
ROSEAU RIVER ANISHINABE
FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

ROSEAU RIVER ANISHINABE FIRST NATION

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MARCH 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Roseau River Anishinabe 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 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.

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.

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 auditor's report.

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



Chief



Councillor



Councillor



Councillor



Councillor

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INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Membership
Roseau River Anishinabe First Nation

Opinion

We have audited the accompanying consolidated financial statements of Roseau River Anishinabe First Nation, which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statement of operations and accumulated surplus, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Roseau River Anishinabe First Nation as at March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the 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 Roseau River Anishinabe 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 Roseau River Anishinabe First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Roseau River Anishinabe First Nation's financial reporting process.

Auditor's 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 Roseau River Anishinabe 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 Roseau River Anishinabe 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 Roseau River Anishinabe 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
April 22, 2025

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2023	2022
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FINANCIAL ASSETS

Cash	\$ 9,458,521	\$ 9,087,495
Restricted cash (Note 4)	1,869,924	508,696
Accounts receivable (Note 5)	2,086,485	1,301,065
Investments (Note 6)	<u>2,246,437</u>	<u>2,564,198</u>
	<u>15,661,367</u>	<u>13,461,454</u>

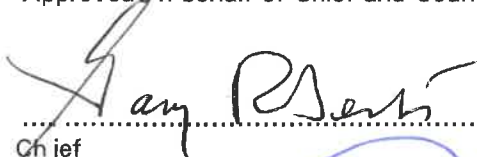
LIABILITIES

Accounts payable and accrued liabilities (Note 7)	4,086,473	2,106,072
Due to Roseau River Anishinabe First Nation Trust (Note 8)	937,359	1,221,407
Deferred revenue (Note 9)	7,684,403	6,485,793
Long term debt (Note 10)	<u>802,661</u>	<u>700,801</u>
	<u>13,510,896</u>	<u>10,514,073</u>
Net financial assets	<u>2,150,471</u>	<u>2,947,381</u>

NON-FINANCIAL ASSETS

Tangible capital assets (Note 11)	12,207,612	12,420,287
Construction in progress (Note 12)	1,968,388	388,094
Prepaid expenses	<u>52,690</u>	<u>195,796</u>
	<u>14,228,690</u>	<u>13,004,177</u>
Accumulated surplus (Note 13)	<u>\$ 16,379,161</u>	<u>\$ 15,951,558</u>

Approved on behalf of Chief and Council


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Chief


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Councillor


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Councillor


.....
Councillor

.....
Councillor

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	2023	2022
REVENUE		
Indigenous Services Canada (ISC) <i>(Note 16)</i>	\$ 18,762,234	\$ 16,748,303
Canada Mortgage and Housing Corporation (CMHC)	101,791	213,555
Roseau River 1903 Trust <i>(Note 17)</i>	3,385,313	5,550,025
Province of Manitoba - tobacco tax rebates	1,397,749	1,609,725
Government of Canada	257,621	
First Peoples Development Inc. (FPDI)	312,229	261,528
Manitoba Hydro	179,740	
Contribution from Minors Trust	204,438	
Rental income	1,055,792	296,895
Leases of farmland	284,048	284,048
Assembly of Manitoba Chiefs	251,061	177,150
Other sources	850,363	864,638
Deferred from prior year	6,485,793	3,846,848
Deferred to following year	(7,684,403)	(6,485,793)
	<u>25,843,769</u>	<u>23,366,922</u>
EXPENDITURES		
Band Government	1,457,504	1,173,783
Capital	490,498	349,446
Community Development Account	2,621,016	182,032
Economic Development	122,394	105,394
Education	1,107,956	873,751
Employment and Training	451,449	296,001
Ginew Seniors Lodge	116,401	110,474
Ginew Wellness Centre	5,906,771	5,887,904
Housing	1,507,600	2,519,073
Own Source	3,855,534	3,419,926
Public Works	3,047,093	1,833,916
Social	4,731,950	2,781,569
	<u>25,416,166</u>	<u>19,533,269</u>
ANNUAL SURPLUS	427,603	3,833,653
ACCUMULATED SURPLUS, beginning of year	<u>15,951,558</u>	<u>12,117,905</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 16,379,161</u>	<u>\$ 15,951,558</u>

