
RED SUCKER LAKE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

RED SUCKER LAKE FIRST NATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....STATEMENT 1

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUSSTATEMENT 2

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT.....STATEMENT 3

CONSOLIDATED STATEMENT OF CASH FLOWS.....STATEMENT 4

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Red Sucker Lake First Nation are the responsibility of management and have been approved by Chief and Council.

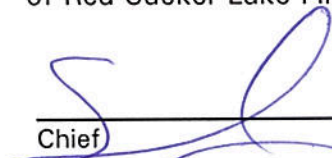
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

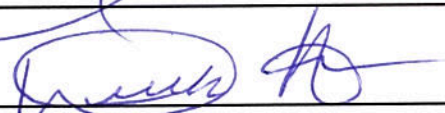
The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

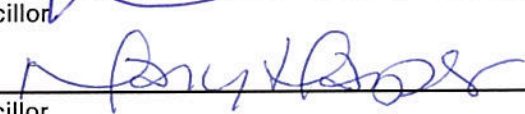
The external auditors, Collins Barrow HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Red Sucker Lake First Nation and meet when required.




Chief




Councillor




Councillor



Councillor



Councillor



Councillor

INDEPENDENT AUDITORS' REPORT

To the Chief, Council and Membership
Red Sucker Lake First Nation

We have audited the accompanying consolidated financial statements of Red Sucker Lake First Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Red Sucker Lake First Nation as at March 31, 2015, and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Winnipeg, Manitoba
March 1, 2018

Collins Barrow HMA LLP
Chartered Professional Accountants

RED SUCKER LAKE FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2015

2014

FINANCIAL ASSETS

Cash (Note 3)	\$ 774,776	\$ 609,406
Restricted Cash (Note 4)	85,601	94,575
Accounts receivable (Note 5)	217,716	198,031
Investments (Note 6)	<u>998,462</u>	<u>212,449</u>
	<u>2,076,555</u>	<u>1,114,461</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 7)	2,790,702	2,198,006
Deferred revenue (Note 8)	314,050	534,562
Mortgage advances (Note 9)	721,085	604,152
Long term debt (Note 10)	<u>8,475,093</u>	<u>7,763,507</u>
	<u>12,300,930</u>	<u>11,100,227</u>
NET DEBT	<u>(10,224,375)</u>	<u>(9,985,766)</u>

NON-FINANCIAL ASSETS

Tangible capital assets (Note 11)	35,710,145	35,949,148
Construction in progress (Note 12)	1,037,224	1,430,958
Prepaid expenses	<u>548,443</u>	<u>209,910</u>
	<u>37,295,812</u>	<u>37,590,016</u>
ACCUMULATED SURPLUS	<u>\$ 27,071,437</u>	<u>\$ 27,604,250</u>

CONTINGENT LIABILITIES (Note 13)

On behalf of the Chief and Council

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

RED SUCKER LAKE FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 5	2 0 1 4
REVENUE			
Indigenous and Northern Affairs Canada	\$ 7,929,714	\$ 10,514,262	\$ 9,329,632
First Nations and Inuit Health Branch	315,490	1,659,348	1,428,786
Canada Mortgage and Housing Corporation	446,849	446,849	791,183
Employment and Social Development Canada	218,565	218,565	219,288
Island Lake Tribal Council Inc.		50,312	80,432
Other	-	1,124,805	1,350,795
	<u>8,910,618</u>	<u>14,014,141</u>	<u>13,200,116</u>
SEGMENT EXPENDITURES			
Administration	898,139	1,357,056	1,553,037
Economic development	83,728	51,203	83,532
Employment and training		220,631	222,964
Private funds		166,404	778,253
Operations and maintenance	599,408	1,171,128	1,294,046
Social assistance	3,381,507	4,088,521	3,887,806
Capital		1,732,863	1,529,566
Education authority	3,280,446	3,451,123	3,394,075
Housing		793,600	1,093,624
Health authority	1,266,037	1,514,425	1,630,382
	<u>9,509,265</u>	<u>14,546,954</u>	<u>15,467,285</u>
ANNUAL DEFICIT	(598,647)	(532,813)	(2,267,169)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>30,413,510</u>	<u>27,604,250</u>	<u>29,871,419</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 29,814,863</u>	<u>\$ 27,071,437</u>	<u>\$ 27,604,250</u>

