,026,197
Amortization of VLT Administration fee	49,368	51,600
Gain on disposal of tangible capital assets	-	(20,000)
Income from investments	(16,601)	(3,333)
Moveable assets reserve allocation	1,245	-
	<b>1,071,556</b>	<b>992,227</b>
Changes in non-cash working capital:		
Accounts receivable	(422,375)	(92,537)
Inventory	(1,096)	8,203
Accounts payable and accrued liabilities	376,394	(189,291)
Deferred revenue	(236,032)	116,415
Prepaid expenses	31,320	14,907
Construction in progress	913,073	(46,573)
	<b>661,284</b>	<b>(188,876)</b>
Cash flow from operating activities	<b>1,732,840</b>	<b>803,351</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(1,191,114)	(431,795)
Proceeds on disposal of tangible capital assets	-	20,000
Increase in Ottawa trust funds	(51)	(48)
Decrease (increase) in note receivable	71,560	(16,141)
Cash flow used by investing activities	<b>(1,119,605)</b>	<b>(427,984)</b>
<b>FINANCING ACTIVITIES</b>		
Advances from related parties	-	4,509
Proceeds from long term financing	-	150,000
Repayment of long term debt	(254,338)	(546,389)
Repayment of obligations under capital lease	(9,721)	(15,100)
Cash flow used by financing activities	<b>(264,059)</b>	<b>(406,980)</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>349,176</b>	<b>(31,613)</b>
Cash - beginning of year	<b>153,128</b>	<b>184,741</b>
<b>CASH - END OF YEAR</b>	<b>\$ 502,304</b>	<b>\$ 153,128</b>

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2019**

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1. DESCRIPTION OF THE ORGANIZATION

The Rolling River First Nation is a non-profit Indian Band as defined by The Indian Act (Canada). The objective of the First Nation is to operate as the governing entity in providing services in all areas of the community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards and include the assets, liabilities, revenues and expenses of the following departments and entities:

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Investment in the KRW Limited Partnership is recorded on a modified equity basis. Under this basis, the equity method of accounting is modified only to the extent that the partnership's accounting principles are not adjusted to conform with those of the organization. The organization's investment in these entities is recorded at acquisition cost and is increased or decreased for the proportionate share of earnings or losses and distributions.

Inventory

Inventory of supplies is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

VLT Administration fee

The VLT Administration fee is being amortized on declining balance basis at a rate of 12% per year.

*(continues)*

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2019**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Land		non-amortizable
Buildings	4%	straight-line method
Equipment	20%	straight-line method
Equipment under capital lease	10%	declining balance method
Housing	20%	straight-line method
Roads and infrastructure	3%	declining balance method
Vehicles	20%	straight-line method

The organization regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

Revenue from government agencies is recognized as it becomes receivable under the terms of applicable funding agreements.

Revenue from sales of goods is recognized when title passes to the customer, which generally coincides with the delivery and acceptance of goods.

Rent revenue is recognized when the tenants' rent is invoiced at the start of each month based on the details of each signed lease agreement.

Other revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Leases

Leases are classified as either capital or operating leases. At the time the organization enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

**3. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2019.

**(a) Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from its funders and members. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of funders and members which minimizes concentration of credit risk.

**(b) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its funder, members, and other related sources, long-term debt, obligations under capital leases, deferred revenue, contributions to the pension plan, and accounts payable and accrued liabilities.

**(c) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

**4. CASH**

The organization has a line of credit with the Median Credit Union in the amount of \$250,000 which is repayable on demand, bears interest at the Median Credit Union prime rate of 3.95% plus 6% (9.95%) as well as an overdraft interest rate of 21%, and is secured by a general security agreement and Band Council Resolution. As at March 31, 2019, line of credit was over-drawn by \$50,960 (2018 - \$10,686 unused). In addition, cheques amounting to \$133,546 (2018 - \$267,009) were issued and outstanding on the line of credit.

The balance of the line of credit is included in cash.

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2019**

**5. ACCOUNTS RECEIVABLE**

	2019	2018
Indigenous Services Canada		
- Low Cost Special Education	\$ 17,754	\$ -
Indigenous Services Canada		
- Provincial School Direct Services	15,839	-
Indigenous Services Canada		
- Educ-Train-Build Capacity	600	-
Indigenous Services Canada		
- Waste Diversion Program	49,890	-
Indigenous Services Canada		
- Low Cost Special Education - 2019 PAYE	2,286	-
Indigenous Services Canada		
- Provincial School Direct Services - 2019 PAYE	20,821	-
Indigenous Services Canada		
- Tuition Agreements - 2019 PAYE	114,528	-
Indigenous Services Canada		
- Tuition Agreements	367,772	52,595
Indigenous Services Canada		
- Low Cost Special Education - 2018 PAYE	2,376	2,376
Indigenous Services Canada		
- Provincial School Direct Services - 2018 PAYE	13,775	15,741
Other government agencies	179,717	188,592
Members	126,742	130,965
Trade and other	45,156	196,220
	-	-
Subtotal	957,256	586,489
Allowance for doubtful accounts	(35,478)	(87,086)
	\$ 921,778	\$ 499,403

