
RED SUCKER LAKE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

RED SUCKER LAKE FIRST NATION
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MARCH 31, 2020

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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

INDEPENDENT AUDITOR'S 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, 2020, 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.

Construction in Progress

We have been unable to satisfy ourselves with the completeness, existence, and valuation of construction in progress. There is a lack of documentation to support the additions and disposals during the year, specifically on the Indigenous Services Canada funded capital investment projects. As a result, we were not able to assess whether potentially material adjustments were required to construction in process.

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.

Revenue and Deferred Revenue

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

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.

Payroll

We have been unable to satisfy ourselves with the completeness, occurrence and accuracy of payroll expenses, and completeness of vacation and source deduction payables, due to lack of documentation related to payroll records. As a result, we were not able to assess whether potentially material adjustments were required for accrued payroll and source deductions and payroll 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.

(continued.....)

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.

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.

(continued.....)

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- 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.

Baker Tilly HMA LLP

Chartered Professional Accountants

Winnipeg, Manitoba
May 30, 2023

RED SUCKER LAKE FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

2020 2019

FINANCIAL ASSETS

Cash	\$ 785,109	\$ 1,161,315
Restricted cash (Note 3)	5,692	38,254
Accounts receivable (Note 4)	1,738,627	1,440,965
Investments (Note 5)	<u>502,694</u>	<u>502,694</u>
	<u>3,032,122</u>	<u>3,143,228</u>

LIABILITIES

Accounts payable and accrued liabilities (Note 6)	2,814,059	2,490,640
Deferred revenue (Note 7)	925,954	1,107,723
Long-term debt (Note 9)	<u>6,649,458</u>	<u>7,054,072</u>
	<u>10,389,471</u>	<u>10,652,435</u>
NET DEBT	(7,357,349)	(7,509,207)

NON-FINANCIAL ASSETS

Tangible capital assets (Note 10)	34,490,547	32,765,639
Construction in progress (Note 8)	3,525,000	3,525,000
Prepaid expenses	<u>17,701</u>	<u>122,433</u>
	<u>38,033,248</u>	<u>36,413,072</u>
ACCUMULATED SURPLUS	\$ 30,675,899	\$ 28,903,865

CONTINGENT LIABILITIES (Note 11)

Approved on behalf of the Chief and Council



Chief



Councillor



Councillor



Councillor

RED SUCKER LAKE FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

MARCH 31

	BUDGET (UNAUDITED)	2020	2019
REVENUE			
Indigenous Services Canada	\$ 21,817,957	\$ 21,817,957	\$ 27,360,297
Canada Mortgage and Housing Corporation	478,419	478,419	630,949
Employment and Social Development Canada	261,135	261,135	254,312
Province of Manitoba	58,000	58,000	65,131
Island Lake Tribal Council Inc.	76,152	76,152	65,826
Other	2,888,196	3,154,796	1,255,653
Deferred from previous year	1,107,723	1,107,723	1,800,905
Deferred to subsequent year	(925,954)	(925,954)	(1,107,723)
ISC funding recovery	(175,121)	(175,121)	-
	<u>25,586,507</u>	<u>25,853,107</u>	<u>30,325,350</u>
EXPENDITURES			
Administration	2,070,205	2,063,121	1,456,052
Economic Development	145,678	608,890	241,611
Employment and Training	258,000	264,839	251,382
Operations and Maintenance	1,005,391	1,231,735	666,489
Social Assistance	5,555,414	4,824,691	4,477,054
Capital	5,655,964	4,380,143	6,028,770
Education	5,429,449	5,684,028	4,164,570
Housing	1,365,840	1,368,748	4,440,583
Health	3,246,864	3,002,319	2,638,430
Private Funds	<u>650,000</u>	<u>652,559</u>	<u>839,629</u>
	<u>25,382,805</u>	<u>24,081,073</u>	<u>25,204,570</u>
ANNUAL SURPLUS (DEFICIT)	<u>203,702</u>	<u>1,772,034</u>	<u>5,120,780</u>
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>28,903,865</u>	<u>28,903,865</u>	<u>23,783,085</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 29,107,567</u>	<u>\$ 30,675,899</u>	<u>\$ 28,903,865</u>

