

**ROLLING RIVER FIRST NATION  
Consolidated Financial Statements  
Year Ended March 31, 2021**

**ROLLING RIVER FIRST NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Accumulated Surplus	6
Consolidated Statement of Changes in Net Financial Assets (Debt)	7
Consolidated Statement of Cash Flow	8
Notes to Consolidated Financial Statements	9 - 19
Consolidated Expenses ( <i>Schedule 1</i> )	20
Consolidated Segment Disclosure ( <i>Schedule 2</i> )	21

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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 (PSAS). 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.

The 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 members' 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 generally accepted auditing standards.

A handwritten signature in blue ink, appearing to read "Erickson, MB", is placed over a horizontal line.

Erickson, MB

## 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 First Nation), which comprise the consolidated statement of financial position as at March 31, 2021, 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 First Nation as at March 31, 2021, and the consolidated results of its operations and consolidated cash flow for the year then ended in accordance with Canadian public sector accounting standards (PSAS)

*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 First Nation 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 First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

*(continues)*

Independent Auditor's Report To the Members of Rolling River First Nation (*continued*)

*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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 First Nation 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  
May 16, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

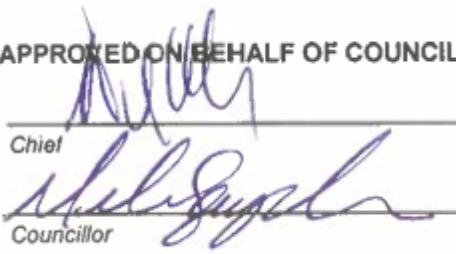
**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Financial Position**

**March 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash	\$ 2,080,105	\$ 389,393
Accounts receivable (Note 5)	1,612,703	1,042,747
Long term investments (Note 6)	1,250,442	1,216,912
Note receivable (Note 7)	271,455	297,116
Ottawa trust funds (Note 8)	2,352	2,325
	<b>5,217,057</b>	2,948,493
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 9)	2,145,618	1,461,651
Deferred revenue (Note 10)	678,079	606,340
Construction advances (Note 16)	117,990	-
Long term debt (Note 11)	1,165,913	1,301,600
Obligations under capital lease (Note 12)	161,645	205,086
	<b>4,269,245</b>	3,574,677
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>947,812</b>	(626,184)
<b>NON-FINANCIAL ASSETS</b>		
Inventory (Note 13)	19,648	19,648
Prepaid expenses	1,610	11,942
VLT Administration fee (Note 14)	280,358	318,588
Tangible capital assets (Note 15)	15,065,946	14,775,785
Construction in progress (Note 16)	9,335	-
	<b>15,376,897</b>	15,125,963
<b>ACCUMULATED SURPLUS</b>	<b>\$ 16,324,709</b>	\$ 14,499,779

CONTINGENT LIABILITY (Note 23)

APPROVED ON BEHALF OF COUNCIL

Chief  
  
Councillor

  
Councillor

**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Indigenous Services Canada	\$ 11,343,607	\$ 8,077,025
Canada Mortgage and Housing Corporation	67,726	9,188
First Peoples Development Inc.	159,993	239,753
Province of Manitoba	182,894	211,919
Video lottery terminals	2,337,215	6,077,598
Sales (Note 20)	1,037,938	918,081
Income (loss) from investment in limited partnership	(593)	8,406
Rent	374,905	241,853
Interest	5,362	1,559
Other (Note 20)	668,133	359,564
Prior year recoveries	(39,015)	(37,265)
Decommissioned accounts receivable	(3,824)	(195,868)
Deferred from prior year (Note 10)	606,340	690,935
Deferred to subsequent year (Note 10)	(678,079)	(606,340)
	<b>16,062,602</b>	15,996,408
<b>EXPENSES (Schedule 1)</b>	<b>13,230,716</b>	15,761,589
<b>SURPLUS FROM OPERATIONS</b>	<b>2,831,886</b>	234,819
<b>OTHER EXPENSES</b>		
Amortization	998,413	1,003,639
Amortization of VLT Administration fee	38,231	43,444
	<b>1,036,644</b>	1,047,083
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 1,795,242</b>	\$ (812,264)

