

**ROLLING RIVER FIRST NATION  
Consolidated Financial Statements  
Year Ended March 31, 2022**

**ROLLING RIVER FIRST NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

---

	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	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 18
Consolidated Expenses ( <i>Schedule 1</i> )	19
Consolidated Segment Disclosure ( <i>Schedule 2</i> )	20

---

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

---

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.

The First Nation Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The 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, the First Nation Council approves the financial statements. The 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

---

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, 2022, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and the consolidated results of its operations and consolidated cash flows 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 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 26, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash (Note 4)	\$ 3,405,038	\$ 2,080,105
Accounts receivable (Note 5)	860,158	1,612,703
Long term investments (Note 6)	1,261,116	1,250,442
Note receivable (Note 7)	314,139	271,455
Ottawa trust funds (Note 8)	2,398	2,352
	<b>5,842,849</b>	<b>5,217,057</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 9)	1,171,328	2,145,617
Deferred revenue (Note 10)	1,815,254	678,079
Long term debt (Note 11)	1,033,564	1,165,913
Obligations under capital lease (Note 12)	120,697	161,645
Construction advances (Note 16)	508,560	117,990
	<b>4,649,403</b>	<b>4,269,244</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,193,446</b>	<b>947,813</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventory (Note 13)	50,508	19,648
Prepaid expenses	14,270	1,610
VLT Administration fee (Note 14)	246,715	280,358
Tangible capital assets (Note 15)	14,760,087	15,065,945
Construction in progress (Note 16)	707,620	9,335
	<b>15,779,200</b>	<b>15,376,896</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 16,972,646</b>	<b>\$ 16,324,709</b>

CONTINGENT LIABILITY (Note 23)

APPROVED BY THE CHIEF AND COUNCIL

Chief

Councillor

Councillor

Councillor

**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>		
Indigenous Services Canada	\$ 12,614,910	\$ 11,343,607
Canada Mortgage and Housing Corporation	55,127	67,726
First Peoples Development Inc.	233,568	159,993
Province of Manitoba	166,135	182,894
Video lottery terminals	2,867,306	2,337,215
Sales (Note 20)	1,186,244	1,037,938
Income (loss) from investment in limited partnership (Note 6)	4,802	(593)
Rent	347,774	374,905
Interest	9,903	5,362
Other (Note 20)	735,606	668,133
Prior year recoveries	-	(39,015)
Decommissioned accounts receivable	(137,635)	(3,824)
Deferred from prior year (Note 10)	678,079	606,340
Deferred to subsequent year (Note 10)	(1,815,254)	(678,079)
	<b>16,946,565</b>	16,062,602
<b>EXPENSES (Schedule 1)</b>	<b>14,988,332</b>	13,230,716
<b>SURPLUS FROM OPERATIONS</b>	<b>1,958,233</b>	2,831,886
<b>OTHER EXPENSES</b>		
Amortization	1,153,646	998,413
Amortization of VLT Administration fee	33,643	38,231
	<b>1,187,289</b>	1,036,644
<b>ANNUAL SURPLUS</b>	<b>\$ 770,944</b>	\$ 1,795,242

**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Changes in Accumulated Surplus**  
**Year Ended March 31, 2022**

---

	<b>2022</b>	<b>2021</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>\$ 16,324,709</b>	<b>\$ 14,499,779</b>
<b>ANNUAL SURPLUS</b>	<b>770,944</b>	<b>1,795,242</b>
	<b>17,095,653</b>	<b>16,295,021</b>
<b>Replacement reserve transactions (Notes 17, 18, 19)</b>	<b>(123,007)</b>	<b>29,688</b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 16,972,646</b>	<b>\$ 16,324,709</b>

---

**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended March 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>ANNUAL SURPLUS</b>	<b>\$ 770,944</b>	<b>\$ 1,795,242</b>
Amortization of tangible capital assets	1,153,646	998,413
Amortization of VLT Administration fee	33,643	38,231
Purchase of tangible capital assets	(871,239)	(1,288,573)
Proceeds on disposal of tangible capital assets	150,500	-
Loss on disposal of tangible capital assets	(127,049)	-
Decrease (increase) in prepaid expenses	(12,660)	10,331
Decrease (increase) in inventory	(30,860)	-
Replacement reserve transactions	(123,007)	29,688
Increase in construction in progress	(698,285)	(9,335)
	(525,311)	(221,245)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>245,633</b>	<b>1,573,997</b>
<b>NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR</b>	<b>947,813</b>	<b>(626,184)</b>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<b>\$ 1,193,446</b>	<b>\$ 947,813</b>