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31

	2 0 2 3	2 0 2 2
Annual surplus	\$ <u>427,603</u>	\$ <u>3,833,653</u>
Acquisition of tangible capital assets	(<u>890,203</u>)	(<u>1,289,885</u>)
Acquisition of construction in progress	(<u>1,580,294</u>)	(<u>388,094</u>)
Amortization of tangible capital assets	<u>1,048,013</u>	<u>1,080,130</u>
Disposal of tangible capital assets	<u>54,865</u>	<u>-</u>
	(<u>1,367,619</u>)	(<u>597,849</u>)
Acquisition of prepaid expenses	(<u>52,690</u>)	(<u>195,796</u>)
Use of prepaid expenses	<u>195,796</u>	<u>175,097</u>
	<u>143,106</u>	(<u>20,699</u>)
CHANGE IN NET ASSETS FOR YEAR	(<u>796,910</u>)	<u>3,215,105</u>
NET ASSETS (DEBT), <i>beginning of year</i>	<u>2,947,381</u>	(<u>267,724</u>)
NET FINANCIAL ASSETS, <i>end of year</i>	\$ <u>2,150,471</u>	\$ <u>2,947,381</u>

ROSEAU RIVER ANISHINABE FIRST NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2023	2022
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Cash received from Indigenous Services Canada (ISC)	\$ 18,762,234	\$ 16,748,303
Cash received from other sources	7,494,726	9,398,950
Cash paid to suppliers and employees	(21,912,404)	(19,977,463)
Interest paid on long term debt	(14,482)	(19,034)
	<u>4,330,074</u>	<u>6,150,756</u>
<i>CAPITAL ACTIVITIES</i>		
Acquisition of tangible capital assets - net	(835,338)	(1,289,885)
Acquisition of construction in progress	(1,580,294)	(388,094)
	<u>(2,415,632)</u>	<u>(1,677,979)</u>
<i>FINANCING ACTIVITIES</i>		
Proceeds (repayment) of long term debt	101,860	(313,268)
Repayment to Roseau River Anishinabe First Nation Trust	(284,048)	(284,048)
	<u>(182,188)</u>	<u>(597,316)</u>
NET INCREASE IN CASH DURING YEAR	1,732,254	3,875,461
CASH, <i>beginning of year</i>	<u>9,596,191</u>	<u>5,720,730</u>
CASH, <i>end of year</i>	<u>\$ 11,328,445</u>	<u>\$ 9,596,191</u>
CASH COMPRISED OF		
Cash	\$ 9,458,521	\$ 9,087,495
Restricted cash	<u>1,869,924</u>	<u>508,696</u>
	<u>\$ 11,328,445</u>	<u>\$ 9,596,191</u>

ROSEAU RIVER ANISHINABE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

1. NATURE OF OPERATIONS

The Roseau River Anishinabe First Nation ("the First Nation") is located in the province of Manitoba, and provides various services to its members. The Roseau River Anishinabe First Nation 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 principles.

Sources of revenue and expenditures are recorded on the accrual basis of accounting which recognizes revenue as it becomes available and measurable.

Expenses 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

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

PRINCIPLES OF CONSOLIDATION

All entities controlled by the First Nation are fully consolidated on a line-by-line basis except for the commercial enterprises that meet the definition of government business enterprise, which are included in the consolidated financial statements using the modified equity method of accounting.

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

- Ginew Employment and Training Services Inc.
- Ginew Housing Authority Inc.
- Ginew Seniors Lodge
- Ginew Wellness Centre
- Roseau River Anishinabe First Nation ISC-Funded Programs
- Roseau River Anishinabe First Nation Income Assistance
- Roseau River Anishinabe First Nation Community Development Account
- Roseau River Anishinabe First Nation On-Reserve Housing
- Roseau River Anishinabe First Nation Own Source Revenue

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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

All inter-entity balances have been eliminated on consolidation. However, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Incorporated and unincorporated business entities which are owned or controlled by the First Nation but which are not dependent on the First Nation for their continuing operations are included in the consolidated financial statements using the modified equity method of accounting whereby only the First Nation's investment in the government business enterprise and the business enterprise's net income and other changes in equity are recorded. The enterprise's accounting principles are not adjusted to conform to those of the First Nation. Entities accounted for by the modified equity method include:

- Roseau River Anishinabe Limited Partnership (o/a Niichi Oasis Gaming Centre)
- 5002818 Manitoba Ltd.
- Highway 6 Oasis Ltd.
- Kiinu Oasis Gaming Centre
- 10002085 Manitoba Ltd.
- 10019238 Manitoba Ltd.
- 10026446 Manitoba Ltd.
- 10026448 Manitoba Ltd.
- Tie Creek Construction Limited Partnership
- Tie Creek Construction Inc.

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.

CASH

Cash includes cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short term cash commitments.

RESTRICTED CASH

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

INVESTMENTS

Long term investments in entities that are not owned, controlled or influenced by the First Nation are accounted for using the fair market value method. The investments are adjusted annually at year-end to the readily available fair market value of the underlying investments.