**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Changes in Accumulated Surplus**  
**Year Ended March 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>\$ 14,499,779</b>	<b>\$ 15,163,602</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>1,795,242</b>	<b>(812,264)</b>
	<b>16,295,021</b>	<b>14,351,338</b>
<b>Replacement reserve transactions (Notes 17, 18, 19)</b>	<b>29,688</b>	<b>148,441</b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 16,324,709</b>	<b>\$ 14,499,779</b>

**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Changes in Net Financial Assets (Debt)**  
**Year Ended March 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 1,795,242</b>	<b>\$ (812,264)</b>
Amortization of tangible capital assets	998,413	1,003,639
Amortization of VLT Administration fee	38,231	43,444
Purchase of tangible capital assets	(1,288,573)	(1,423,429)
Decrease in prepaid expenses	10,330	58,426
Replacement reserve transactions	29,688	148,441
Increase in construction in progress	(9,335)	-
	(221,246)	(169,479)
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>1,573,996</b>	<b>(981,743)</b>
<b>NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR</b>	<b>(626,184)</b>	<b>355,559</b>
<b>NET FINANCIAL ASSETS (DEBT) - END OF YEAR</b>	<b>\$ 947,812</b>	<b>\$ (626,184)</b>

**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Cash Flow**  
**Year Ended March 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ 1,795,242	\$ (812,264)
Items not affecting cash:		
Amortization	998,413	1,003,639
Amortization of VLT Administration fee	38,231	43,444
Loss (income) from investment in limited partnership	593	(8,406)
Replacement reserve transactions	29,688	148,441
	<b>2,862,167</b>	374,854
Changes in non-cash working capital	<b>196,080</b>	(102,878)
	<b>3,058,247</b>	271,976
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(1,288,573)	(1,207,020)
Increase in long term investments	(34,124)	-
Increase in Ottawa trust funds	(27)	(37)
Decrease in note receivable	25,661	84,595
Increase in construction in progress	(9,335)	-
	<b>(1,306,398)</b>	(1,122,462)
<b>FINANCING ACTIVITIES</b>		
Construction advances	117,990	-
Proceeds from long term financing	-	927,105
Repayment of long term debt	(135,686)	(166,163)
Repayment of obligations under capital lease	(43,441)	(23,367)
	<b>(61,137)</b>	737,575
<b>INCREASE (DECREASE) IN CASH</b>	<b>1,690,712</b>	(112,911)
Cash - beginning of year	<b>389,393</b>	502,304
<b>CASH - END OF YEAR</b>	<b>\$ 2,080,105</b>	<b>\$ 389,393</b>

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**1. NATURE OF ENTITY**

Rolling River First Nation is located in the province of Manitoba and operates as the governing entity in providing services to its community members.

Rolling River First Nation reporting entity includes all entities which are either owned or controlled by the First Nation.

**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 Housing
- Rolling River First Nation Post-Secondary
- Rolling River First Nation Social Assistance
- Southquill Health Services
- Southquill Gaming Centre & Restaurant
- 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.

Long term investments

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 First Nation. Rolling River First Nation'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 a declining balance basis at a rate of 12% per year.

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**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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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 at the following rates and methods:

Land	non-amortizable
Buildings	4% straight-line method
Band housing	4% straight-line method
CMHC housing	annual principal reduction
Equipment	20% straight-line method
Equipment under capital lease	10% declining balance method
Roads and infrastructure	3% declining balance method
Vehicles	20% straight-line method
Vehicles and equipment under capital lease	20% straight-line method

The First Nation 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.

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**3. FINANCIAL INSTRUMENTS**

The First Nation 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 First Nation's risk exposure and concentration as of March 31, 2021.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The First Nation is exposed to credit risk from 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 First Nation has a significant number of funders and members which minimizes concentration of credit risk.