**ROLLING RIVER FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 770,944	\$ 1,795,242
Items not affecting cash:		
Amortization	1,153,646	998,413
Amortization of VLT Administration fee	33,643	38,231
Loss (income) from investment in limited partnership	(4,802)	593
Replacement reserve transactions	(123,007)	29,688
Gain (loss) on disposal of tangible capital assets	(127,047)	-
	<b>1,703,377</b>	2,862,167
Changes in non-cash working capital	<b>871,909</b>	196,080
Cash flow from operating activities	<b>2,575,286</b>	3,058,247
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(871,239)	(1,288,573)
Proceeds on disposal of tangible capital assets	150,500	-
Increase in long term investments	(5,872)	(34,124)
Increase in Ottawa trust funds	(46)	(27)
Decrease (increase) in note receivable	(42,684)	25,661
Increase in construction in progress	(698,285)	(9,335)
Cash flow used by investing activities	<b>(1,467,626)</b>	(1,306,398)
<b>FINANCING ACTIVITIES</b>		
Construction advances	390,570	117,990
Repayment of long term debt	(132,349)	(135,686)
Repayment of obligations under capital lease	(40,948)	(43,441)
Cash flow from (used by) financing activities	<b>217,273</b>	(61,137)
<b>INCREASE IN CASH</b>	<b>1,324,933</b>	1,690,712
Cash - beginning of year	<b>2,080,105</b>	389,393
<b>CASH - END OF YEAR</b>	<b>\$ 3,405,038</b>	\$ 2,080,105

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

---

**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 (PSAS) 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.

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.

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. Investment in Heritage Co-op is recorded on an equity basis. Rolling River First Nation's investments in these entities are recorded at acquisition cost and 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.

(continues)

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

---

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

**VLT Administration fee**

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

**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 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.

**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, 2022.

**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.

*(continues)*

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

---

**3. FINANCIAL INSTRUMENTS (continued)**

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 (2021 - \$90,000) which is repayable on demand, bears interest at the Median Credit Union prime rate plus 5.65% per annum, and is secured by a general security agreement and Band Council Resolution. As at March 31, 2022, the line of credit remained unused (2021 - unused).

**5. ACCOUNTS RECEIVABLE**

	<b>2022</b>	<b>2021</b>
Indigenous Services Canada	\$ 598,015	\$ 1,366,111
Other government agencies	146,493	92,140
Members	156,363	169,771
Trade and other	8,211	34,321
<b>Subtotal</b>	<b>909,082</b>	1,662,343
Allowance for doubtful accounts	(48,924)	(49,640)
	<b>\$ 860,158</b>	\$ 1,612,703

**6. LONG TERM INVESTMENTS**

	<b>2022</b>	<b>2021</b>
KRW Limited Partnership	\$ 1,198,319	\$ 1,193,517
Heritage Co-Op - patronage equity	62,797	56,925
	<b>\$ 1,261,116</b>	\$ 1,250,442

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 Keeseeekoowenin 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, 2022**

---

**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 Trust will have no effect on existing or future funding for programs.

	<b>2022</b>	<b>2021</b>
Balance, beginning of year	\$ 271,455	\$ 297,116
Income (loss) for the year	42,684	(25,661)
	<b>\$ 314,139</b>	<b>\$ 271,455</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>2022</b>	<b>2021</b>
Capital account	\$ 100	\$ 100
Revenue account	2,298	2,252
	<b>\$ 2,398</b>	<b>\$ 2,352</b>

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2022</b>	<b>2021</b>
Indigenous Services Canada	\$ 75,065	\$ 77,495
Source deductions	236,899	413,174
Wages and benefits	124,629	122,374
Trade and other	734,735	1,532,574
	<b>\$ 1,171,328</b>	<b>\$ 2,145,617</b>