Short term investments are carried at the lower of cost and market value and consist of term deposits with varying interest rates and maturity dates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)**NET FINANCIAL ASSETS (NET DEBT)*

The First Nation's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the First Nation are determined by its financial assets less its liabilities. Net financial assets (net debt) is comprised of two components, non-financial assets and accumulated surplus.

NON-FINANCIAL ASSETS

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold.

TANGIBLE CAPITAL ASSETS

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

Tangible capital assets acquired are reported at net book value.

Residential buildings acquired under Canada Mortgage and Housing Corporation ("CMHC") sponsored programs are amortized at a rate equivalent to the annual principal reduction in the related long term debt. Assets under construction are not amortized until the asset is available to be put into service.

Contributions received to assist in the acquisition of tangible capital assets are reported as deferred revenue and amortized at the same rate as the related asset.

Amortization of tangible capital assets is provided for on a straight line basis, over the expected useful lives of the assets as follows:

Automotive	5-10 years
Computer equipment	5-10 years
Construction equipment	5-10 years
Furniture and equipment	5-10 years
Residential buildings	15-40 years
Infrastructure	15-40 years

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 undiscounted 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 statement of operations and accumulated surplus for the year in which the asset becomes impaired.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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 revenue is recorded on an accrual basis, except when the accrual cannot be determined with a reasonable degree of certainty or when its estimation is impracticable.

Government transfer revenue which includes Indigenous Services Canada (ISC) and Canada Mortgage and Housing Corporation (CMHC) is recognized as revenue when the transfer is authorized and any eligibility criteria under the terms of the applicable funding agreement are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations and accumulated surplus as the stipulations are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

Tobacco tax rebates are recognized in the year that the rebates are received or receivable from the Province of Manitoba, if the amount to be recorded can be reasonably estimated and collection is reasonably assured.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped.

SEGMENTS

The First Nation conducts its business through twelve reportable segments as identified in Note 18. 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.

For each segment separately reported, the segment revenue and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Basis of Presentation and Summary of Significant Accounting Policies.

ASSETS RETIREMENT OBLIGATION

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at management's best estimate at the present fair value of the estimated future cash flows required to settle the retirement obligation. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)**FINANCIAL INSTRUMENTS*Measurement

The First Nation measures all of its financial assets and financial liabilities at cost or amortized cost, except for the following, which are measured at fair value without any adjustment for transaction costs: derivatives, marketable securities in equity instruments that are quoted in an active market and marketable securities that the Nation has elected to measure at fair value. The effective interest rate method is used to determine interest revenue or expenses for financial instruments measured at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and federal trust funds. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long term debt.

No financial assets are measured at fair value.

Transaction costs

Transaction costs attributable to financial instruments measured at fair value are recognized in the Statement of Operations in the period incurred. Transaction costs for financial instruments measured at cost or amortized cost are recognized in the original cost of the instrument.

Impairment

At the end of each reporting period, management assesses financial assets or groups of financial assets for evidence of objective impairment. An impairment loss is recognized in the Statement of Operations when there is a loss in value that is other than temporary. Future recoveries of impaired financial assets are recognized in the Statement of Operations when received.

FAIR VALUE

Due to the short term nature of all financial instruments other than long term investments and long term debt, the carrying values as presented in the 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 year in which it becomes known. For long term investments and long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because these financial instruments are not traded in an organized financial market.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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

The preparation of the consolidated 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 and disclosure of contingent assets and liabilities at the date of the 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.

Asset retirement obligations are estimated based on the present value of the required cost at retirement of specific assets.

Capitalization of labour costs is based on an estimate of the proportionate share of direct labour and overhead labour.

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.

3. CHANGE IN ACCOUNTING POLICY

ASSET RETIREMENT OBLIGATIONS

On April 1, 2022, the First Nation adopted the PSAS Section (PS 3280) "Asset Retirement Obligations". The new standard includes the requirement for the recognition, measurement, presentation and disclosure of asset retirement obligations and is effective for year beginning on or after April 1, 2022. There was no significant impact on these consolidated financial statements as a result of the adoption of this standard as no legal or constructive obligations were identified.

FINANCIAL INSTRUMENTS

On April 1, 2022 the First Nation adopted the PSAS Section (PS3450) "Financial Instruments". The new standard establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. There was no significant impact on these consolidated financial statements as a result of the adoption of these standards.

As part of the adoption of PSAS 3450, on April 1, 2022, the First Nation was also required to adopt PSAS Section (PS 3041) "Portfolio Investments" which has removed the distinction between temporary and portfolio investments, PSAS Section (PS 2601) "Foreign Currency Translation" which requires unrealized gains and losses to be presented on the statement of re-measurement gains and losses and PSAS Section (PS 1201) "Financial Statement Presentation" which requires a new statement of remeasurement gains and losses separate from the statement of operations. The adoption of these standards and amendments had no significant impact on the First Nation's consolidated financial statements. The remeasurement gains and losses on portfolio investments are insignificant; therefore, a separate statement has not been presented.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

4. RESTRICTED CASH

REPLACEMENT RESERVE - GINNEW SENIORS LODGE

Under the terms of the operating agreements with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve is to be credited with an annual allocation of \$12,000 (March 31, 2022 - \$12,000).