**Liquidity risk**

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

**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 First Nation manages exposure through its normal operating and financing activities. The First Nation is exposed to interest rate risk primarily through its floating interest rate credit facilities.

**4. CASH**

The First Nation has a line of credit with the Median Credit Union in the amount of \$90,000 (2020 - \$250,000) which is repayable on demand, bears interest at the Median Credit Union prime rate plus 5.65% 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, 2021, the line of credit remained unused (2020 - \$47,987 unused).

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**5. ACCOUNTS RECEIVABLE**

	<b>2021</b>	<b>2020</b>
Indigenous Services Canada	\$ 1,366,111	\$ 809,742
Other government agencies	92,140	87,955
Members	169,771	176,194
Trade and other	34,321	5,459
<b>Subtotal</b>	<b>1,662,343</b>	1,079,350
Allowance for doubtful accounts	(49,640)	(36,603)
	<b>\$ 1,612,703</b>	<b>\$ 1,042,747</b>

**6. LONG TERM INVESTMENTS**

	<b>2021</b>	<b>2020</b>
KRW Limited Partnership	\$ 1,193,517	\$ 1,194,111
Heritage Co-Op - patronage equity	56,925	22,801
	<b>\$ 1,250,442</b>	<b>\$ 1,216,912</b>

The First Nation'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 First Nation shares interest in the partnership along with Keesekooowenin First Nation and Waywayseecappo First Nation. The partnership had no development activity during the current year.

**7. NOTE RECEIVABLE**

Amounts owing from the Rolling River First Nation TLE 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>2021</b>	<b>2020</b>
Balance, beginning of year	\$ 297,116	\$ 381,711
Current year loss	(25,661)	(84,595)
	<b>\$ 271,455</b>	<b>\$ 297,116</b>

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**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>2021</b>	<b>2020</b>
Capital account	\$ 100	\$ 100
Revenue account	2,252	2,225
	<b>\$ 2,352</b>	<b>\$ 2,325</b>

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2021</b>	<b>2020</b>
Indigenous Services Canada	\$ 77,495	\$ 37,265
Source deductions	413,174	388,066
Wages and benefits	122,374	108,185
Trade and other	1,532,575	928,135
	<b>\$ 2,145,618</b>	<b>\$ 1,461,651</b>

**10. DEFERRED REVENUE**

	<b>2021</b>	<b>2020</b>
Treaty Land Entitlement Trust	\$ 580,679	\$ 606,340
Assembly of Manitoba Chiefs - emergency support	97,400	-
	<b>\$ 678,079</b>	<b>\$ 606,340</b>

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**11. LONG TERM DEBT**

	<b>2021</b>	<b>2020</b>
First Peoples Economic Growth loan, non-interest bearing, repayable in monthly payments of \$2,344. The loan matures on May 31, 2024 and is secured by second charge general security agreement.	\$ 103,611	\$ 117,674
Liquor, Gaming and Cannabis Authority of Manitoba loan bearing interest at 2.35% per annum, repayable in monthly blended payments of \$1,672. The loan matures on July 19, 2023 and is secured by video lottery terminals.	176,180	203,137
Canada Mortgage and Housing Corporation loan bearing interest at 1.73% per annum, repayable in monthly blended payments of \$4,578. The loan matures on February 1, 2040 and is secured by a Ministerial Guarantee.	886,122	925,448
Median Credit Union loan bearing interest at the Median Credit Union prime rate plus 5% per annum, repayable in monthly blended payments of \$4,720. The loan matured on March 31, 2021 and was secured by specific assets.	-	55,341
	<b>\$ 1,165,913</b>	<b>\$ 1,301,600</b>

Principal repayment terms are approximately:

2022	\$ 132,350
2023	154,074
2024	96,145
2025	61,329
2026	42,824
Thereafter	<u>679,191</u>
	<b><u>\$ 1,165,913</u></b>

Canada Mortgage and Housing Corporation (CMHC) mortgages have maturity dates beyond 20 years and call for renewal every 5 years. Since CMHC will in all likelihood renew each mortgage at the renewal date, the repayment schedule reflects repayment over the entire period of the mortgage.