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**10. DEFERRED REVENUE**

	<b>2022</b>	<b>2021</b>
Treaty Land Entitlement Trust	\$ 623,363	\$ 580,679
Assembly of Manitoba Chiefs - emergency support	82,891	97,400
Indigenous Services Canada - new houses	1,109,000	-
	<b>\$ 1,815,254</b>	<b>\$ 678,079</b>

**11. LONG TERM DEBT**

	<b>2022</b>	<b>2021</b>
First Peoples Economic Growth loan, non-interest bearing, repayable in monthly payments of \$2,344. The loan matures on December 1, 2024 and is secured by second charge general security agreement.	\$ 75,486	\$ 103,611
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.	111,928	176,180
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 Loan Guarantee.	846,150	886,122
	<b>\$ 1,033,564</b>	<b>\$ 1,165,913</b>

Principal repayment terms are approximately:

2023	\$ 154,074
2024	96,145
2025	61,329
2026	42,824
2027	43,569
Thereafter	635,623
	<b>\$ 1,033,564</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, 2022**

---

**12. OBLIGATIONS UNDER CAPITAL LEASE**

	<b>2022</b>	<b>2021</b>
National Leasing lease bearing interest at 9.8% per annum, repayable in monthly blended payments of \$4,516. The lease matures on September 1, 2024 and is secured by a 2016 Case 1021F wheel loader which has a carrying value of \$105,363.	\$ <b>120,697</b>	\$ <b>161,645</b>

Future minimum capital lease payments are approximately:

2023	\$ 54,193
2024	54,193
2025	27,288
 Total minimum lease payments	 135,674
 Less interest amount	 (14,977)
  \$ 120,697	  _____

**13. INVENTORY**

	<b>2022</b>	<b>2021</b>
Supplies - Southquill Gaming Centre	\$ 12,683	\$ 13,348
Supplies - Southquill Restaurant	3,000	3,000
Supplies - Southquill Gas Bar	34,825	3,300
  \$ 50,508	  \$ 19,648	

Included in supplies expense is a net increase in inventory of \$30,860 (2021 - \$Nil)

**14. VLT ADMINISTRATION FEE**

	<b>2022</b>	<b>2021</b>
Cost	\$ 561,000	\$ 1,041,000
Accumulated amortization	(314,285)	(760,642)
  \$ 246,715	  \$ 280,358	

During the year, the First Nation reduced the cost of and amortization of VLT machines which were replaced and returned to Manitoba Lotteries.

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**15. TANGIBLE CAPITAL ASSETS**

Cost	2021 Balance	Additions	Disposals	2022 Balance
Land	\$ 4,904,161	\$ -	\$ -	\$ 4,904,161
Buildings	8,888,452	-	-	8,888,452
Band housing	8,563,763	-	-	8,563,763
CMHC housing	913,085	-	-	913,085
Equipment	1,091,776	-	-	1,091,776
Roads and infrastructure	4,702,579	-	-	4,702,579
Vehicles	4,420,330	871,239	436,611	4,854,958
Vehicles and equipment under capital lease	276,319	-	-	276,319
	<b>\$ 33,760,465</b>	<b>\$ 871,239</b>	<b>\$ 436,611</b>	<b>\$ 34,195,093</b>
Accumulated Amortization	2021 Balance	Amortization	Accumulated Amortization on Disposals	2022 Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	5,629,225	286,959	-	5,916,184
Band housing	5,109,868	342,551	-	5,452,419
CMHC housing	40,983	39,972	-	80,955
Equipment	956,282	30,416	-	986,698
Roads and infrastructure	2,938,439	52,924	-	2,991,363
Vehicles	3,910,861	347,201	413,160	3,844,902
Vehicles and equipment under capital lease	108,862	53,623	-	162,485
	<b>\$ 18,694,520</b>	<b>\$ 1,153,646</b>	<b>\$ 413,160</b>	<b>\$ 19,435,006</b>
Net book value			2022	2021
Land			\$ 4,904,161	\$ 4,904,161
Buildings			2,972,268	3,259,227
Band housing			3,111,344	3,453,895
CMHC housing			832,130	872,102
Equipment			105,078	135,494
Roads and infrastructure			1,711,216	1,764,140
Vehicles			1,010,056	509,469
Vehicles and equipment under capital lease			113,834	167,457
			<b>\$ 14,760,087</b>	<b>\$ 15,065,945</b>