These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

The funds in the account may only be used as approved by CMHC.

Expenditures are charged to accumulated interest first and then to principal.

As of March 31, 2023, the accumulated balance of \$153,454 (March 31, 2022 - \$141,297) in this reserve was fully funded.

REPLACEMENT RESERVE - ROSEAU RIVER ANISHINABE FIRST NATION ON-RESERVE HOUSING

Under the terms of the operating agreements with CMHC, the replacement reserve is to be credited with an annual allocation of \$7,900 (March 31, 2022 - \$20,500).

These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

The funds in the account may only be used as approved by CMHC.

Expenditures are charged to accumulated interest first and then to principal.

As of March 31, 2023, the accumulated balance of \$459,206 (March 31, 2022 - \$460,654) in this reserve was underfunded by \$365,879 (March 31, 2022 - \$180,670) and due from operations.

SPECIAL PROJECTS - ROSEAU RIVER ANISHINABE FIRST NATION ON-RESERVE HOUSING

Special projects funding provided by ISC whereby monies are held in a separate trust account is restricted for expenditures related to the capital construction of new band-owned housing units as approved by ISC in accordance with the applicable agreement.

	2 0 2 3	2 0 2 2
Ginew Seniors Lodge - replacement reserve	\$ 176,453	\$ 166,296
Ginew Housing Authority Inc. - First Time Home Buyer Account		62,417
Roseau River Anishinabe First Nation On-Reserve Housing - replacement reserve	93,327	279,983
Roseau River Anishinabe First Nation Own Source Revenue - solid waste facility	<u>1,600,144</u>	<u>-</u>
	<u>\$ 1,869,924</u>	<u>\$ 508,696</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

5. ACCOUNTS RECEIVABLE

	2023	2022
Indigenous Services Canada:		
Preparedness / Mitigation	\$	\$ 61,019
Response (Flood Prevention and Mitigation)	120,234	500,304
Service Delivery	61,315	
Renovation (Renovations and Additions)	150,000	
Emergency Management Program (Capacity Building)	25,000	
Flood Remediation	49,350	
Recovery	<u>769,471</u>	<u>-</u>
	<u>1,175,370</u>	<u>561,323</u>
Canada Mortgage and Housing Corporation (CMHC)	7,779	7,632
First Peoples Development Inc. (FPDI)	42,871	41,308
10019238 Manitoba Ltd.	340,706	340,706
10026446 Manitoba Ltd.	211,015	208,476
10026448 Manitoba Ltd.	2,915	2,415
10002085 Manitoba Ltd.	5,466	5,466
Trade and other receivables	<u>300,363</u>	<u>133,739</u>
	<u>911,115</u>	<u>739,742</u>
	<u>\$ 2,086,485</u>	<u>\$ 1,301,065</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

6. INVESTMENTS

	2 0 2 3	2 0 2 2
Portfolio investments, containing an asset class mix of fixed income cash equivalents and alternative investments.	\$ 1,524,789	\$ 1,500,980
Guaranteed investment certificate (GIC) maturing September 15 2023, and carrying an interest rate of 5.06% per annum.	<u>513,480</u>	<u>500,291</u>
	<u>2,038,269</u>	<u>2,001,271</u>
10026448 Manitoba Ltd. (Consolidated)	471,165	734,747
10002085 Manitoba Ltd.	(4,982)	(4,982)
10019238 Manitoba Ltd.	(20,769)	(20,769)
10026446 Manitoba Ltd.	<u>(237,246)</u>	<u>(146,069)</u>
	<u>208,168</u>	<u>562,927</u>
	<u>\$ 2,246,437</u>	<u>\$ 2,564,198</u>

The following table presents condensed financial information for the above entities accounted for by the modified equity method.