**6. INVESTMENTS**

	2019	2018
KRW Limited Partnership	\$ 1,185,705	\$ 1,181,905
Heritage Co-Op - patronage equity	22,801	10,000
	\$ 1,208,506	\$ 1,191,905

The organization's investment in KRW Limited Partnership was established to develop, lease, manage, and operate real property for the purposes of pursuing economic development opportunities on lands acquired at 1-11-19WPM (the "Brandon Lands"). The organization shares interest in the partnership along with Keeseekoowenin First Nation and Waywayseecappo First Nation. The partnership had no development activity during the current year.

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2019**

**7. NOTE RECEIVABLE**

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

	<b>2019</b>	2018
Balance, beginning of year	\$ 453,271	\$ 437,130
Current year income (loss)	(71,560)	16,141
	<b>\$ 381,711</b>	<b>\$ 453,271</b>

**8. OTTAWA TRUST FUNDS**

The Ottawa Trust Accounts arise 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

As at the end of the year, the funds held in trust consisted of the following balances:

	<b>2019</b>	2018
Capital account	\$ 100	\$ 100
Revenue account	2,188	2,137
	<b>\$ 2,288</b>	<b>\$ 2,237</b>

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2019</b>	2018
Trade and other	\$ 1,088,198	\$ 672,337
Wages and benefits	15,923	84,639
Source deductions	313,270	206,297
Indigenous Services Canada	-	77,724
	<b>\$ 1,417,391</b>	<b>\$ 1,040,997</b>

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2019**

**10. DEFERRED REVENUE**

	<b>2019</b>	2018
Treaty Land Entitlement Trust	\$ 690,935	\$ 762,495
Indigenous Services Canada	-	17,259
First Nation & Inuit Health Branch	-	147,213
	<b>\$ 690,935</b>	<b>\$ 926,967</b>

**11. LONG TERM DEBT**

	<b>2019</b>	2018
Median Credit Union loan bearing interest at the Median Credit Union prime of 3.95% plus 5% (8.95%) per annum, repayable in monthly blended payments of \$4,720. The loan matures on March 31, 2021 and is secured by specific vehicles, a general security agreement, and Band Council Resolution.	<b>\$ 104,575</b>	\$ 150,000
Bank of Montreal loan bearing interest at 7.79% per annum, repayable in monthly blended payments of \$2,536. The loan matures on July 31, 2019 and is secured by specific vehicles.	<b>7,506</b>	36,133
First Peoples Economic Growth non-interest bearing loan repayable in monthly payments of \$2,344. The loan matures on May 31, 2024 and is secured by a second charge general security agreement.	<b>145,799</b>	173,924
Liquor & Gaming Authority of Manitoba loan bearing interest at 2.35% per annum, repayable in weekly blended payments of \$1,672. The loan matures on August 31, 2022 and is secured by video lottery terminals.	<b>282,777</b>	362,149
Median Credit Union loan bearing interest at 6.39% per annum, repayable in monthly blended payments of \$26,099. The loan matured on April 30, 2018.	-	24,250
Median Credit Union loan bearing interest at 7.69% per annum, repayable in monthly blended payments of \$10,000. The loan matured on August 31, 2018.	-	48,539
	<b>\$ 540,657</b>	<b>\$ 794,995</b>

Principal repayment terms are approximately:

2020	\$ 166,077
2021	166,625
2022	113,253
2023	61,403
2024	28,125
Thereafter	5,174
	<b>\$ 540,657</b>



**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2019**

**12. OBLIGATIONS UNDER CAPITAL LEASE**

	<b>2019</b>	2018
Accurate Leasing lease bearing interest at 22.95% per annum, repayable in monthly blended payments of \$676. The lease matures on January 31, 2021 and is secured by a diesel fuel dispenser.	<b>\$ 12,045</b>	\$ -
National Leasing lease bearing interest at 21.62% per annum, repayable in monthly blended payments of \$1,570. The lease matured on October 31, 2018 and was secured by automotive equipment.	-	8,855
	<b>\$ 12,045</b>	\$ 8,855

Future minimum capital lease payments are approximately:

2020	\$ 8,111
2021	6,760
Total minimum lease payments	14,871
Less: amount representing interest at various rates	(2,826)
	<u><b>\$ 12,045</b></u>

**13. INVENTORY**

	<b>2019</b>	2018
Supplies - Southquill Gaming Centre	<b>\$ 13,348</b>	\$ 13,347
Supplies - Southquill Restaurant	<b>3,000</b>	3,000
Supplies - Southquill Gas Bar	<b>3,300</b>	2,205
	<b>\$ 19,648</b>	\$ 18,552

Included in supplies expense is a net increase in inventory of \$1,096 (2018 - decrease \$8,203).