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

---

**16. CONSTRUCTION IN PROGRESS**

During the year, the First Nation incurred construction costs on two housing projects. As at March 31, 2022, the following costs have been incurred:

	<b>2022</b>	<b>2021</b>
2-Unit housing project 2020-2021	\$ 317,090	\$ 9,335
2-Unit housing project 2021-2022	390,530	-
	<b>\$ 707,620</b>	<b>\$ 9,335</b>

Construction is expected to be completed within the next year.

Construction advances totalling \$508,560 (2021 - \$117,990) have been received to assist with the two housing projects.

**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 (2021 - \$4,000) 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, 2022, the Replacement Reserve Fund bank account had a balance of \$NIL (2021 - \$Nil) and was underfunded by \$8,467 (2021 - \$4,467).

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

	<b>2022</b>	<b>2021</b>
Balance, beginning of year	\$ 4,467	\$ 467
Annual allocation	4,000	4,000
Balance, end of year	<b>\$ 8,467</b>	<b>\$ 4,467</b>

**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, 2022, the moveable asset reserve bank account had a balance of \$NIL (2021 - \$Nil) and was underfunded by \$39,034 (2021 - \$37,687).

	<b>2022</b>	<b>2021</b>
Balance beginning of year	\$ 37,687	\$ 36,379
Amount provided in agreement for MAR	1,347	1,308
Subtotal	<b>39,034</b>	37,687
Revenues generated	-	-
Expenses (acquisitions and replacements)	-	-
Balance, end of year	<b>\$ 39,034</b>	<b>\$ 37,687</b>

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

---

**19. BUS REPLACEMENT RESERVE**

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

	<b>2022</b>	<b>2021</b>
Balance, beginning of year	\$ 171,084	\$ 146,704
Annual allocation	24,380	24,380
	<b>195,464</b>	171,084
Expenses (acquisitions and replacements)	(152,734)	-
	<b>\$ 42,730</b>	\$ 171,084
Balance, end of year		

**20. SALES AND OTHER REVENUES**

	<b>2022</b>	<b>2021</b>
<b>Sales</b>		
Southquill Gaming Centre	\$ 79,841	\$ 50,407
Southquill Restaurant	97,496	86,564
Southquill Gas Bar	1,008,907	900,967
	<b>\$ 1,186,244</b>	\$ 1,037,938
<b>Other</b>		
Government of Canada	\$ 10,012	\$ 21,174
First Nation organizations	146,456	373,043
Proceeds on sale of assets	127,049	-
Manitoba Hydro	89,850	-
Treat Land Entitlement Corporation	49,857	55,042
Rolling River First Nation TLE Trust	42,684	(25,661)
User fees	35,000	37,400
Gravel and trucking	14,209	39,944
Other	220,489	167,191
	<b>\$ 735,606</b>	\$ 668,133

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

	<b>2022</b>	<b>2021</b>
Indigenous Services Canada per financial statements	\$ 12,614,910	\$ 11,343,607
Indigenous Services Canada per confirmation	12,567,195	11,343,607
Provincial School Tuition PAYE - Transfer in	47,715	-
	<b>\$ 12,614,910</b>	\$ 11,343,607

**ROLLING RIVER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

---

**22. PENSION PLAN**

The organization has an employee registered defined-contribution pension plan. The organization matches the employees' contributions. During the year, expenses totalling \$47,997 (2021 - \$31,243) 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, 2022**