	2 0 2 3	2 0 2 2
Cash	\$ 110,467	\$ 176,806
Restricted cash	30,000	30,000
Accounts receivable	17,193	16,184
Inventory	1,478	1,382
Capital assets	<u>798,452</u>	<u>996,317</u>
Total assets	<u>\$ 957,590</u>	<u>\$ 1,220,689</u>
Accounts payable and accrued liabilities	\$ 61,154	\$ 88,699
Due to Roseau River Anishinabe First Nation	<u>698,102</u>	<u>569,063</u>
Total liabilities	<u>759,256</u>	<u>657,762</u>
Partners' capital	<u>198,334</u>	<u>562,927</u>
Total liabilities and partners' capital	<u>\$ 957,590</u>	<u>\$ 1,220,689</u>
Revenue	\$ 2,847,699	\$ 10,224,509
Expenditures	<u>(3,212,291)</u>	<u>(10,430,061)</u>
Net loss for year	<u>\$ (364,592)</u>	<u>\$ (205,552)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 3	2 0 2 2
Trade and other payables	\$ 532,950	\$ 514,557
Accrued liabilities	430,197	454,330
Roseau River 1903 Trust	2,231,791	505,399
Employee wages and source deductions payable	<u>891,535</u>	<u>631,786</u>
	<u>\$ 4,086,473</u>	<u>\$ 2,106,072</u>

Paragraph 6.1 of the Roseau River Settlement Community Development Account (CDA) Expenditure By-law states that with 60 days after each fiscal year ends, Chief and Council of Roseau River Anishinabe First Nation shall ensure the contribution to Roseau River 1903 Trust of an amount equal to the portion of the annual payment received by CDA in excess of the annual allotment.

8. DUE TO ROSEAU RIVER ANISHINABE FIRST NATION TRUST

During previous fiscal years, Roseau River Anishinabe First Nation Trust ("the TLE Trust") had notes receivable from Highway Six Limited Partnership and the Diamondback Investment Ltd. Partnership which were guaranteed by Roseau River Anishinabe First Nation ("the First Nation").

Collection of these notes receivable by the TLE Trust became doubtful and, as a result, the entity reduced its carrying value to nil as of December 31, 2017.

On March 29, 2018, the TLE Trust entered into a contractual arrangement with the First Nation who agreed to pay the TLE Trust an amount of \$2,223,551 in respect of the notes receivable over 8 years.

The First Nation paid the TLE Trust \$284,048 during the fiscal year ended March 31, 2023 (\$284,048 in total as at March 31, 2022).

The remaining balance of \$1,221,407 is payable over the next five fiscal years, as follows:

March 31,	2024	\$ 312,453
	2025	312,453
	2026	<u>312,453</u>
		<u>\$ 937,359</u>

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MARCH 31, 2023

9. DEFERRED REVENUE

	2 0 2 3	2 0 2 2
Indigenous Services Canada:		
CCP Kick Start Capacity Development	\$ 15,000	\$ 7,468
Governance Capacity Development	70,397	15,000
Capital - Minor Capital	1,600,145	97,116
Capital - Solid Waste Facility (WTS)	532,452	277,000
Post-Secondary		175,225
Post-Secondary (Covid-19)	8,405	8,405
Education Innovation	193,998	154,208
Skills Link Program		100,762
Skills Link - Mentored Work	342,427	213,386
Mental Wellness	225,553	268,954
Home and Community Care	816,554	693,791
Jordan's Principle		163,396
Response (Flood Prevention and Mitigation)	150,000	
Renovation (Renovations and Additions)	24,050	
Flood Remediation	639,570	530,478
Social - Basic Needs	48,238	25,659
Social - Special Needs	203,775	
Social - Service Delivery		618,906
Social - Basic Needs (Covid-19)		116,991
Social - Service Delivery (Covid-19)	336,590	
Social - Basic Needs (Inflation Relief)		649,924
Social - In-Home Care		197,923
Social - Community Well-Being Jurisdiction Initiative	550,000	
CFS Capacity Building	353,467	
FN Representative Service	140,042	684,179
Construction - New Housing 2021	568,166	691,500
Construction - New Housing 2022		
	<u>6,818,829</u>	<u>5,690,270</u>
Other:		
Ginew Employment and Training Services Inc.	61,530	184,405
Ginew Seniors Lodge	6,675	1,579
Language Initiative Funding		89,957
Moveable Asset Purchases	102,110	89,696
Other programs	<u>695,259</u>	<u>429,886</u>
	<u>865,574</u>	<u>795,523</u>
	<u>\$ 7,684,403</u>	<u>\$ 6,485,793</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

10. LONG TERM DEBT

	2 0 2 3	2 0 2 2
Canada Mortgage and Housing Corporation mortgage, 2.49%, repayable in monthly installments of \$594 including interest, renews May 1, 2023, matures November 1, 2024.	\$ 11,630	\$ 18,379
Canada Mortgage and Housing Corporation mortgage, 2.49%, repayable in monthly installments of \$1,899 including interest, renews May 1, 2023, matures July 1, 2025.	51,621	72,844
Canada Mortgage and Housing Corporation mortgage, 2.49%, repayable in monthly installments of \$1,393 including interest, renews May 1, 2023, matures September 1, 2032.	141,392	154,430
Canada Mortgage and Housing Corporation mortgage, 2.27%, repayable in monthly installments of \$3,696 including interest, renews April 1, 2027, matures March 1, 2032.	360,920	396,814
Royal Bank of Canada loan, matured July 2022.		58,334
Obligation under capital lease at 6.35%, due April 1, 2027, repayable \$57,818 principal and interest annually.	<u>237,098</u>	<u>-</u>
	<u>\$ 802,661</u>	<u>\$ 700,801</u>

All mortgages are secured by a ministerial guarantee from the Minister of Indigenous Services Canada and an assignment of fire insurance and are insured by CMHC.

