
RED SUCKER LAKE FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

RED SUCKER LAKE FIRST NATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITOR'S 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.

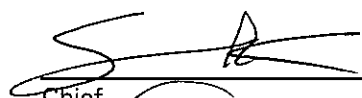
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants of Canada and as such include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

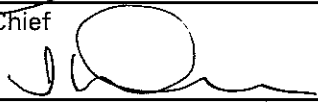
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

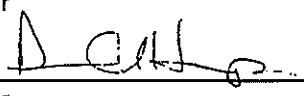
The Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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.

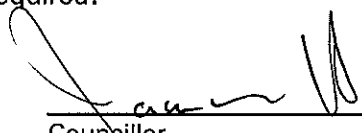
The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Red Sucker Lake First Nation and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

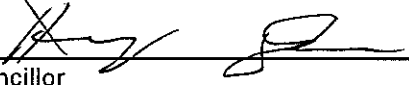


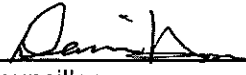
Chief


Councillor


Councillor



Councillor


Councillor


Councillor

Baker Tilly HMA LLP
701 - 330 Portage Avenue
Winnipeg, MB R3C 0C4

T: 204.989.2229
TF: 1.866.730.4777
F: 204.944.9923

winnipeg@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

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

Qualified 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, 2021, 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.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Red Sucker Lake First Nation as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

We were unable to obtain assurance over the existence and completeness of accounts payable and accrued liabilities, therefore we were unable to determine whether adjustments to accounts payable, accrued liabilities, expenses, annual surplus (deficit), accumulated surplus, net debt and cash used for operating activities might be necessary.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Red Sucker Lake First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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.
- 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
January 14, 2025

RED SUCKER LAKE FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2021	2020
--	------	------

FINANCIAL ASSETS

Cash	\$ 3,145,908	\$ 785,109
Restricted cash (Note 3)	235,398	5,692
Accounts receivable (Note 4)	1,247,814	1,738,627
Investments (Note 5)	<u>435,475</u>	<u>502,694</u>
	<u>5,064,595</u>	<u>3,032,122</u>

LIABILITIES

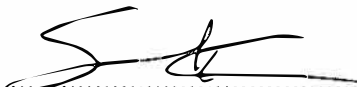
Accounts payable and accrued liabilities (Note 7)	1,600,446	2,814,059
Deferred revenue (Note 8)	3,326,331	925,954
Long-term debt (Note 9)	<u>6,318,329</u>	<u>6,649,458</u>
	<u>11,245,106</u>	<u>10,389,471</u>
NET DEBT	(6,180,511)	(7,357,349)

NON-FINANCIAL ASSETS

Tangible capital assets (Note 10)	35,955,307	34,490,547
Construction in progress (Note 6)	1,167,824	3,525,000
Prepaid expenses	<u>47,489</u>	<u>17,701</u>
	<u>37,170,620</u>	<u>38,033,248</u>
ACCUMULATED SURPLUS	\$ <u>30,990,109</u>	\$ <u>30,675,899</u>

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)	2 0 2 1	2 0 2 0
REVENUE			
Indigenous Services Canada	\$ 27,725,247	\$ 24,573,399	\$ 21,817,957
Canada Mortgage and Housing Corporation	362,880	432,729	478,419
Employment and Social Development Canada	260,000	260,016	261,135
Province of Manitoba	62,400	70,440	58,000
Island Lake Tribal Council Inc.	76,152	76,152	76,152
Other	1,494,190	5,001,192	3,154,796
Deferred revenue from previous year	925,954	925,416	1,107,723
Deferred revenue to subsequent year		(3,325,793)	(925,954)
ISC funding recovery	-	-	(175,121)
	<u>30,906,823</u>	<u>28,013,551</u>	<u>25,853,107</u>
EXPENDITURES			
Administration	1,749,836	5,589,495	2,063,121
Economic Development	170,678	324,865	608,890
Employment and Training	260,000	207,729	264,839
Operations and Maintenance	2,276,303	1,973,879	1,133,264
Social Assistance	4,637,169	5,922,240	4,824,691
Capital	4,007,864	1,197,253	4,478,614
Education	6,056,503	6,521,961	5,684,028
Housing	1,593,346	622,390	1,368,748
Health	3,128,972	4,612,398	3,002,319
Private Funds	700,000	727,131	652,559
	<u>24,580,671</u>	<u>27,699,341</u>	<u>24,081,073</u>
ANNUAL SURPLUS	<u>6,326,152</u>	<u>314,210</u>	<u>1,772,034</u>
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>30,675,899</u>	<u>30,675,899</u>	<u>28,903,865</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 37,002,051</u>	<u>\$ 30,990,109</u>	<u>\$ 30,675,899</u>