**14. VLT ADMINISTRATION FEE**

	<b>2019</b>	2018
Cost	<b>\$ 1,041,000</b>	\$ 1,041,000
Accumulated amortization	<b>(678,968)</b>	(629,600)
	<b>\$ 362,032</b>	\$ 411,400

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2019**

**15. TANGIBLE CAPITAL ASSETS**

Cost	2018 Balance	Additions	Disposals	2019 Balance
Land	\$ 4,904,161	\$ -	\$ -	\$ 4,904,161
Buildings	8,706,759	124,900	-	8,831,659
Equipment	1,017,585	-	-	1,017,585
Equipment under capital lease	-	12,911	-	12,911
Housing	6,673,663	914,073	-	7,587,736
Roads and infrastructure	4,702,579	-	-	4,702,579
Vehicles	3,839,690	152,141	-	3,991,831
	<b>\$ 29,844,437</b>	<b>\$ 1,204,025</b>	<b>\$ -</b>	<b>\$ 31,048,462</b>

Accumulated Amortization	2018 Balance	Amortization	Accumulated Amortization on Disposals	2019 Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	4,683,863	328,511	-	5,012,374
Equipment	699,298	113,517	-	812,815
Equipment under capital lease	-	1,291	-	1,291
Housing	4,160,299	303,509	-	4,463,808
Roads and infrastructure	2,769,641	57,988	-	2,827,629
Vehicles	3,238,348	336,205	-	3,574,553
	<b>\$ 15,551,449</b>	<b>\$ 1,141,021</b>	<b>\$ -</b>	<b>\$ 16,692,470</b>

Net book value	2019	2018
Land	\$ 4,904,161	\$ 4,904,161
Buildings	3,819,285	4,022,896
Equipment	204,770	318,287
Equipment under capital lease	11,620	-
Housing	3,123,928	2,513,364
Roads and infrastructure	1,874,950	1,932,938
Vehicles	417,278	601,342
	<b>\$ 14,355,992</b>	<b>\$ 14,292,988</b>

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2019**

**16. MOVEABLE ASSETS RESERVE**

Under the terms of the Health Services Block Funding Agreement the initial lump sum, interest, and annual amounts are to be placed in a reserve for the replacement of assets. Expenses for the replacement are to be charged to the reserve during the year.

As at March 31, 2019, the moveable asset reserve bank account had a balance of \$Nil (2018 - \$Nil) and was underfunded by \$35,109 (2018 - \$33,864).

The moveable assets reserve is included in equity.

	<b>2019</b>	<b>2018</b>
Balance beginning of year	\$ 33,864	\$ 32,656
Amount provided in agreement for MAR	1,245	1,208
Subtotal	35,109	33,864
Revenues generated	-	-
Expenses (acquisitions and replacements)	-	-
	<b>\$ 35,109</b>	<b>\$ 33,864</b>

**17. SALES AND OTHER REVENUES**

	<b>2019</b>	<b>2018</b>
<u>Sales</u>		
Southquill Gaming Centre - Concessions	\$ 25,195	\$ 27,963
Southquill Gaming Centre - Tobacco	438,474	404,461
Southquill Restaurant	184,785	201,350
Southquill Gas Bar	533,124	443,035
	<b>\$ 1,181,578</b>	<b>\$ 1,076,809</b>
 <u>Other</u>		
Indigenous Services Canada	\$ 14,692	\$ -
First Peoples Infra Inc.	126,140	-
Treat Land Entitlement Corporation	56,651	57,509
Gravel and trucking	76,351	327,240
User fees	13,850	7,002
Rolling River First Nation TLE Trust	(71,560)	16,141
Community support and other	331,374	552,943
	<b>\$ 547,498</b>	<b>\$ 960,835</b>

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2019**

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**18. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUES**

	<b>2019</b>
Indigenous Services Canada per financial statements	<b>\$ 4,897,320</b>
Indigenous Services Canada per confirmation	<b>\$ 4,897,320</b>

**19. PENSION PLAN**

The organization has entered into an agreement with Indigenous Services Canada (ISC) for funding contributions for an employee registered pension plan for ISC funded employees. During the year, payments totalling \$41,120 (2018 - \$46,965) were made to the pension plan and there are no outstanding pension obligations at year end (2018 - \$Nil).

**20. ECONOMIC DEPENDENCE**

The organization receives substantially all of its revenues from government sources.