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**12. OBLIGATIONS UNDER CAPITAL LEASE**

	<b>2021</b>	<b>2020</b>
National Leasing lease bearing interest at 9.8% per annum, repayable in monthly blended payments of \$4,220. The lease matures on September 1, 2024 and is secured by 2016 Case 1021F wheel loader.	\$ 161,645	\$ 198,988
Accurate Leasing lease bearing interest at 22.95% per annum, repayable in monthly blended payments of \$676. The lease matured on January 31, 2021 and was secured by a diesel fuel dispenser.	- 6,098	
	<b>\$ 161,645</b>	<b>\$ 205,086</b>

Future minimum capital lease payments are approximately:

2022	\$ 54,193
2023	54,193
2024	54,193
2025	27,288
 Total minimum payments	 189,867
 Less interest amount at various rates	 <u>(28,222)</u>
	 <b>\$ 161,645</b>

**13. INVENTORY**

	<b>2021</b>	<b>2020</b>
Supplies - Southquill Gaming Centre	\$ 13,348	\$ 13,348
Supplies - Southquill Restaurant	3,000	3,000
Supplies - Southquill Gas Bar	3,300	3,300
 \$ 19,648	 \$ 19,648	

**14. VLT ADMINISTRATION FEE**

	<b>2021</b>	<b>2020</b>
Cost	\$ 1,041,000	\$ 1,041,000
Accumulated amortization	(760,642)	(722,412)
 \$ 280,358	 \$ 318,588	

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

**15. TANGIBLE CAPITAL ASSETS**

Cost	2020 Balance	Additions	Disposals	2021 Balance
Land	\$ 4,904,161	\$ -	\$ -	\$ 4,904,161
Buildings	8,831,658	56,794	-	8,888,452
Band housing	7,587,736	976,028	-	8,563,764
CMHC housing	913,085	-	-	913,085
Equipment	1,091,777	-	-	1,091,777
Roads and infrastructure	4,702,579	-	-	4,702,579
Vehicles	4,164,578	255,752	-	4,420,330
Vehicles and equipment under capital lease	276,319	-	-	276,319
	<b>\$ 32,471,893</b>	<b>\$ 1,288,574</b>	<b>\$ -</b>	<b>\$ 33,760,467</b>
Accumulated Amortization	2020 Balance	Amortization	Accumulated Amortization on Disposals	2021 Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	5,343,896	285,329	-	5,629,225
Band housing	4,767,318	342,551	-	5,109,869
CMHC housing	1,658	39,325	-	40,983
Equipment	919,648	36,634	-	956,282
Roads and infrastructure	2,883,878	54,561	-	2,938,439
Vehicles	3,724,575	186,286	-	3,910,861
Vehicles and equipment under capital lease	55,135	53,727	-	108,862
	<b>\$ 17,696,108</b>	<b>\$ 998,413</b>	<b>\$ -</b>	<b>\$ 18,694,521</b>
Net book value			2021	2020
Land			\$ 4,904,161	\$ 4,904,161
Buildings			3,259,227	3,487,762
Band housing			3,453,895	2,820,418
CMHC housing			872,102	911,427
Equipment			135,495	172,129
Roads and infrastructure			1,764,140	1,818,701
Vehicles			509,469	440,003
Vehicles and equipment under capital lease			167,457	221,184
			<b>\$ 15,065,946</b>	<b>\$ 14,775,785</b>

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**16. CONSTRUCTION IN PROGRESS**

During the year, the First Nation commenced construction of a 2 Unit housing project through Canada Mortgage and Housing Corporation (CMHC) at a CMHC approved cost of \$471,958. As at March 31, 2021, \$9,335 in costs had been incurred.