RED SUCKER LAKE FIRST NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 5	2 0 1 4
Annual deficit	\$ (598,647)	\$ (532,813)	\$ (2,267,169)
Acquisition of capital assets and construction in progress		(1,544,961)	(1,734,129)
Amortization of capital assets	<u>-</u>	<u>2,177,698</u>	<u>2,102,237</u>
	<u>-</u>	<u>632,737</u>	<u>368,108</u>
Acquisition of prepaid expenses		(548,443)	(209,910)
Use of prepaid expenses	<u>-</u>	<u>209,910</u>	<u>217,854</u>
	<u>-</u>	<u>(338,533)</u>	<u>7,944</u>
DECREASE IN DEBT FOR YEAR	(598,647)	(238,609)	(1,891,117)
NET DEBT, <i>beginning of year</i>	(9,985,766)	(9,985,766)	(8,094,649)
NET DEBT, <i>end of year</i>	<u>\$ (10,584,413)</u>	<u>\$ (10,224,375)</u>	<u>\$ (9,985,766)</u>

RED SUCKER LAKE FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2015	2014
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash receipts from funding agencies	\$ 12,449,139	\$ 12,749,725
Cash received from other sources	1,424,805	1,350,795
Cash paid to suppliers and employees	(12,707,833)	(11,376,930)
Interest paid	(293,273)	(448,034)
	<u>872,838</u>	<u>2,275,556</u>
<i>CAPITAL ACTIVITIES</i>		
Purchase of capital assets and construction in progress	(1,544,961)	(1,734,129)
<i>INVESTING ACTIVITY</i>		
Purchase of investments	(700,000)	-
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt	1,343,038	604,152
Repayment of long term debt	(514,519)	(573,559)
	<u>828,519</u>	<u>30,593</u>
NET INCREASE IN CASH DURING YEAR	156,396	572,020
CASH, <i>beginning of year</i>	<u>703,981</u>	<u>131,961</u>
CASH, <i>end of year</i>	<u>\$ 860,377</u>	<u>\$ 703,981</u>
CASH COMPRISED OF		
Cash - operating	\$ 774,776	\$ 609,406
Cash - restricted	<u>85,601</u>	<u>94,575</u>
	<u>\$ 860,377</u>	<u>\$ 703,981</u>

RED SUCKER LAKE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

1. NATURE OF OPERATIONS

The Red Sucker Lake First Nation (the "First Nation") is located in the province of Manitoba, and provides various services to its community members. The financial reporting entity includes all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

These consolidated financial statements are the representations of management and have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as defined by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, which encompasses the following policies.

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

REPORTING ENTITY

These consolidated financial statements report the financial activities of all entities and departments comprising the reporting entity of the First Nation.

These consolidated financial statements combine combine the assets, liabilities, revenue and expenditures of the following entities and departments:

First Nation Programs:

- Red Sucker Lake First Nation
- Red Sucker Lake CMHC Housing Authority
- Red Sucker Lake Health Authority Inc.
- Red Sucker Lake Employment and Training

Incorporated and unincorporated enterprises (wholly-owned):

- 6173536 Manitoba Ltd. (o/a RSL Inc.)
- Red Sucker Lake Air Services Ltd.

ASSET CLASSIFICATION

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

RESTRICTED CASH

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)**INVESTMENTS*

Portfolio investments are recorded at cost, less an allowance to reflect any decline in value. The First Nation's investments in various commercial enterprises are accounted for using the modified equity method.

Under the modified equity method, the cost of the investments are adjusted for the First Nation's share of the commercial enterprises' income or loss less dividends.

TANGIBLE CAPITAL ASSETS

Tangible capital assets include acquired, built, developed and improved assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods and delivering services.

Tangible capital assets acquired are reported at net book value.

Houses acquired under Canada Mortgage and Housing Corporation ("CMHC") sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the corresponding mortgage. Amortization of all other tangible capital asset categories is provided for on a straight-line basis, over the expected useful life of the asset as follows:

Buildings	25 - 40 years
Equipment	5 - 10 years
Housing	25 - 40 years
Roads	50 years
Vehicles	10 years
Waste and water systems	40 - 50 years

Amortization is computed at one-half of the annual amortization in the year of tangible capital asset acquisition.

