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RED SUCKER LAKE FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS

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MARCH 31, 2018

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**RED SUCKER LAKE FIRST NATION**  
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**MARCH 31, 2018**

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## 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, Baker Tilly 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

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**Disclaimer of Opinion**

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, 2018, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

**Basis for Disclaimer of Opinion**

During the year the First Nation demonstrated significant weaknesses in internal controls, as a result we were not able to gain satisfactory audit evidence in the following areas:

**Cash**

We have been unable to satisfy ourselves with the accuracy and completeness of cash due to the cash accounts not being properly maintained and reconciled in the general ledger. As a result, we were not able to assess whether potentially material adjustments were required to cash, revenue and related expenditures.

**Accounts Receivable**

We have been unable to satisfy ourselves with the completeness, and accuracy of accounts receivable due to the receivables not being properly maintained in the ledger. As a result, we were not able to assess whether potentially material adjustments were required to accounts receivable, amounts due from band members and related revenues.

**Prepaid Expenses**

We have been unable to satisfy ourselves with the completeness and existence of prepaid expenses. There is a lack of supporting documentation to support the recorded transactions. As a result, we were not able to assess whether potentially material adjustments were required to prepaid expenses and related expenses accounts.

**Investments**

During our audit we were not able to obtain access to the records of 6173536 Manitoba Ltd. o/a RSL Inc. entity wholly owned and controlled by the First Nation. As a result our verification was limited to the amounts recorded in the First Nation records and we were not able to determine whether any adjustments to assets, liabilities, accumulated surplus, revenue and expenditures were required, nor we were able to determine that amounts recorded in the First Nation records were accurate and complete.

### **Tangible Capital Assets**

We have been unable to satisfy ourselves with the completeness, existence, and valuation of tangible capital assets as well as the accuracy of the amounts recorded in the accumulated amortization. There is a lack of documentation to support the additions and disposals during the year, specifically on the community buildings and infrastructure. As a result, we were not able to assess whether potentially material adjustments were required to tangible capital assets, accumulated amortization, and expenses.

### **Accounts Payable and Accrued Liabilities**

We have been unable to satisfy ourselves with the accuracy, existence and completeness of the recorded payables, due to invoices not being entered or retained, and the sub-ledgers not being properly maintained. As a result, we were not able to assess whether potentially material adjustments were required to accounts payable, accrued liabilities and expenses.

### **Long-Term Debt**

We have been unable to satisfy ourselves with the completeness of long-term debt, due to lack of confirmation and supporting documentation. As a result, we were not able to assess whether potentially material adjustments were required to long-term debt and interest expense.

### **Private Fund Revenue**

We have been unable to satisfy ourselves regarding the completeness and occurrence of own source revenue, as our verification of these amounts was limited and we were not able to assess whether potentially material adjustments were required to revenue.

### **Operating Expenditures**

We have been unable to satisfy ourselves regarding the classification, completeness and occurrence of expenditures, as our verification of these amounts was limited and we were not able to assess whether potentially material adjustments were required to expenditures.

### **Capital Projects**

We were unable to obtain complete information about the financial activity on the community's capital projects nor were we able to obtain sufficient supporting documentation related to the information that we did obtain. As a result, we were not able to assess whether potentially material adjustments were required to construction in progress or expenditures.

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

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

In preparing the consolidated financial statements, management is responsible for assessing Red Sucker Lake 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 Red Sucker Lake First Nation or to cease operations, or has no realistic alternative but to do so.

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

*(continued.....)*

### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Red Sucker Lake 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 Red Sucker Lake 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 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 Red Sucker Lake First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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, Manitoba  
March 25, 2021

*Baker Tilly HMA LLP*  
Chartered Professional Accountants

# RED SUCKER LAKE FIRST NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2018

2017

### FINANCIAL ASSETS

Cash	\$ 4,252,523	\$ 159,504
Restricted cash (Note 3)	38,038	37,920
Accounts receivable (Note 4)	1,863,997	709,269
Investments (Note 5)	<u>502,694</u>	<u>470,933</u>
	<u>6,657,252</u>	<u>1,377,626</u>