RED SUCKER LAKE FIRST NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

MARCH 31

	BUDGET (UNAUDITED)	2 0 2 1	2 0 2 0
Annual surplus (deficit)	\$ <u>6,326,152</u>	\$ <u>314,210</u>	\$ <u>1,772,034</u>
Acquisition of tangible capital assets		(<u>4,198,319</u>)	(<u>4,407,268</u>)
Amortization of capital assets		<u>2,733,559</u>	<u>2,682,360</u>
Acquisition of construction in progress		(<u>1,077,824</u>)	
Transfer of construction in progress	<u>-</u>	<u>3,435,000</u>	<u>-</u>
	<u>-</u>	<u>892,416</u>	(<u>1,724,908</u>)
Acquisition of prepaid expenses		(<u>47,489</u>)	(<u>17,701</u>)
Use of prepaid expenses	<u>-</u>	<u>17,701</u>	<u>122,433</u>
	<u>-</u>	(<u>29,788</u>)	<u>104,732</u>
CHANGE IN NET DEBT FOR YEAR	6,326,152	1,176,838	151,858
NET DEBT, beginning of year	(<u>7,357,349</u>)	(<u>7,357,349</u>)	(<u>7,509,207</u>)
NET DEBT, <i>end of year</i>	\$ (<u>1,031,197</u>)	\$ (<u>6,180,511</u>)	\$ (<u>7,357,349</u>)

RED SUCKER LAKE FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

MARCH 31

	2 0 2 1	2 0 2 0
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash receipts from funding agencies	\$ 25,528,957	\$ 22,728,805
Cash received from other sources	5,375,784	2,644,871
Cash paid to suppliers and others	(17,607,301)	(14,759,397)
Cash paid to employees	(8,471,769)	(6,087,445)
Interest paid	(130,113)	(123,720)
	<u>4,695,558</u>	<u>4,403,114</u>
<i>INVESTING ACTIVITIES</i>		
Purchase of capital assets	(763,319)	(4,407,268)
Acquisition of construction in progress	(1,077,824)	
Revaluation of investments	67,219	-
	<u>(1,773,924)</u>	<u>(4,407,268)</u>
<i>FINANCING ACTIVITY</i>		
Repayment of long term debt	(331,129)	(404,614)
NET INCREASE (DECREASE) IN CASH DURING YEAR	2,590,505	(408,768)
CASH, <i>beginning of year</i>	<u>790,801</u>	<u>1,199,569</u>
CASH, <i>end of year</i>	<u>\$ 3,381,306</u>	<u>\$ 790,801</u>
 CASH COMPRISED OF		
Cash - operating	\$ 3,145,908	\$ 785,109
Cash - restricted	<u>235,398</u>	<u>5,692</u>
	<u>\$ 3,381,306</u>	<u>\$ 790,801</u>

RED SUCKER LAKE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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, 2021

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, 2021**

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, 2021

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, 2021 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 1	2 0 2 0
Ottawa Trust	\$ 5,692	\$ 5,692
CMHC insurance unit funds in trust	<u>229,706</u>	<u>-</u>
	<u>\$ 235,398</u>	<u>\$ 5,692</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