RED SUCKER LAKE FIRST NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

MARCH 31

	BUDGET (UNAUDITED)	2020	2019
Annual surplus (deficit)	\$ 203,702	\$ 1,772,034	\$ 5,120,780
Acquisition of tangible capital assets	(4,407,268)	(3,356,466)	
Amortization of capital assets	2,682,360	2,470,741	
Acquisition of construction in progress	<u>-</u>	<u>-</u>	<u>(3,525,000)</u>
	<u>-</u>	<u>(1,724,908)</u>	<u>(4,410,725)</u>
Acquisition of prepaid expenses	(17,701)	(122,433)	
Use of prepaid expenses	<u>-</u>	<u>122,433</u>	<u>129,713</u>
	<u>-</u>	<u>104,732</u>	<u>7,280</u>
CHANGE IN NET DEBT FOR YEAR	203,702	151,858	717,335
NET DEBT, beginning of year	(7,509,207)	(7,509,207)	(8,226,542)
NET DEBT, <i>end of year</i>	<u>\$ (7,305,505)</u>	<u>\$ (7,357,349)</u>	<u>\$ (7,509,207)</u>

RED SUCKER LAKE FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS

STATEMENT 4

MARCH 31

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CASH FLOW FROM

OPERATING ACTIVITIES

Cash receipts from funding agencies	\$ 22,728,805	\$ 28,620,924
Cash received from other sources	2,644,871	1,434,276
Cash paid to suppliers and others	(14,759,397)	(20,422,110)
Cash paid to employees	(6,087,445)	(5,165,718)
Interest paid	(123,720)	(159,506)
	<u>4,403,114</u>	<u>4,307,866</u>

INVESTING ACTIVITIES

Purchase of capital assets	(4,407,268)	(3,356,466)
Acquisition of construction in progress	<u>-</u>	<u>(3,525,000)</u>
	<u>(4,407,268)</u>	<u>(6,881,466)</u>

FINANCING ACTIVITY

Repayment of long term debt	<u>(404,614)</u>	<u>(517,392)</u>
NET DECREASE IN CASH DURING YEAR	<u>(408,768)</u>	<u>(3,090,992)</u>
CASH, <i>beginning of year</i>	<u>1,199,569</u>	<u>4,290,561</u>
CASH, <i>end of year</i>	<u>\$ 790,801</u>	<u>\$ 1,199,569</u>

CASH COMPRISED OF

Cash - operating	\$ 785,109	\$ 1,161,315
Cash - restricted	<u>5,692</u>	<u>38,254</u>
	<u>\$ 790,801</u>	<u>\$ 1,199,569</u>

RED SUCKER LAKE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

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, 2020****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, 2020****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 Services 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, 2020****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, 2020 as funding from agencies will offset any cost associated with the closure of landfill sites.

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 Services 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 2 0	2 0 1 9
Ottawa Trust	\$ 5,692	\$ 5,692
CMHC replacement reserve	<u>-</u>	<u>32,562</u>
	<u>\$ 5,692</u>	<u>\$ 38,254</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

4. ACCOUNTS RECEIVABLE

	2 0 2 0	2 0 1 9
Indigenous Services Canada	\$ 1,068,680	\$ 1,275,855
Canada Mortgage and Housing Corporation	36,226	41,314
Trade receivables	<u>633,721</u>	<u>123,796</u>
	<u><u>\$ 1,738,627</u></u>	<u><u>\$ 1,440,965</u></u>

5. INVESTMENTS

	2 0 2 0	2 0 1 9
6173536 Manitoba Ltd. (o/a RSL Inc.)	\$ 275,676	\$ 275,676
Red Sucker Lake Air Services Ltd.	<u>227,018</u>	<u>227,018</u>
	<u><u>\$ 502,694</u></u>	<u><u>\$ 502,694</u></u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 0	2 0 1 9
Trade payables	\$ 2,769,049	\$ 2,456,888
Accrued liabilities	<u>45,010</u>	<u>33,752</u>
	<u><u>\$ 2,814,059</u></u>	<u><u>\$ 2,490,640</u></u>

7. DEFERRED REVENUE

	2 0 2 0	2 0 1 9
Indigenous Services Canada		
School Capital Planning	\$ 134,305	\$ 800,000
Jordan's Principle	386,803	203,950
Case Management Capacity	108,250	
Client Supports (A.M)	174,250	
Services Delivery Infrastructure	42,500	
Response (Covid 19)	79,846	
Garage Door Repairs	15,614	
Housing Renovations	-	88,159
	<u><u>925,954</u></u>	<u><u>1,107,723</u></u>