### LIABILITIES

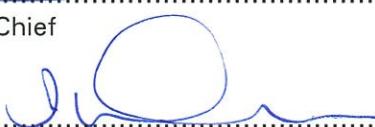
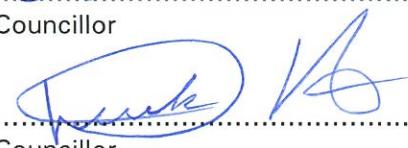
Accounts payable and accrued liabilities (Note 6)	5,511,425	2,467,838
Deferred revenue (Note 7)	288,373	60,349
Long-term debt (Note 8)	<u>7,571,464</u>	<u>8,124,380</u>
	<u>13,371,262</u>	<u>10,652,567</u>
NET DEBT	( 6,714,010)	( 9,274,941)

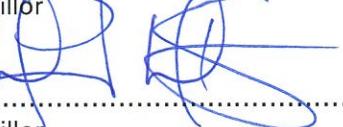
### NON-FINANCIAL ASSETS

Tangible capital assets (Note 9)	31,879,914	33,051,344
Construction in progress		860,554
Prepaid expenses (Note 10)	<u>129,713</u>	<u>1,104,394</u>
	<u>32,009,627</u>	<u>35,016,292</u>
ACCUMULATED SURPLUS	\$ <u>25,295,617</u>	\$ <u>25,741,351</u>

### CONTINGENT LIABILITIES (Note 11)

On behalf of the Chief and Council

  
 Chief  
  
 Councillor  
  
 Councillor

  
 Councillor  
  
 Councillor  
  
 Councillor

# RED SUCKER LAKE FIRST NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

MARCH 31

	BUDGET (UNAUDITED)	2018	2017
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada	\$ 22,700,390	\$ 22,698,532	\$ 14,913,478
First Nations and Inuit Health Branch	2,312,204	2,523,204	1,643,698
Canada Mortgage and Housing Corporation	485,000	485,343	493,738
Employment and Social Development Canada	260,000	220,377	373,977
Other	238,594	1,084,828	772,111
Deferred from prior year	60,349	60,349	310,955
Deferred to following year	<u>-</u>	( 288,373)	( 60,349)
	<u>26,056,537</u>	<u>26,784,260</u>	<u>18,447,608</u>
<b>EXPENDITURES</b>			
Administration	986,709	1,301,969	1,940,836
Economic development	150,278	151,247	154,022
Employment and training	260,000	242,712	351,127
Private funds		613,999	306,191
Operations and maintenance	1,895,820	1,529,693	499,228
Social assistance	4,288,846	4,058,761	4,316,617
Capital	9,201,593	8,908,259	4,310,289
Education authority	3,967,608	3,357,132	3,481,220
Housing	2,654,536	4,693,241	467,933
Health authority	<u>2,350,798</u>	<u>2,372,981</u>	<u>1,558,863</u>
	<u>25,756,188</u>	<u>27,229,994</u>	<u>17,386,326</u>
ANNUAL SURPLUS (DEFICIT)	<u>300,349</u>	( 445,734)	1,061,282
ACCUMULATED SURPLUS, begining of year	<u>25,741,351</u>	<u>25,741,351</u>	<u>24,680,069</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 26,041,700</u>	<u>\$ 25,295,617</u>	<u>\$ 25,741,351</u>

# RED SUCKER LAKE FIRST NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

MARCH 31

	BUDGET (UNAUDITED)	2018	2017
Annual surplus (deficit)	\$ 300,349	\$( 445,734)	\$ 1,061,282
Acquisition of tangible capital assets	( 300,000)	( 302,173)	( 152,900)
Amortization of capital assets	2,300,000	2,334,157	2,337,313
Acquisition of construction in progress	<u>-</u>	<u>-</u>	<u>( 860,554)</u>
	<u>2,000,000</u>	<u>2,031,984</u>	<u>1,323,859</u>
Acquisition of prepaid expenses	( 130,000)	( 129,713)	( 1,104,394)
Use of prepaid expenses	<u>1,104,394</u>	<u>1,104,394</u>	<u>842,555</u>
	<u>974,394</u>	<u>974,681</u>	<u>( 261,839)</u>
CHANGE IN NET DEBT FOR YEAR	3,274,743	2,560,931	2,123,302
NET DEBT, beginning of year	( 9,274,941)	( 9,274,941)	( 11,398,243)
NET DEBT, <i>end of year</i>	<u>\$( 6,000,198)</u>	<u>\$( 6,714,010)</u>	<u>\$( 9,274,941)</u>