The First Nation received advances of \$117,990 from CMHC to assist with the construction of the project.

Construction is expected to be completed within the next year.

**17. HOUSING REPLACEMENT RESERVE**

Under the terms of the agreement with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve account is to be credited with an amount of \$4,000 (2020 - \$467) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC. Withdrawals are credited to interest first and then principal.

As at March 31, 2021, the Replacement Reserve Fund bank account had a balance of \$NIL (2020 - \$Nil) and was underfunded by \$4,467 (2020 - \$467).

Replacement reserve expenses have been made in accordance with Schedule "D" of the operating agreement with CMHC.

	<b>2021</b>	<b>2020</b>
Balance, beginning of year	\$ 467	\$ -
Annual allocation	4,000	467
Balance, end of year	\$ 4,467	\$ 467

**18. 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, 2021, the moveable asset reserve bank account had a balance of \$Nil (2020 - \$Nil) and was underfunded by \$37,687 (2020 - \$36,379).

	<b>2021</b>	<b>2020</b>
Balance beginning of year	\$ 36,379	\$ 35,109
Amount provided in agreement for MAR	1,308	1,270
Subtotal	37,687	36,379
Revenues generated	-	-
Expenses (acquisitions and replacements)	-	-
Balance, end of year	\$ 37,687	\$ 36,379

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**19. BUS REPLACEMENT RESERVE**

The First Nation has established a replacement reserve for the future replacement of school buses.

	<b>2021</b>	<b>2020</b>
Balance, beginning of year	\$ 146,704	\$ -
Annual allocation	24,380	146,704
<b>Balance, end of year</b>	<b>\$ 171,084</b>	<b>\$ 146,704</b>

**20. SALES AND OTHER REVENUES**

	<b>2021</b>	<b>2020</b>
<b>Sales</b>		
Southquill Gaming Centre	\$ 50,407	\$ 411,950
Southquill Restaurant	86,564	180,309
Southquill Gas Bar	900,967	325,822
	<b>\$ 1,037,938</b>	<b>\$ 918,081</b>
<b>Other</b>		
Government of Canada	\$ 21,174	\$ 90,613
First Nation organizations	373,043	97,400
Treat Land Entitlement Corporation	55,042	72,546
Gravel and trucking	39,944	5,040
User fees	37,400	43,098
Rolling River First Nation TLE Trust	(25,661)	(84,595)
Other	167,191	135,462
	<b>\$ 668,133</b>	<b>\$ 359,564</b>

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

	<b>2021</b>	<b>2020</b>
Indigenous Services Canada per financial statements	\$ 11,343,607	\$ 8,077,025
Indigenous Services Canada per confirmation	\$ 11,343,607	\$ 8,077,025

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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**22. PENSION PLAN**

The organization has an employee registered defined contribution pension plan. The organization matches the employees' contributions. During the year, expenses totalling \$31,243 (2020 - \$34,112) were made to the pension plan.

**23. 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.

**24. ECONOMIC DEPENDENCE**

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

**25. 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, 2021**

	<b>2021</b>	<b>2020</b>
Administration	\$ 22,257	\$ 15,587
Advertising and promotion	6,831	7,547
Bad debts (recovery)	(4,851)	18,988
Community support	882,955	311,847
Honoraria	147,651	55,635
Income support	536,363	514,481
Insurance	243,915	203,057
Interest and bank charges	41,038	59,275
Interest on long term debt	19,582	17,293
Interest on obligations under capital lease	16,995	11,841
Manitoba Lotteries fees	56,472	134,345
Medical transportation	77,691	105,886
Office and miscellaneous	270,217	303,081
Professional fees	226,833	218,541
Rent	20,760	27,650
Repairs and maintenance	816,310	792,330
Replacement reserve allocations (Notes 17, 18, 19)	29,688	148,441
Special activities	123,040	308,799
Special needs	50,309	5,145
Student allowances	205,213	168,946
Student expenses	7,376	16,986
Sub-contracts	672,566	3,975
Supplies	1,199,731	1,133,813
Telephone	42,719	55,853
Training	88,390	237,858
Travel	246,759	467,738
Tuition	1,345,705	1,361,311
Utilities	323,722	285,362
Vehicle	171,852	215,761
Video lottery payouts	1,900,249	4,861,601
Wages and employee benefits	3,442,378	3,692,616
	<b>\$ 13,230,716</b>	<b>\$ 15,761,589</b>