The aggregate of principal payments required within the next five years to meet retirement provisions, assuming long term debt subject to refinancing is renewed, is estimated as follows:

March 31, 2024	\$ 124,151
2025	126,578
2026	111,521
2027	108,436
2028	86,758

ROSEAU RIVER ANISHINABE FIRST NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

11. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Adjustments and Disposals	Closing Balance	Opening Balance	Amortization	Adjustments, Disposals and Impairment	Closing Balance	Total	Total
									2 0 2 3	2 0 2 2
Automotive	\$ 1,175,908	\$ 71,184	\$	\$ 1,247,092	\$ 626,093	\$ 215,149	\$	\$ 841,242	\$ 405,850	\$ 549,815
Computer equipment	189,072	304		189,376	178,713	9,956		188,669	707	10,359
Construction equipment	963,329			963,329	453,026	64,320		517,346	445,983	510,303
Furniture and equipment	1,963,258	172,601		2,135,859	792,734	222,536		1,015,270	1,120,589	1,170,524
Infrastructure	999,999			999,999	119,483	22,013		141,496	858,503	880,516
Residential buildings	23,671,603	160,124	(61,302)	23,770,425	14,372,833	485,440	(6,437)	14,851,836	8,918,589	9,298,770
Cultural center development		200,000		200,000					200,000	
Construction equipment under capital lease	-	285,990	-	285,990	-	28,599	-	28,599	257,391	-
	<u>\$ 28,963,169</u>	<u>\$ 890,203</u>	<u>\$ (61,302)</u>	<u>\$ 29,792,070</u>	<u>\$ 16,542,882</u>	<u>\$ 1,048,013</u>	<u>\$ (6,437)</u>	<u>\$ 17,584,458</u>	<u>\$ 12,207,612</u>	<u>\$ 12,420,287</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

12. CONSTRUCTION IN PROGRESS

	2 0 2 3	2 0 2 2
3 Unit Housing Project	\$ 930,281	\$ 388,094
4 Unit Housing Project	123,334	
Solid Waste Facility	<u>914,773</u>	<u>-</u>
	<u>\$ 1,968,388</u>	<u>\$ 388,094</u>

The costs of construction in progress will be transferred to capital assets upon completion and subsequently amortized accordingly.

13. ACCUMULATED SURPLUS

	2 0 2 3	2 0 2 2
Accumulated surplus (deficit) from operations	\$ 2,821,254	\$ (251,563)
Community development account	2,052,052	3,022,595
Equity in long term investments	2,246,437	2,564,198
Equity in tangible capital assets and construction in progress	8,646,758	10,014,377
Replacement reserve	<u>612,660</u>	<u>601,951</u>
	<u>\$ 16,379,161</u>	<u>\$ 15,951,558</u>

14. CONTINGENT LIABILITIES

- a) The First Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses 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, 2023 might be recovered.

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

- b) In March 2014 an application was filed in the court of Queen's Bench by members of Roseau River Anishinabe First Nation requesting a court order for a forensic audit of the Community Development Account for 2012 and 2013.

The outcome of this application is not determinable, nor has it been established what impact such an order would have on the Community Development Account.

- c) During the year, the Province of Manitoba provided monthly tobacco tax rebates to Roseau River Anishinabe First Nation based on estimates.

Upon the submission of actual rebate claims it is expected that the Province of Manitoba will recover any amounts paid in excess of the submitted claims from future claims.

If any excess payments become repayable to the Province of Manitoba, the amounts will be recognized in the year of repayment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

15. COMMITMENTS

During the 2015-2016 fiscal year, Chief and Council of Roseau River Anishinabe First Nation authorized the 1903 Trust to secure a \$10,000,000 loan from RBC Royal Bank (\$5,000,000 to re-finance the loan from the previous Corporate Trustee and an additional \$5,000,000 as per the terms of the by-law). The net proceeds from the loan were transferred to Roseau River Anishinabe First Nation Community Development Account and recorded as an additional trust payment revenue.