4. ACCOUNTS RECEIVABLE

	2 0 2 1	2 0 2 0
Indigenous Services Canada	\$ 888,459	\$ 1,068,680
Canada Mortgage and Housing Corporation	35,746	36,226
Province of Manitoba	64,480	
Trade receivables	<u>259,129</u>	<u>633,721</u>
	<u>\$ 1,247,814</u>	<u>\$ 1,738,627</u>

5. INVESTMENTS

	2 0 2 1	2 0 2 0
6173536 Manitoba Ltd. (o/a RSL Inc.)	\$	\$ 275,676
Red Sucker Lake Air Services Ltd.	<u>435,475</u>	<u>227,018</u>
	<u>\$ 435,475</u>	<u>\$ 502,694</u>

6. CONSTRUCTION IN PROGRESS

	2 0 2 1	2 0 2 0
Health Centre / Nursing Station	\$	\$ 3,435,000
School Capital Planning	90,000	90,000
C.M.H.C. housing project - 5 unit	155,000	
Truck Garage	83,076	
Housing Project - Materials	<u>839,748</u>	<u>-</u>
	<u>\$ 1,167,824</u>	<u>\$ 3,525,000</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 1	2 0 2 0
Trade payables	\$ 1,303,320	\$ 2,769,049
Accrued liabilities	<u>297,126</u>	<u>45,010</u>
	<u>\$ 1,600,446</u>	<u>\$ 2,814,059</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

8. DEFERRED REVENUE

	2 0 2 1	2 0 2 0
Indigenous Services Canada		
Capital - RSL School	\$	\$ 134,305
Jordan's Principle	919,659	386,803
Case Management Capacity	64,330	108,250
Client Supports (A.M)	160,587	174,250
Services Delivery Infrastructure	42,500	42,500
Response	257,299	79,846
Wastewater - Fixed	538	
Water Systems - Fixed	10,357	
A&C Water Systems - Feasibility Study	18,695	
Two Bay Truck Garage	125,743	
A&C Water Truck Repairs	24,952	
A&C Water - Septic Truck Repairs	2,720	
Post Secondary Student Support Program	180,135	
Bright Futures Initiative	145,968	
Aboriginal Diabetes Initiative	7,463	
Security	135,366	
Home and Community Care	85,441	
Aboriginal Headstart	21,102	
Kanamim Daycare	241,297	
Instructional Services	644,822	
RSL Committee	8,385	
Housing Renovations	176,685	
Employment and Training	52,287	-
	<u>\$ 3,326,331</u>	<u>\$ 925,954</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

9. LONG TERM DEBT

	2 0 2 1	2 0 2 0
Canada Mortgage and Housing Corporation loan, interest at 1.46%, repayable in monthly installments of \$6,069, due March 2022.	\$ 956,483	\$ 1,014,963
Canada Mortgage and Housing Corporation loan, interest at 1.46%, repayable in monthly installments of \$6,167, due March 2022.	\$ 1,041,081	\$ 1,099,504
Canada Mortgage and Housing Corporation mortgage, interest at 1.46%, repayable in monthly installments of \$6,494, due March 2022.	1,106,545	1,167,915
Canada Mortgage and Housing Corporation mortgage, interest at 2.52%, repayable in monthly installments of \$11,323, due September 2023.	1,879,033	1,966,714
Canada Mortgage and Housing Corporation mortgage, interest at .79%, repayable in monthly installments of \$3,451, due January 2026.	706,560	741,360
Canada Mortgage and Housing Corporation loan, interest at .68%, repayable in monthly installments of \$2,928, due October 2025.	<u>628,627</u>	<u>659,002</u>
	\$ <u>6,318,329</u>	\$ <u>6,649,458</u>

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

March 31, 2022	\$ 337,117
2023	342,552
2024	348,087
2025	353,726
2026	359,469
Thereafter	<u>4,577,378</u>
	\$ <u>6,318,329</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

10. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2 0 2 1	Total 2 0 2 0
Buildings	\$ 21,209,028	\$ 317,393	\$ 21,526,421	\$ 12,844,471	\$ 510,935	\$ 13,355,406	\$ 8,171,015	\$ 8,364,557
Equipment	959,909	23,539	983,448	599,141	115,905	715,046	268,402	360,768
Housing	31,253,776		31,253,776	21,303,964	1,186,615	22,490,579	8,763,197	9,949,812
Land	220,000		220,000				220,000	220,000
Roads	1,354,390		1,354,390	986,118	27,088	1,013,206	341,184	368,272
Vehicles	5,678,268	422,387	6,100,655	3,265,707	402,426	3,668,133	2,432,522	2,412,561
Water and Waste Systems	18,811,241	3,435,000	22,246,241	5,996,664	490,590	6,487,254	15,758,987	12,814,577
	<u>\$ 79,486,612</u>	<u>\$ 4,198,319</u>	<u>\$ 83,684,931</u>	<u>\$ 44,996,065</u>	<u>\$ 2,733,559</u>	<u>\$ 47,729,624</u>	<u>\$ 35,955,307</u>	<u>\$ 34,490,547</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

11. CONTINGENT LIABILITIES

Red Sucker Lake First Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenditures to the various programs. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In the normal course of its operations, Red Sucker Lake First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Red Sucker Lake First Nation's financial statements.

A claim has been filed with the Court of King's Bench by Arnason Industries Ltd. ("AIL") who commenced an action against the First Nation for the amount of \$2,089,482. The outcome of this claim was not certain as at March 31, 2021.

A claim has been filed with the Court of King's Bench by AIL, who commenced an additional action against the First Nation subsequent to the March 31, 2021 year end for the amount of \$2,482,930.

Red Sucker Lake First Nation has defended both of the AIL claims and has counter claimed against AIL and Canada in an amount to be proven at trial.

12. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 1	2 0 2 0
Band	\$ 20,252,609	\$ 18,821,796
Health	<u>4,320,790</u>	<u>2,996,161</u>
Total ISC revenue per financial statements	\$ <u>24,573,399</u>	\$ <u>21,817,957</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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

16. EXPENSES BY OBJECT

	2 0 2 1	2 0 2 0
Administration	\$ 1,264,564	\$ 672,647
Amortization	2,733,559	2,682,360
Bank charge and interest	130,113	124,308
Insurance	176,593	351,336
Professional fees	378,581	654,575
Salaries and benefits	8,471,769	6,087,445
Social assistance	5,471,248	4,742,414
Supplies and services	7,777,148	7,050,262
Travel	<u>1,295,766</u>	<u>1,715,726</u>
	\$ <u>27,699,341</u>	\$ <u>24,081,073</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Federal Government						
ISC	\$ 1,325,450	\$ 1,249,455	\$ 153,967	\$ 83,278	\$	\$
CMHC						
ESDC	-	-	-	-	260,016	261,135
Subtotal	1,325,450	1,249,455	153,967	83,278	260,016	261,135
Other revenue	<u>1,155,448</u>	<u>335,664</u>	<u>95,440</u>	<u>332,720</u>	<u>(52,287)</u>	<u>-</u>
Total revenue	<u>2,480,898</u>	<u>1,585,119</u>	<u>249,407</u>	<u>415,998</u>	<u>207,729</u>	<u>261,135</u>
Expenses						
Amortization	2,656,291					
Debt servicing	18,315				768	1,015
Other	2,131,276	1,635,712	95,917	380,268	152,101	206,347
Salaries and benefits	<u>783,613</u>	<u>427,409</u>	<u>228,948</u>	<u>228,622</u>	<u>54,860</u>	<u>57,477</u>
Total expenses	<u>5,589,495</u>	<u>2,063,121</u>	<u>324,865</u>	<u>608,890</u>	<u>207,729</u>	<u>264,839</u>
Surplus (Deficit)	<u>\$ (3,108,597)</u>	<u>\$ (478,002)</u>	<u>\$ (75,458)</u>	<u>\$ (192,892)</u>	<u>\$ -</u>	<u>\$ (3,704)</u>