CONSTRUCTION IN PROGRESS

Assets under construction are not amortized until the asset is available to be put into service.

LONG-LIVED ASSETS

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscontinued future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in the consolidated statement of operation and accumulated surplus for the year in which the asset becomes impaired.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2015**

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)****REVENUE RECOGNITION***

Revenue is recognized in the year in which the transactions or events occurred that gave rise to the revenue. All the revenue is recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfer revenue which includes Indigenous and Northern Affairs Canada, First Nations and Inuit Health Branch, Employment and Social Development Canada and Canada Mortgage and Housing Corporation is recognized as the revenue becomes receivable under the terms of applicable funding agreements. Revenue received under funding agreements that relate to subsequent fiscal periods is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt and is recognized as revenue in the year to which it was designated. Revenue that is restricted for particular purposes is deferred and recognized when eligible expenditures have been incurred.

The First Nation recognizes video lottery terminal revenue as the net win from gaming activities (the difference between gaming wins and gaming losses), consisting of slot machines, on a daily basis. Gaming revenue is net of commissions paid to the Manitoba Liquor and Lotteries Corporation. Management believes that it is appropriate to present gaming revenue (net of commissions), as these amounts are fixed as per their agreement with Manitoba Liquor and Lotteries Corporation.

Sales are recognized when the services are provided or the goods are shipped and subsequent collection is reasonably assured.

Rents are recorded in the year they are earned.

Tobacco and fuel tax rebates are recognized when the rebates have been earned from the Province of Manitoba.

Interest revenue is recognized on an accrual basis in the period that it is earned.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and subsequent collection is reasonably assured.

EMPLOYEE FUTURE BENEFITS

The First Nation's employee future benefit program consists of a defined contribution pension plan. The First Nation's contributions to the defined contribution plan are expensed as incurred.

SEGMENTS

The First Nation conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

FINANCIAL INSTRUMENTS

Financial instruments include cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, deferred revenue, due to federal government agencies and long term debt. Unless otherwise stated, it is management's opinion that the First Nation is not exposed to significant interest, currency, or credit risks arising from these financial instruments and the carrying values of the First Nation's financial assets and liabilities approximates their fair values.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)**FAIR VALUE*

Due to the short term nature of all financial instruments other than long term debt, the carrying value as presented in the consolidated financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so, any difference would be accounted for in the period in which it becomes known. For long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

USE OF ESTIMATES

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

Accounts receivable are stated after estimates as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations and accumulated surplus in the year in which they become known.

PROVISION FOR SITE REHABILITATION

Environmental law requires appropriate closure and post-closure care of landfill sites. This would include covering and landscaping of the site, ongoing environmental monitoring, site inspection and maintenance. No liability has been recorded as of March 31, 2015 as funding from agencies will offset any cost associated with the closure of landfill sites.

3. CASH

Cash consists of the following:

	2 0 1 5	2 0 1 4
Red Sucker Lake First Nation	\$ 514,028	\$ 605,234
Red Sucker Lake First Nation Health Authority	<u>260,748</u>	<u>4,172</u>
	<u>\$ 774,776</u>	<u>\$ 609,406</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

4. RESTRICTED CASH

Ottawa Trust Fund

The Ottawa Trust Fund arises from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. Capital trust monies are derived from non-renewable resource transactions on the sale of lands of other First Nation tangible capital assets. Capital trust monies are expended on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the First Nation's Chief and Council. Revenue trust monies are generated primarily through land-leasing transactions or interest earned on deposits in the Consolidated Revenue Fund of the Government of Canada. Revenue trust monies are, in most cases, managed and expended under the provisions of Sections 63 to 69 of the Indian Act.

CMHC Replacement Reserve

Under the terms of the operating agreements with Canada Mortgage and Housing Corporation (CMHC), the Replacement Reserve is to be credited with an annual allocation of \$67,300. These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Expenditures are charged to accumulated interest first and then to principal. As of March 31, 2015 replacement reserve was underfunded by \$424,821 (\$354,821- March 31, 2014).