8. CONSTRUCTION IN PROGRESS

	2 0 2 0	2 0 1 9
Health Centre / Nursing Station	\$ 3,435,000	\$ 3,435,000
School Capital Planning	<u>90,000</u>	<u>90,000</u>
	<u><u>\$ 3,525,000</u></u>	<u><u>\$ 3,525,000</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

9. LONG TERM DEBT

2 0 2 0

2 0 1 9

Canada Mortgage and Housing Corporation loan, interest at 1.46%, repayable in monthly installments of \$6,069, due March 2022.	\$ 1,014,963	\$ 1,072,530
Canada Mortgage and Housing Corporation loan, interest at 1.46%, repayable in monthly installments of \$6,494, due March 2022.	\$ 1,099,504	\$ 1,157,011
Canada Mortgage and Housing Corporation mortgage, interest at 1.46%, repayable in monthly installments of \$6,167, due March 2022.	1,167,915	1,228,322
Canada Mortgage and Housing Corporation mortgage, interest at 2.52%, repayable in monthly installments of \$11,323, due September 2023.	1,966,714	2,052,007
Canada Mortgage and Housing Corporation mortgage, interest at 1.92%, repayable in monthly installments of \$3,825, due May 2020.	741,360	772,721
Canada Mortgage and Housing Corporation loan, interest at 1.05%, repayable in monthly installments of \$3,033, due April 2020.	659,002	688,315
First National Financial Corporation repaid during the year.	-	83,166
	<u>\$ 6,649,458</u>	<u>\$ 7,054,072</u>

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

March 31, 2021	\$ 316,169
2022	321,669
2023	327,273
2024	332,982
2025	338,799
Thereafter	<u>5,012,566</u>
	<u>\$ 6,649,458</u>

RED SUCKER LAKE FIRST NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

10. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2020	Total 2019
Buildings	\$ 18,574,428	\$ 2,634,600	\$ 21,209,028	\$ 12,327,838	\$ 516,633	\$ 12,844,471	\$ 8,364,557	\$ 6,246,590
Equipment	923,597	36,312	959,909	482,866	116,275	599,141	360,768	440,731
Housing	29,911,225	1,342,551	31,253,776	20,138,622	1,165,342	21,303,964	9,949,812	9,772,603
Land	220,000		220,000				220,000	220,000
Roads	1,354,390		1,354,390	959,030	27,088	986,118	368,272	395,360
Vehicles	5,284,463	393,805	5,678,268	2,856,338	409,369	3,265,707	2,412,561	2,428,125
Water and Waste Systems	<u>18,811,241</u>	<u>-</u>	<u>18,811,241</u>	<u>5,549,011</u>	<u>447,653</u>	<u>5,996,664</u>	<u>12,814,577</u>	<u>13,262,230</u>
	<u>\$ 75,079,344</u>	<u>\$ 4,407,268</u>	<u>\$ 79,486,612</u>	<u>\$ 42,313,705</u>	<u>\$ 2,682,360</u>	<u>\$ 44,996,065</u>	<u>\$ 34,490,547</u>	<u>\$ 32,765,639</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

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, 2020 might be recovered.

12. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 0	2 0 1 9
Band	\$ 18,821,796	\$ 24,717,791
Health	<u>2,996,161</u>	<u>2,642,506</u>
Total ISC revenue per financial statements	<u><u>\$ 21,817,957</u></u>	<u><u>\$ 27,360,297</u></u>

13. ECONOMIC DEPENDENCE

Red Sucker Lake First Nation receives the majority of its revenue from Indigenous Services Canada 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.

14. COMPARATIVE FIGURES

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

15. 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.