Principal repayments of \$2,000,000 (\$1,000,000 during the 2016-2017 fiscal year and \$1,000,000 during the 2017-2018 fiscal year) were made by the 1903 Trust toward the initial \$10,000,000 authorized loan from RBC Royal Bank to reduce the outstanding balance to \$8,000,000 as of April 1, 2017.

During the 2017-2018 fiscal year, Chief and Council of Roseau River Anishinabe First Nation authorized the 1903 Trust to secure an additional \$8,000,000 in loan proceeds from RBC Royal Bank, of which \$2,543,500 in net proceeds was transferred to Roseau River Anishinabe First Nation Community Development Account and recorded as additional trust payment revenue.

The resulting balance of the authorized loan from RBC Royal Bank became \$16,000,000 as of March 31, 2018 which the 1903 Trust is liable to repay in fixed principal installments of \$1,600,000 annually on December 31 over the next 10 years plus interest at the rate of prime plus 0.15%

Principal repayments of \$6,400,000 (\$1,600,000 annually during the 2018-2019, 2019-2020, 2020-2021 and 2021-2022 fiscal years) were made by the 1903 Trust toward the \$16,000,000 authorized loan from RBC Royal Bank to reduce the outstanding balance to \$9,600,000 as of December 31, 2021.

During the fiscal year 2021-2022, the Chief and Council of Roseau River Anishinabe First Nation authorized the 1903 Trust to refinance a loan payable. An additional \$3,500,000 in loan proceeds from RBC Royal Bank was then transferred to Roseau River Anishinabe First Nation Community Development Account and recorded as additional trust payment revenue.

The new balance of the authorized loan with RBC Royal bank was \$13,100,000 as of March 31, 2022 which the 1903 Trust is liable to to repay in estimated annual principal installments of \$1,637,500 over the next 8 years plus interest at the rate of prime (2.45%) plus 0.00%.

Principal repayment of \$1,637,500 was made by the 1903 Trust toward the \$13,100,000 authorized loan from RBC Bank to reduce the outstanding balance to \$11,462,500 as of March 31, 2023.

The 1903 Trust will reduce future annual payments to Roseau River Anishinabe First Nation Community Development Account by the amount of the annual principal installments and related interest paid toward the authorized loan from RBC Royal Bank.

16. RECONCILIATION OF INDIGENOUS SERVICES CANADA (ISC) REVENUE

	2023	2022
ISC funding per agreement #1819-MB-000041 (MANITOBA)	\$ 13,340,149	\$ 10,747,596
ISC funding per agreement #2122-MB-000006 (MANITOBA)	<u>5,422,085</u>	<u>6,000,707</u>
Total ISC revenue per financial statements	<u>\$ 18,762,234</u>	<u>\$ 16,748,303</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

17. ROSEAU RIVER 1903 TRUST REVENUE

	2 0 2 3	2 0 2 2
Annual trust payment	\$ <u>3,385,313</u>	\$ <u>5,550,025</u>

18. SEGMENTS

The First Nation has twelve reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Band Government - activities include the governance function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes.

Capital - activities include the planning, managing and delivery of large scale infrastructure and capital projects to the community.

Community Development Account - activities include the management, investment and expenditure of the annual community development allotment from Roseau River 1903 Trust.

Economic Development - benefits include better access to more and larger businesses and business opportunities both within and beyond the community and a better economic environment.

Education - activities include overseeing many aspects of educational opportunities for community members at all levels of learning both within the community and externally.

Employment and Training - activities include the delivery of culturally sensitive employment services to assist community members in identifying and overcoming potential barriers to employment and to find and maintain meaningful employment.

Ginew Seniors Lodge - activities include the provision of lodging opportunities for community members and protection and care by experienced employees to those community members who can no longer care for themselves.

Ginew Wellness Centre - activities include the delivery of programs to promote community health and to address environmental issues and non-insured health benefits.

Housing - activities include the provision of residential housing opportunities for community members both on and off reserve.

Own Source - activities include the management and expenditure of revenue generated within the community.

Public Works - activities include the development and maintenance of the community's infrastructure, buildings, roads, bridges and related equipment and the provision of other more specialized community services.

Social - activities include satisfying the economic, social or health related needs of community members who require assistance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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19. RELATED PARTY TRANSACTIONS

In the normal course of operations, 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 its related parties, aggregate revenue and expenditures derived from related party transactions is not determinable.

20. FINANCIAL INSTRUMENTS

Management of risks arising from financial instruments

Roseau River Anishinabe First Nation's principal financial liabilities comprise of trade and other payables, loans and borrowings. The main purpose of these financial liabilities to finance and support Roseau River Anishinabe's operations. Roseau River Anishinabe has trade and other receivables, cash, and restricted cash that are derived directly from its operations. It also holds deposits and investments in government business partnerships as part of its investing activities.