**ROLLING RIVER FIRST NATION**  
**Consolidated Segment Disclosure (Schedule 2)**  
**Year Ended March 31, 2021**

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		Housing		Business Enterprises		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Revenues</b>														
Federal government	<b>\$ 5,927,290</b>	\$ 4,152,482	<b>\$ 541,438</b>	\$ 464,418	<b>\$ 927,867</b>	\$ 668,117	<b>\$ 3,203,172</b>	\$ 2,621,761	<b>\$ 971,559</b>	\$ 419,188	<b>\$ -</b>	\$ -	<b>\$ 11,571,326</b>	\$ 8,325,966
Provincial government	<b>117,643</b>	161,381	<b>-</b>	-	<b>12,275</b>	11,565	<b>-</b>	-	<b>-</b>	-	<b>52,976</b>	38,974	<b>182,894</b>	211,919
Economic activities	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-	<b>3,375,153</b>	6,995,679	<b>3,375,153</b>	6,995,679
Other revenue	<b>830,973</b>	380,398	<b>14,129</b>	-	<b>-</b>	-	<b>35,379</b>	68,645	<b>50,548</b>	-	<b>2,200</b>	13,801	<b>933,229</b>	462,844
<b>Total Revenue</b>	<b>6,875,906</b>	4,694,261	<b>555,567</b>	464,418	<b>940,142</b>	679,682	<b>3,238,551</b>	2,690,406	<b>1,022,107</b>	419,188	<b>3,430,329</b>	7,048,454	<b>16,062,602</b>	15,996,408
<b>Expenses</b>														
Wages and benefits	<b>1,690,163</b>	1,697,106	<b>76,627</b>	70,980	<b>-</b>	-	<b>1,305,360</b>	1,386,118	<b>1,564</b>	41,750	<b>368,664</b>	496,662	<b>3,442,378</b>	3,692,616
Amortization	<b>846,096</b>	891,072	<b>-</b>	-	<b>-</b>	-	<b>65,257</b>	79,301	<b>78,366</b>	1,658	<b>46,925</b>	75,052	<b>1,036,644</b>	1,047,083
Debt servicing	<b>54,148</b>	68,974	<b>754</b>	1,360	<b>1,464</b>	1,304	<b>853</b>	1,572	<b>15,758</b>	4,675	<b>4,638</b>	10,524	<b>77,615</b>	88,409
Other expenses	<b>4,101,389</b>	3,163,262	<b>433,847</b>	360,282	<b>749,143</b>	669,517	<b>807,610</b>	1,137,445	<b>468,336</b>	370,708	<b>3,150,398</b>	6,279,350	<b>9,710,723</b>	11,980,564
<b>Total Expenses</b>	<b>6,691,796</b>	5,820,414	<b>511,228</b>	432,622	<b>750,607</b>	670,821	<b>2,179,080</b>	2,604,436	<b>564,024</b>	418,791	<b>3,570,625</b>	6,861,588	<b>14,267,360</b>	16,808,672
<b>Annual Surplus (Deficit)</b>	<b>\$ 184,110</b>	\$ (1,126,154)	<b>\$ 44,339</b>	\$ 31,796	<b>\$ 189,535</b>	\$ 8,861	<b>\$ 1,059,471</b>	\$ 85,970	<b>\$ 458,083</b>	\$ 397	<b>\$ (140,296)</b>	\$ 186,866	<b>\$ 1,795,242</b>	\$ (812,264)