16. EXPENSES BY OBJECT

	2 0 2 0	2 0 1 9
Administration	\$ 669,905	\$ 237,491
Amortization	2,682,360	2,470,741
Bank charge and interest	123,720	159,506
Insurance	351,336	252,695
Professional fees	654,575	483,492
Salaries and benefits	6,087,445	5,165,718
Social assistance	4,426,212	4,450,886
Supplies and services	7,371,922	11,025,194
Travel	<u>1,713,598</u>	<u>958,847</u>
	<u><u>\$ 24,081,073</u></u>	<u><u>\$ 25,204,570</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2020****17. 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Federal Government						
ISC	\$ 1,249,455	\$ 1,285,201	\$ 83,278	\$ 83,278	\$ 261,135	\$ 254,312
CMHC						
ESDC	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,135</u>	<u>254,312</u>
Subtotal	1,249,455	1,285,201	83,278	83,278	261,135	254,312
Other revenue	<u>335,664</u>	<u>189,731</u>	<u>332,720</u>	<u>78,433</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,585,119</u>	<u>1,474,932</u>	<u>415,998</u>	<u>161,711</u>	<u>261,135</u>	<u>254,312</u>
Expenses						
Debt servicing		30,458			1,015	
Other	1,635,712	929,939	380,268	88,832	206,347	179,136
Salaries and benefits	<u>427,409</u>	<u>495,655</u>	<u>228,622</u>	<u>152,779</u>	<u>57,477</u>	<u>72,246</u>
Total expenses	<u>2,063,121</u>	<u>1,456,052</u>	<u>608,890</u>	<u>241,611</u>	<u>264,839</u>	<u>251,382</u>
Surplus (Deficit)	<u>\$ (478,002)</u>	<u>\$ 18,880</u>	<u>\$ (192,892)</u>	<u>\$ (79,900)</u>	<u>\$ (3,704)</u>	<u>\$ 2,930</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

17. SEGMENT DISCLOSURE *(continued)*

	Operations and Maintenance		Social Assistance		Capital		Education	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues								
Federal Government								
ISC	\$ 711,774	\$ 1,448,754	\$ 4,753,668	\$ 4,772,018	\$ 4,398,368	\$ 9,674,277	\$ 6,362,351	\$ 4,988,119
CMHC	—	—	—	—	—	—	—	—
ESDC	—	—	—	—	—	—	—	—
Subtotal	711,774	1,448,754	4,753,668	4,772,018	4,398,368	9,674,277	6,362,351	4,988,119
Other revenue	<u>415,451</u>	<u>1,207</u>	<u>—</u>	<u>4,892</u>	<u>1,572,147</u>	<u>(734,174)</u>	<u>87,480</u>	<u>58,722</u>
Total revenue	<u>1,127,225</u>	<u>1,449,961</u>	<u>4,753,668</u>	<u>4,776,910</u>	<u>5,970,515</u>	<u>8,940,103</u>	<u>6,449,831</u>	<u>5,046,841</u>
Expenses								
Amortization								
Other	908,671	349,245	4,659,852	4,341,801	2,620,511	2,417,495	2,623,874	1,623,617
Salaries and benefits	<u>323,064</u>	<u>317,244</u>	<u>164,839</u>	<u>135,253</u>	<u>321,220</u>	<u>98,205</u>	<u>3,060,154</u>	<u>2,540,953</u>
Total expenses	<u>1,231,735</u>	<u>666,489</u>	<u>4,824,691</u>	<u>4,477,054</u>	<u>4,380,143</u>	<u>6,028,770</u>	<u>5,684,028</u>	<u>4,164,570</u>
Surplus (Deficit)	<u>\$(104,510)</u>	<u>\$ 783,472</u>	<u>\$(71,023)</u>	<u>\$ 299,856</u>	<u>\$ 1,590,372</u>	<u>\$ 2,911,333</u>	<u>\$ 765,803</u>	<u>\$ 882,271</u>

RED SUCKER LAKE FIRST NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

17. SEGMENT DISCLOSURE *(continued)*

	Housing		Health		Private funds		TOTAL	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues								
Federal Government								
ISC	\$ 707,056	\$ 2,466,144	\$ 3,552,007	\$ 2,642,506	\$	\$	\$ 21,817,957	\$ 27,360,297
CMHC	478,419	630,949					478,419	630,949
ESDC							261,135	254,312
Subtotal	1,185,475	3,097,093	3,552,007	2,642,506	-	-	22,557,511	28,245,558
Other revenue	305,490	1,696,621	(451,571)	154,166	698,215	630,194	3,295,596	2,079,792
Total revenue	1,490,965	4,793,714	3,100,436	2,796,672	698,215	630,194	25,853,107	30,325,350
Expenses								
Amortization			61,849	53,246			2,682,360	2,470,741
Debt servicing	122,705	129,048					123,720	159,506
Other	1,079,921	4,264,661	1,601,932	1,278,675	652,559	839,629	15,187,548	17,408,605
Salaries and benefits	166,122	46,874	1,338,538	1,306,509			6,087,445	5,165,718
Total expenses	1,368,748	4,440,583	3,002,319	2,638,430	652,559	839,629	24,081,073	25,204,570
Surplus (Deficit)	\$ 122,217	\$ 353,131	\$ 98,117	\$ 158,242	\$ 45,656	\$ (209,435)	\$ 1,772,034	\$ 5,120,780