**RED SUCKER LAKE FIRST NATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

**STATEMENT 4**

**MARCH 31**

	<b>2 0 1 8</b>	<b>2 0 1 7</b>
<b>CASH FLOW FROM</b>		
<i>OPERATING ACTIVITIES</i>		
Cash receipts from funding agencies	\$ 25,136,979	\$ 17,151,795
Cash received from other sources	948,601	793,781
Cash paid to suppliers and others	( 15,956,789)	( 11,613,696)
Cash paid to employees	( 4,881,316)	( 4,369,882)
Interest paid	<u>( 299,245)</u>	<u>( 338,744)</u>
	<u><b>4,948,230</b></u>	<u><b>1,623,254</b></u>
<i>INVESTING ACTIVITIES</i>		
Purchase of capital assets	<u>( 302,173)</u>	<u>( 1,013,454)</u>
<i>FINANCING ACTIVITY</i>		
Repayment of long term debt	<u>( 552,916)</u>	<u>( 601,690)</u>
NET INCREASE IN CASH DURING YEAR	<b>4,093,141</b>	8,110
CASH, <i>beginning of year</i>	<b><u>197,420</u></b>	<b><u>189,310</u></b>
CASH, <i>end of year</i>	<b><u>\$ 4,290,561</u></b>	<b><u>\$ 197,420</u></b>
<b>CASH COMPRISED OF</b>		
Cash - operating	\$ 4,252,523	\$ 159,504
Cash - restricted	<u>38,038</u>	<u>37,920</u>
	<u><b>\$ 4,290,561</b></u>	<u><b>\$ 197,424</b></u>

# RED SUCKER LAKE FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2018**

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### 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 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, 2018****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, 2018****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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2018****2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)******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.

***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, 2018 as funding from agencies will offset any cost associated with the closure of landfill sites.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

## 3. 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.

	2 0 1 8	2 0 1 7
Ottawa Trust	\$ 5,476	\$ 5,358
CMHC replacement reserve	<u>32,562</u>	<u>32,562</u>
	<u><u>\$ 38,038</u></u>	<u><u>\$ 37,920</u></u>

## 4. ACCOUNTS RECEIVABLE

	2 0 1 8	2 0 1 7
Indigenous and Northern Affairs Canada	\$ 1,577,027	\$ 620,427
First Nations and Inuit Health Branch	75,057	
Canada Mortgage and Housing Corporation	40,451	40,451
Manitoba Keewatinowi Okimakanak	22,038	35,194
Other	<u>149,424</u>	<u>13,197</u>
	<u><u>\$ 1,863,997</u></u>	<u><u>\$ 709,269</u></u>

## 5. INVESTMENTS

	2 0 1 8	2 0 1 7
6173536 Manitoba Ltd. (o/a RSL Inc.)	\$ 275,676	\$ 275,676
Red Sucker Lake Air Services Ltd.	<u>227,018</u>	<u>195,257</u>
	<u><u>\$ 502,694</u></u>	<u><u>\$ 470,933</u></u>

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 1 8	2 0 1 7
Trade payables	\$ 5,480,703	\$ 2,419,342
Indigenous and Northern Affairs Canada		17,244
Accrued salaries and benefits	20,804	20,278
Accrued interest	<u>9,918</u>	<u>10,974</u>
	<u><u>\$ 5,511,425</u></u>	<u><u>\$ 2,467,838</u></u>

## 7. DEFERRED REVENUE

	2 0 1 8	2 0 1 7
First Nations and Inuit Health Branch	<u>288,373</u>	<u>60,349</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

## 8. LONG TERM DEBT

2018

2017

Canada Mortgage and Housing Corporation mortgage, interest at 1.46%, repayable in monthly installments of \$6,069, due March 2022.	\$ 1,129,301	\$ 1,189,671
Canada Mortgage and Housing Corporation mortgage, interest at 1.46%, repayable in monthly installments of \$6,494, due March 2022.	1,287,895	1,351,524
Canada Mortgage and Housing Corporation mortgage, interest at 1.46%, repayable in monthly installments of \$6,167, due March 2022.	1,213,724	1,274,299
Canada Mortgage and Housing Corporation mortgage, interest at 1.62%, repayable in monthly installments of \$10,438, due May 2018.	2,139,499	2,237,091
Canada Mortgage and Housing Corporation mortgage, interest at 1.92%, repayable in monthly installments of \$3,825, due July 2019.	803,520	836,335
Canada Mortgage and Housing Corporation mortgage, interest at 1.05%, repayable in monthly installments of \$3,033, due April 2020.	717,337	748,490
First National Financial Corporation loan, interest at 3.50%, repayable in monthly installments of \$9,376, due December 2019.	190,753	294,458
Promissory note - Stella Cull, repayable in monthly installments of \$4,705 including interest at 4.75% compounded monthly.	45,907	98,817
Promissory note - Edward Cull, repayable in monthly installments of \$4,461 including interest at 4.75% compounded monthly.	43,528	93,695
	<u>\$ 7,571,464</u>	<u>\$ 8,124,380</u>