RED SUCKER LAKE FIRST NATION

PAGE 12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

17. SEGMENT DISCLOSURE (continued)

	Operations and Maintenance		Social Assistance		Capital		Education	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues								
Federal Government								
ISC	\$ 1,644,121	\$ 711,774	\$ 6,059,569	\$ 4,753,668	\$ 2,132,113	\$ 4,398,368	\$ 7,487,136	\$ 6,362,351
CMHC								
ESDC	-	-	-	-	-	-	-	-
Subtotal	1,644,121	711,774	6,059,569	4,753,668	2,132,113	4,398,368	7,487,136	6,362,351
Other revenue	<u>342,534</u>	<u>415,451</u>	<u>-</u>	<u>-</u>	<u>147,125</u>	<u>1,572,147</u>	<u>(771,961)</u>	<u>87,480</u>
Total revenue	<u>1,986,655</u>	<u>1,127,225</u>	<u>6,059,569</u>	<u>4,753,668</u>	<u>2,279,238</u>	<u>5,970,515</u>	<u>6,715,175</u>	<u>6,449,831</u>
Expenses								
Amortization						2,620,511		
Other	1,437,519	810,200	5,747,402	4,659,852	978,843	1,536,883	2,661,281	2,623,874
Salaries and benefits	<u>536,360</u>	<u>323,064</u>	<u>174,838</u>	<u>164,839</u>	<u>218,410</u>	<u>321,220</u>	<u>3,860,680</u>	<u>3,060,154</u>
Total expenses	<u>1,973,879</u>	<u>1,133,264</u>	<u>5,922,240</u>	<u>4,824,691</u>	<u>1,197,253</u>	<u>4,478,614</u>	<u>6,521,961</u>	<u>5,684,028</u>
Surplus (Deficit)	<u>\$ 12,776</u>	<u>\$ (6,039)</u>	<u>\$ 137,329</u>	<u>\$ (71,023)</u>	<u>\$ 1,081,985</u>	<u>\$ 1,491,901</u>	<u>\$ 193,214</u>	<u>\$ 765,803</u>

RED SUCKER LAKE FIRST NATION

PAGE 13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

17. SEGMENT DISCLOSURE (continued)

	Housing		Health		Private funds		TOTAL	
	<u>2 0 2 1</u>	<u>2 0 2 0</u>	<u>2 0 2 1</u>	<u>2 0 2 0</u>	<u>2 0 2 1</u>	<u>2 0 2 0</u>	<u>2 0 2 1</u>	<u>2 0 2 0</u>
Revenues								
Federal Government								
ISC	\$ 525,000	\$ 707,056	\$ 5,246,043	\$ 3,552,007	\$	\$	\$ 24,573,399	\$ 21,817,957
CMHC	432,729	478,419					432,729	478,419
ESDC	-	-	-	-	-	-	260,016	261,135
Subtotal	957,729	1,185,475	5,246,043	3,552,007	-	-	25,266,144	22,557,511
Other revenue	40,647	305,490	(570,090)	(451,571)	2,360,551	698,215	2,747,407	3,295,596
Total revenue	998,376	1,490,965	4,675,953	3,100,436	2,360,551	698,215	28,013,551	25,853,107
Expenses								
Amortization			77,268	61,849			2,733,559	2,682,360
Debt servicing	106,063	122,705	4,967	588			130,113	124,308
Other	362,747	1,079,921	2,069,683	1,601,344	727,131	652,559	16,363,900	15,186,960
Salaries and benefits	153,580	166,122	2,460,480	1,338,538			8,471,769	6,087,445
Total expenses	622,390	1,368,748	4,612,398	3,002,319	727,131	652,559	27,699,341	24,081,073
Surplus (Deficit)	\$ 375,986	\$ 122,217	\$ 63,555	\$ 98,117	\$ 1,633,420	\$ 45,656	\$ 314,210	\$ 1,772,034