	<b>2022</b>	<b>2021</b>
Administration	\$ 15,829	\$ 22,257
Advertising and promotion	6,151	6,831
Bad debts (recovery)	(716)	(4,851)
Community support	1,481,764	882,955
Honoraria	351,758	147,651
Income support	582,538	536,363
Insurance	287,386	243,915
Interest and bank charges	40,886	41,038
Interest on long term debt	17,524	19,582
Interest on obligations under capital lease	13,245	16,995
Manitoba Lotteries fees	63,242	56,472
Medical transportation	129,048	77,691
Office and miscellaneous	423,812	270,217
Professional fees	193,241	226,833
Rent	45,346	20,760
Repairs and maintenance	604,346	816,310
Replacement reserve allocations (Notes 17, 18, 19)	29,727	29,688
Special activities	314,851	123,040
Special needs	36,612	50,309
Student allowances	190,605	205,213
Student expenses	33,586	7,376
Sub-contracts	162,671	672,566
Supplies (Note 13)	1,270,192	1,199,731
Telephone	61,062	42,719
Training	243,645	88,390
Travel	295,953	246,759
Tuition	1,483,254	1,345,705
Utilities	317,291	323,722
Vehicle	219,561	171,852
Video lottery payouts	2,362,342	1,900,249
Wages and employee benefits (Note 22)	3,711,580	3,442,378
	<b>\$ 14,988,332</b>	<b>\$ 13,230,716</b>

**ROLLING RIVER FIRST NATION**  
**Consolidated Segment Disclosure (Schedule 2)**  
**Year Ended March 31, 2022**

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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Revenues</b>														
Federal government	\$ 6,912,169	\$ 5,927,290	\$ 573,218	\$ 541,438	\$ 934,746	\$ 927,867	\$ 3,223,345	\$ 3,203,172	\$ 1,260,127	\$ 971,559	\$ -	\$ -	\$ 12,903,605	\$ 11,571,326
Provincial government	106,314	117,643	-	-	2,723	12,275	-	-	-	-	57,099	52,976	166,135	182,894
Economic activities	-	-	-	-	-	-	-	-	-	-	4,053,550	3,375,153	4,053,550	3,375,153
Net income from investments in government businesses														
Other revenue	820,091	805,312	-	14,129	-	-	131,164	132,779	9,196	50,548	-	2,200	960,450	1,004,968
Deferred revenue	(42,684)	25,661	-	-	-	-	14,509	(97,400)	(1,109,000)	-	-	-	(1,137,175)	(71,739)
<b>Total Revenue</b>	<b>7,795,890</b>	<b>6,875,906</b>	<b>573,218</b>	<b>555,567</b>	<b>937,469</b>	<b>940,142</b>	<b>3,369,018</b>	<b>3,238,551</b>	<b>160,323</b>	<b>1,022,107</b>	<b>4,110,649</b>	<b>3,430,329</b>	<b>16,946,565</b>	<b>16,062,602</b>
<b>Expenses</b>														
Wages and benefits	1,742,598	1,690,163	80,919	76,627	-	-	1,329,483	1,305,360	8,115	1,564	550,465	368,664	3,711,580	3,442,378
Amortization	989,994	846,096	-	-	-	-	76,832	65,257	79,013	78,366	41,450	46,925	1,187,289	1,036,644
Debt servicing	44,977	54,148	778	754	789	1,464	1,235	853	15,317	15,758	8,559	4,638	71,655	77,615
Other expenses	4,427,038	4,101,389	539,558	433,847	750,580	749,143	1,589,019	807,610	212,342	468,336	3,686,560	3,150,398	11,205,097	9,710,723
<b>Total Expenses</b>	<b>7,204,607</b>	<b>6,691,796</b>	<b>621,255</b>	<b>511,228</b>	<b>751,369</b>	<b>750,607</b>	<b>2,996,569</b>	<b>2,179,080</b>	<b>314,787</b>	<b>564,024</b>	<b>4,287,034</b>	<b>3,570,625</b>	<b>16,175,621</b>	<b>14,267,360</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 591,283</b>	<b>\$ 184,110</b>	<b>\$ (48,037)</b>	<b>\$ 44,339</b>	<b>\$ 186,100</b>	<b>\$ 189,535</b>	<b>\$ 372,449</b>	<b>\$ 1,059,471</b>	<b>\$ (154,464)</b>	<b>\$ 458,083</b>	<b>\$ (176,385)</b>	<b>\$ (140,296)</b>	<b>\$ 770,944</b>	<b>\$ 1,795,242</b>