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

March 31, 2019	\$ 521,149
2020	411,811
2021	333,861
2022	338,947
2023	344,113
Thereafter	<u>5,621,583</u>
	<u>\$ 7,571,464</u>

# RED SUCKER LAKE FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2018**

### 9. CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total	Total
							2 0 1 8	2 0 1 7
Buildings	\$ 18,574,428	\$	\$ 18,574,428	\$ 11,397,820	\$ 465,140	\$ 11,862,960	\$ 6,711,468	\$ 7,176,608
Equipment	500,791		500,791	379,274	33,112	412,386	88,405	121,517
Housing	29,050,671	860,554	29,911,225	17,852,286	1,139,788	18,992,074	10,919,151	11,198,385
Land	220,000		220,000				220,000	220,000
Roads	1,354,390		1,354,390	904,855	27,088	931,943	422,447	449,535
Vehicles	3,567,545	302,173	3,869,718	2,286,300	258,809	2,545,109	1,324,609	1,281,245
Water and Waste Systems	<u>17,313,910</u>	<u>-</u>	<u>17,313,910</u>	<u>4,709,856</u>	<u>410,220</u>	<u>5,120,076</u>	<u>12,193,834</u>	<u>12,604,054</u>
	<u>\$ 70,581,735</u>	<u>\$ 1,162,727</u>	<u>\$ 71,744,462</u>	<u>\$ 37,530,391</u>	<u>\$ 2,334,157</u>	<u>\$ 39,864,548</u>	<u>\$ 31,879,914</u>	<u>\$ 33,051,344</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

## 10. PREPAID EXPENSES

	2 0 1 8	2 0 1 7
Fuel Supplies	\$ 129,713	\$ 676,950 427,444
	<u>\$ 129,713</u>	<u>\$ 1,104,394</u>

## 11. 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, 2018 might be recovered.

## 12. RECONCILIATION OF INDIGENOUS AND NORTHERN AFFAIRS CANADA REVENUE

	2 0 1 8	2 0 1 7
Total INAC revenue per confirmation	<u>\$ 22,698,532</u>	<u>\$ 14,913,478</u>
Total INAC revenue per financial statements	<u>\$ 22,698,532</u>	<u>\$ 14,913,478</u>

## 13. RECONCILIATION OF FIRST NATIONS AND INUIT HEALTH BRANCH REVENUE

	2 0 1 8	2 0 1 7
Total FNIH revenue per confirmation	<u>\$ 2,523,204</u>	<u>\$ 1,643,698</u>
Total FNIH revenue per financial statements	<u>\$ 2,523,204</u>	<u>\$ 1,643,698</u>

## 14. 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.

## 15. 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, 2018****16. COMPARATIVE FIGURES**

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

**17. 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.

**18. EXPENSES BY OBJECT**

	<b>2 0 1 8</b>	<b>2 0 1 7</b>
Amortization	\$ 2,334,157	\$ 2,337,313
Insurance	191,059	205,394
Interest	299,245	338,744
Professional fees	429,038	681,540
Supplies and services	14,222,010	4,407,397
Salaries and benefits	4,881,316	4,369,882
Social assistance	4,058,761	4,316,617
Travel	<u>814,408</u>	<u>729,439</u>
	<u><b>\$ 27,229,994</b></u>	<u><b>\$ 17,386,326</b></u>