**21. CONTINGENT LIABILITY**

The consolidated financial statements are subject to review by the organization's funding agents. It is possible adjustments could be made based on their review, resulting in repayment or recovery of funding.

Based on the review of the March 31, 2018 consolidated financial statements by Indigenous Services Canada (ISC), a potential funding recovery of \$275,667 has been identified. As this amount is subject to change pending additional information to be submitted to ISC by the organization, no provision for recovery has been recorded in these consolidated financial statements.

**22. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**ROLLING RIVER FIRST NATION**  
**Consolidated Expenses (Schedule 1)**

**Year Ended March 31, 2019**

	<b>2019</b>	<b>2018</b>
Administration	\$ 159,094	\$ 139,984
Advertising and promotion	5,182	2,950
Bad debts	11,392	27,769
Community support	586,334	495,226
Consulting fees	-	80,191
Honoraria	102,422	136,841
Income support - employable	208,131	133,741
Income support - unemployable	184,942	195,926
Insurance	166,266	274,151
Interest and bank charges	58,807	54,528
Interest on long term debt	19,418	36,152
Interest on obligations under capital lease	1,211	-
Manitoba Lotteries fees	130,099	126,287
Medical transportation	86,486	63,817
Moveable assets reserve allocation	1,245	-
Office and miscellaneous	248,033	229,099
Professional fees	220,015	193,393
Property taxes	-	10,576
Rent	29,383	30,250
Repairs and maintenance	368,126	630,404
Special activities	302,075	207,936
Special needs	16,309	21,328
Student allowances	119,942	74,045
Student expenses	10,102	17,711
Sub-contracts	92,036	62,659
Supplies	1,180,181	1,066,834
Telephone	50,893	68,024
Training	124,477	210,607
Travel	350,536	325,711
Tuition	1,339,737	986,529
Utilities	347,085	261,785
Vehicle	162,352	198,252
Video lottery payouts	4,711,240	4,902,967
Wages and employee benefits	3,207,028	2,922,503
	<b>\$ 14,600,579</b>	<b>\$ 14,188,176</b>

**ROLLING RIVER FIRST NATION**  
**Consolidated Segment Disclosure (Schedule 2)**  
**Year Ended March 31, 2019**

The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type.  
The segment results for the period are as follows:

	Governance & Operations		Post-Secondary		Social Assistance		Health Services		Business Enterprises		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenues</b>												
Federal government	\$ 4,170,870	\$ 3,912,882	\$ 397,610	\$ 399,158	\$ 511,921	\$ 533,152	\$ 2,143,127	\$ 1,990,296	\$ -	\$ -	\$ 7,223,528	\$ 6,835,488
Provincial government	189,725	157,914	-	-	4,365	-	-	-	34,464	41,299	228,554	199,213
Economic activities	-	-	-	-	-	-	-	-	7,066,357	7,115,002	7,066,357	7,115,002
Other revenue	815,147	1,078,467	-	1,348	9,840	(21,074)	246,257	(65,003)	97,808	60,295	1,169,052	1,054,033
<b>Total Revenue</b>	<b>5,175,742</b>	<b>5,149,263</b>	<b>397,610</b>	<b>400,506</b>	<b>526,126</b>	<b>512,078</b>	<b>2,389,384</b>	<b>1,925,293</b>	<b>7,198,629</b>	<b>7,216,596</b>	<b>15,687,491</b>	<b>15,203,736</b>
<b>Expenses</b>												
Wages and benefits	1,478,229	1,452,521	111,538	121,688	-	-	1,141,996	878,256	475,265	470,038	3,207,028	2,922,503
Amortization	1,017,733	912,718	-	-	-	-	92,303	77,393	80,353	87,686	1,190,389	1,077,797
Debt servicing	58,884	63,842	1,359	748	971	10,554	4,990	1,249	13,232	14,287	79,436	90,680
Other expenses	2,573,133	2,864,098	346,432	229,869	547,293	473,196	1,063,206	963,245	6,784,051	6,644,585	11,314,115	11,174,993
<b>Total Expenses</b>	<b>5,127,979</b>	<b>5,293,179</b>	<b>459,329</b>	<b>352,305</b>	<b>548,264</b>	<b>483,750</b>	<b>2,302,495</b>	<b>1,920,143</b>	<b>7,352,901</b>	<b>7,216,596</b>	<b>15,790,968</b>	<b>15,265,973</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 47,763</b>	<b>\$ (143,916)</b>	<b>\$ (61,719)</b>	<b>\$ 48,201</b>	<b>\$ (22,138)</b>	<b>\$ 28,328</b>	<b>\$ 86,889</b>	<b>\$ 5,150</b>	<b>\$ (154,272)</b>	<b>\$ -</b>	<b>\$ (103,477)</b>	<b>\$ (62,237)</b>