	2 0 1 5	2 0 1 4
Ottawa Trust	\$ 5,152	\$ 4,957
CMHC Escrow Account	<u>80,449</u>	<u>89,618</u>
	<u>\$ 85,601</u>	<u>\$ 94,575</u>

5. ACCOUNTS RECEIVABLE

	2 0 1 5	2 0 1 4
Indigenous and Northern Affairs Canada	\$ 178,095	\$ 59,189
First Nations and Inuit Health Branch		50,196
Other	<u>39,621</u>	<u>88,646</u>
	<u>\$ 217,716</u>	<u>\$ 198,031</u>

6. INVESTMENT

	2 0 1 5	2 0 1 4
6173536 Manitoba Ltd. (o/a RSL Inc.)	\$ 298,462	\$ 212,449
Red Sucker Lake Air Services Ltd.	<u>700,000</u>	<u>-</u>
	<u>\$ 998,462</u>	<u>\$ 212,449</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 5	2 0 1 4
Trade payables	\$ 2,576,659	\$ 2,006,559
Indigenous and Northern Affairs Canada	51,733	68,977
First Nations and Inuit Health Branch	45,126	69,126
Accrued salaries and benefits	97,889	41,350
Accrued interest	<u>19,295</u>	<u>11,994</u>
	<u>\$ 2,790,702</u>	<u>\$ 2,198,006</u>

8. DEFERRED REVENUE

	2 0 1 5	2 0 1 4
Indigenous and Northern Affairs Canada		
26 Unit Water and Sewer Retrofits	114,050	114,050
Water - Over \$1.5M - Housing Plumbing Retrofits		324,712
First Nations and Inuit Health Branch	-	95,800
Northern Store - Rent	<u>200,000</u>	<u>-</u>
	<u>314,050</u>	<u>534,562</u>

9. MORTGAGE ADVANCES

The First Nation has received loan advances from Canada Mortgage and Housing Corporation in order to construct a 4 unit housing project in the current year. Once the project is substantially complete or the loan is fully advanced, the loan advances will be converted into a 25 year mortgage, with interest at rates to be established and will be renewable on 5 year terms.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

10. LONG TERM DEBT

	2015	2014
First National Financial Corporation loan, interest at 3.71%, repayable in monthly installments of \$9,397 (P & I), due December 2017.	\$ 490,691	\$ 583,528
Canadian and Mortgage Housing Corporation loan, interest at 2.40%, repayable in monthly installments of \$6,599 (P & I), due October 2015.	1,284,510	1,332,392
Canadian and Mortgage Housing Corporation loan, interest at 1.64%, repayable in monthly installments of \$6,611 (P & I), due February 2017.	1,459,318	1,514,309
Canadian and Mortgage Housing Corporation loan, interest at 1.64%, repayable in monthly installments of \$6,278 (P & I), due December 2016.	1,376,941	1,429,302
Canadian and Mortgage Housing Corporation loan, interest at 1.62%, repayable in monthly installments of \$10,438 (P & I), due March 2018.	2,404,973	2,490,648
Canadian and Mortgage Housing Corporation loan, interest at 1.92%, repayable in monthly installments of \$3,825 (P & I), due July 1, 2019.	892,463	
First Nations Bank loan, interest at prime plus 2%, repayable in monthly principal installments of \$20,594.	166,197	413,328
Promissory note - Stella Cull, repayable in monthly installments of \$4,705 including interest at 4.75% compounded monthly.	205,320	
Promissory note - Edward Cull, repayable in monthly installments of \$4,461 including interest at 4.75% compounded monthly.	194,680	
	<u>\$ 8,475,093</u>	<u>\$ 7,763,507</u>

The estimated annual principal payments required in each of the next five years to meet retirement provisions are as follows:

March 31, 2016	\$ 629,210
2017	476,126
2018	489,688
2019	503,716
2020	377,882

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

11. CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2015	Total 2014
Buildings	\$ 18,451,478		\$ 18,451,478	\$ 10,000,340	\$ 459,884	\$ 10,460,224	\$ 7,991,254	\$ 8,451,138
Equipment	334,361	3,089	337,450	320,391	16,366	336,757	693	13,970
Housing	26,770,020	1,042,011	27,812,031	14,620,643	1,025,882	15,646,525	12,165,506	12,149,377
Land	220,000		220,000				220,000	220,000
Roads	1,354,390		1,354,390	823,591	27,088	850,679	503,711	530,799
Vehicles	2,446,928	810,741	3,257,669	1,614,924	238,258	1,853,182	1,404,487	832,004
Water and Waste Systems	<u>17,231,056</u>	<u>82,854</u>	<u>17,313,910</u>	<u>3,479,196</u>	<u>410,220</u>	<u>3,889,416</u>	<u>13,424,494</u>	<u>13,751,860</u>
	<u>\$ 66,808,233</u>	<u>\$ 1,938,695</u>	<u>\$ 68,746,928</u>	<u>\$ 30,859,085</u>	<u>\$ 2,177,698</u>	<u>\$ 33,036,783</u>	<u>\$ 35,710,145</u>	<u>\$ 35,949,148</u>

12. CONSTRUCTION IN PROGRESS

	2015	2014
C.M.H.C. housing project - 4 unit	\$ 1,037,224	\$ 399,440
C.M.H.C. housing project - 5 unit	<u>-</u>	<u>1,031,518</u>
	<u>\$ 1,037,224</u>	<u>\$ 1,430,958</u>

C.M.H.C. housing - 5 unit project was completed during the 2015 fiscal year and recorded as a capital asset and amortized accordingly.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

13. CONTINGENT LIABILITIES

The First Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenditures to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their funding agreements. At this time, it was not yet determined to what extent any funding amounts related to the fiscal year ended March 31, 2015 might be recovered.

For accounting purposes, any amounts assessed or claims paid will be accounted for in the year of determination.

14. RECONCILIATION OF INDIGENOUS AND NORTHERN AFFAIRS CANADA REVENUE

	2 0 1 5	2 0 1 4
Total INAC revenue per confirmation	\$ 10,189,550	\$ 9,854,615
Less: Basic needs recovery		(86,221)
Deferred revenue:		
26 Unit Water and Sewer Retrofits		(114,050)
Water - Over \$1.5M - Housing Plumbing Retrofits	<u>324,712</u>	<u>(324,712)</u>
Total INAC revenue per financial statements	\$ <u>10,514,262</u>	\$ <u>9,329,632</u>

15. RECONCILIATION OF FIRST NATIONS AND INUIT HEALTH BRANCH REVENUE

	2 0 1 5	2 0 1 4
Total FNIH revenue per confirmation	\$ 1,563,548	\$ 1,524,586
Deferred revenue	<u>95,800</u>	<u>(95,800)</u>
Total FNIH revenue per financial statements	\$ <u>1,659,348</u>	\$ <u>1,428,786</u>

16. ECONOMIC DEPENDENCE

Red Sucker Lake First Nation receives the majority of its revenue from Indigenous and Northern Affairs Canada (INAC) and First Nations and Inuit Health Branch (FNIHB) pursuant to funding arrangements with the Government of Canada. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these funding agreements.

17. RELATED PARTY TRANSACTIONS

In the normal course of business the First Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the First Nation and related parties, aggregate revenue and expenditures derived from related parties is not determinable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

18. COMPARATIVE FIGURES

Certain prior year comparative amounts have been reclassified where necessary to conform to the financial statement presentation adopted for the current year.

19. BUDGET INFORMATION

The disclosed budget information has been approved by the Chief and Council of Red Sucker Lake First Nation. The budget figures have not been audited, reviewed or otherwise verified and consequently we do not express an opinion on them.

20. EXPENSES BY OBJECT

	2 0 1 5	2 0 1 4
Amortization	\$ 2,177,698	\$ 2,102,237
Social assistance	4,088,521	3,887,806
Insurance	117,741	138,718
Interest	293,273	448,034
Purchased goods and services	3,285,980	5,073,768
Professional fees	275,511	275,310
Salaries and benefits	3,708,848	3,207,850
Travel	<u>599,382</u>	<u>333,562</u>
	<u>\$ 14,546,954</u>	<u>\$ 15,467,285</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

21. SEGMENT DISCLOSURE

Red Sucker Lake First Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies in Note 1. The segment results for the year are as follows:

	Administration		Economic Development		Employment and Training	
	2015	2014	2015	2014	2015	2014
Revenues						
Federal Government						
INAC	\$ 626,954	\$ 594,546	\$ 83,278	\$ 83,278	\$	\$
FNIHB						
CMHC						
HRDC					218,565	219,288
Subtotal	626,954	594,546	83,278	83,278	218,565	219,288
Other revenue	<u>360,920</u>	<u>343,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>987,874</u>	<u>938,233</u>	<u>83,278</u>	<u>83,278</u>	<u>218,565</u>	<u>219,288</u>
Expenses						
Amortization	71,879	65,208				
Debt servicing	79,155	11,338			427	
Other	1,061,272	1,338,154	17,712	44,704	158,480	171,054
Salaries and benefits	<u>144,750</u>	<u>138,337</u>	<u>33,491</u>	<u>38,828</u>	<u>61,724</u>	<u>51,910</u>
Total expenses	<u>1,357,056</u>	<u>1,553,037</u>	<u>51,203</u>	<u>83,532</u>	<u>220,631</u>	<u>222,964</u>
Surplus (Deficit)	<u>\$ (369,182)</u>	<u>\$ (614,804)</u>	<u>\$ 32,075</u>	<u>\$ (254)</u>	<u>\$ (2,066)</u>	<u>\$ (3,676)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

21. SEGMENT DISCLOSURE (continued)

	Private funds		Operations and Maintenance		Social Assistance		Capital	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenues								
Federal Government								
AANDC	\$	\$	\$ 644,138	\$ 619,462	\$ 4,254,609	\$ 3,675,255	\$ 1,076,877	\$ 760,934
FNIHB								
CMHC								
HRDC								
Solicitor General	-	-	-	-	-	-	-	-
Subtotal	-	-	644,138	619,462	4,254,609	3,675,255	1,076,877	760,934
Other revenue	222,858	682,457	-	50,601	-	-	153	14,818
Total revenue	222,858	682,457	644,138	670,063	4,254,609	3,675,255	1,077,030	775,752
Expenses								
Amortization			616,118	570,242			689,627	689,627
Debt servicing			615	17,083				
Other	166,404	778,253	282,191	481,026	3,954,510	3,762,493	1,043,236	839,939
Salaries and benefits	-	-	272,204	225,695	134,011	125,313	-	-
Total expenses	166,404	778,253	1,171,128	1,294,046	4,088,521	3,887,806	1,732,863	1,529,566
Surplus (Deficit)	\$ 56,454	\$ (95,796)	\$ (526,990)	\$ (623,983)	\$ 166,088	\$ (212,551)	\$ (655,833)	\$ (753,814)

RED SUCKER LAKE FIRST NATION

PAGE 13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

21. SEGMENT DISCLOSURE (continued)

	Education		Housing		Health		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenues								
Federal Government								
AANDC	\$ 3,814,406	\$ 3,582,157	\$	\$	\$ 14,000	\$ 14,000	\$ 10,514,262	\$ 9,329,632
FNIHB					1,659,348	1,428,786	1,659,348	1,428,786
CMHC			446,849	791,183			446,849	791,183
HRDC							218,565	219,288
Island Lake Tribal Council Inc.	-	-	-	-	-	-	-	-
Subtotal	3,814,406	3,582,157	446,849	791,183	1,673,348	1,442,786	12,839,024	11,768,889
Other revenue	25,799	37,864	376,479	78,850	188,908	222,950	1,175,117	1,431,227
Total revenue	3,840,205	3,620,021	823,328	870,033	1,862,256	1,665,736	14,014,141	13,200,116
Expenses								
Amortization	440,584	416,323	326,427	326,427	33,063	34,410	2,177,698	2,102,237
Debt servicing			162,672	145,091	50,405	274,526	293,274	448,038
Other	842,121	1,132,148	258,011	592,585	583,197	568,804	8,367,134	9,709,160
Salaries and benefits	2,168,418	1,845,604	46,490	29,521	847,760	752,642	3,708,848	3,207,850
Total expenses	3,451,123	3,394,075	793,600	1,093,624	1,514,425	1,630,382	14,546,954	15,467,285
Surplus (Deficit)	\$ 389,082	\$ 225,946	\$ 29,728	\$ (223,591)	\$ 347,831	\$ 35,354	\$ (532,813)	\$ (2,267,169)