# RED SUCKER LAKE FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 19. 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	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>						
Federal Government						
INAC	\$ 1,056,963	\$ 766,521	\$ 83,278	\$ 83,278	\$ 220,377	\$ 373,977
FNIHB						
CMHC						
ESDC	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,377</u>	<u>373,977</u>
Other revenue	<u>143,482</u>	<u>-</u>	<u>134,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,200,445</u>	<u>766,521</u>	<u>217,278</u>	<u>83,278</u>	<u>220,377</u>	<u>373,977</u>
<b>Expenses</b>						
Debt servicing	62,524	119,117			729	927
Other	685,703	1,311,712	11,666	43,321	176,849	287,700
Salaries and benefits	<u>553,742</u>	<u>510,007</u>	<u>139,581</u>	<u>110,701</u>	<u>65,134</u>	<u>62,500</u>
Total expenses	<u>1,301,969</u>	<u>1,940,836</u>	<u>151,247</u>	<u>154,022</u>	<u>242,712</u>	<u>351,127</u>
Surplus (Deficit)	<u><u>\$ ( 101,524 )</u></u>	<u><u>\$ ( 1,174,315 )</u></u>	<u><u>\$ 66,031</u></u>	<u><u>\$ ( 70,744 )</u></u>	<u><u>\$ ( 22,335 )</u></u>	<u><u>\$ 22,850</u></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2017**

### 19. SEGMENT DISCLOSURE *(continued)*

	Private funds		Operations and Maintenance		Social Assistance		Capital	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>								
Federal Government								
INAC	\$	\$	\$ 1,960,907	\$ 753,300	\$ 4,288,846	\$ 4,368,200	\$ 6,591,490	\$ 3,162,985
FNIHB								
CMHC								
ESDC	—	—	—	—	—	—	—	—
Subtotal	—	—	1,960,907	753,300	4,288,846	4,368,200	6,591,490	3,162,985
Other revenue	<u>678,865</u>	<u>948,628</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>90,000</u>	<u>90,380</u>
Total revenue	<u>678,865</u>	<u>948,628</u>	<u>1,960,907</u>	<u>753,300</u>	<u>4,288,846</u>	<u>4,368,200</u>	<u>6,681,490</u>	<u>3,253,365</u>
<b>Expenses</b>								
Amortization							2,334,157	2,337,313
Debt servicing								
Other	613,999	306,191	1,164,736	317,369	12,316	2,890	6,509,441	1,910,622
Salaries and benefits	—	—	364,957	181,859	3,923,535	4,172,670	64,661	62,354
Total expenses	<u>613,999</u>	<u>306,191</u>	<u>1,529,693</u>	<u>499,228</u>	<u>4,058,761</u>	<u>4,316,617</u>	<u>8,908,259</u>	<u>4,310,289</u>
Surplus (Deficit)	<u>\$ 64,866</u>	<u>\$ 642,437</u>	<u>\$ 431,214</u>	<u>\$ 254,072</u>	<u>\$ 230,085</u>	<u>\$ 51,583</u>	<u>\$( 2,226,769)</u>	<u>\$( 1,056,924)</u>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

### 19. SEGMENT DISCLOSURE *(continued)*

	Education		Housing		Health		TOTAL	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>								
Federal Government								
INAC	\$ 3,942,386	\$ 4,800,151	\$ 4,774,662	\$ 979,044	\$ 2,523,204	\$ 1,643,698	\$ 22,698,532	\$ 14,913,479
FNIHB							2,523,204	1,643,698
CMHC			485,343	493,738			485,343	493,738
ESDC							220,377	373,977
Subtotal	3,942,386	4,800,151	5,260,005	1,472,782	2,523,204	1,643,698	25,927,456	17,424,892
Other revenue								
Total revenue	<u>3,942,386</u>	<u>4,800,151</u>	<u>5,260,005</u>	<u>1,472,782</u>	<u>2,333,661</u>	<u>1,627,406</u>	<u>26,784,260</u>	<u>18,447,608</u>
<b>Expenses</b>								
Amortization							2,334,157	2,337,313
Debt servicing							299,245	338,744
Other	922,211	932,581	216,761	215,096	6,915	714	19,715,276	10,340,387
Salaries and benefits	2,434,921	2,548,639	4,435,652	221,339	1,271,484	836,882	4,881,316	4,369,882
Total expenses	<u>3,357,132</u>	<u>3,481,220</u>	<u>4,693,241</u>	<u>467,933</u>	<u>2,372,981</u>	<u>1,558,863</u>	<u>27,229,994</u>	<u>17,386,326</u>
Surplus (Deficit)	<u>\$ 585,254</u>	<u>\$ 1,318,931</u>	<u>\$ 566,764</u>	<u>\$ 1,004,849</u>	<u>\$ ( 39,320)</u>	<u>\$ 68,543</u>	<u>\$ ( 445,734)</u>	<u>\$ 1,061,282</u>