Roseau River Anishinabe's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest risk) and fair value risk. Roseau River Anishinabe's overall management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on Roseau River Anishinabe's financial performance. Risk management is the responsibility of the financial management team who have the appropriate skills, experience, and supervision. The financial management team identify, evaluate, and, where appropriate, mitigate financial risks. Material risks are monitored and are discussed regularly with Chief and Council.

The risks associated with Roseau River Anishinabe's financial instruments are as follows:

CREDIT RISK

Credit risk arises from the potential that a counter party will fail to perform its obligations.

Roseau River Anishinabe is exposed to credit risk from the possibility that parties may default on their financial obligations, or if the government fails to meet its obligations in accordance with agreed terms. Roseau River Anishinabe considers a financial asset in default when internal or external information indicates that it is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Cash and cash equivalents, restricted cash, and portfolio investments are subject to credit risk however it is substantially reduced from these assets being held by low-risk institutions such as governments, and high-credit quality financial institutions that have been graded by third party agencies.

The credit risk associated with balances outstanding is minimized as the larger part of the balances would be from Provincial and Federal government funding, Roseau River Anishinabe partners, and parties that sustain a good relationship with the organization. Security arrangements to secure funding are also arranged through multi year agreements between the government and Roseau River Anishinabe. Additionally, accounts receivable is measured at amortized cost and analyzed by means of aging analysis. The maximum exposure to credit risk is represented by the carrying value of financial assets in the balance sheet.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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20. FINANCIAL INSTRUMENTS *(continued)**LIQUIDITY RISK*

Liquidity risk is the risk that Roseau River Anishinabe will not be able to provide sufficient cash and cash equivalents to meet its financial obligations when they come due. Roseau River Anishinabe meets its liquidity requirements by preparing cash flows from operations, anticipating investing and financing activities, and holding assets that can be readily converted into cash. As of year-end March 31, 2023, Roseau River Anishinabe does not have sufficient assets from cash and cash equivalents and accounts receivable to cover the total outstanding accounts payable, deferred revenue, and demand loan payable, respectively. Roseau River Anishinabe has investments that are not readily convertible into cash, as well as no credit facilities available to meet temporary fluctuations in cash requirements. To address the potential liquidity risk, management is actively working with evaluating new economic development initiatives.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of currency risk, interest rate risk, and equity price risk.

FOREIGN CURRENCY RISK

Foreign currency risk refers to the changes in cash flows or fair values as a result of fluctuations in the value of various foreign currencies and exposure. The functional currency of Roseau River Anishinabe is the Canadian Dollar. Roseau River Anishinabe First Nation does not engage in significant foreign currency transactions, nor does it hold any foreign investments; therefore, foreign currency risk is minimal and Roseau River Anishinabe has not entered into any foreign exchange hedging contracts.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Roseau River Anishinabe's exposure to rate risk primarily stems from holdings of debt instruments with a variable rate component.

EQUITY RISK

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market price of equity instruments. Roseau River Anishinabe has investments in government business partnerships that are accounted for using the equity method however, equity price risk is minimal as these are privately held entities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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20. FINANCIAL INSTRUMENTS *(continued)**FAIR VALUE*

The First Nation accounts for its portfolio investments at fair value. Financial instruments reported at fair value are then categorized under a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The three levels of the fair value hierarchy are as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that management has the ability to access at the measurement date
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are not observable. There is little if any market activity. Inputs into the determination of fair value require significant judgement or estimation.

All financial instruments accounted for at fair value on the statement of financial position are Level 1.

21. EXPENSE BY OBJECT

	2 0 2 3	2 0 2 2
Administration and office	\$ 212,648	\$ 126,469
Amortization	1,048,013	1,080,130
Bank charges and interest	34,675	17,305
Contract fees and services	3,879,535	3,506,875
Fuel	205,949	71,562
Insurance	143,415	126,453
Interest on long term debt	14,482	19,034
Loss on investment	354,759	205,552
Other	2,925,315	636,328
Rent	860,945	166,551
Repairs and maintenance	553,541	634,062
Salaries, wages, and benefits	6,715,612	5,941,514
Social assistance	3,732,098	2,878,854
Student tuition and allowance	917,121	731,521
Supplies and materials	1,950,407	1,688,715
Telephone and communication	169,175	166,962
Tobacco tax rebate distributions	649,463	800,183
Training	120,699	54,245
Travel and accommodation	612,392	339,684
Utilities	315,922	341,270
	<u>\$ 25,416,166</u>	<u>\$ 19,533,269</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2023**

22. ECONOMIC DEPENDENCE

The First Nation receives a majority of its revenue from Indigenous Services Canada (ISC) 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 the funding arrangements.

23. BUDGET INFORMATION

The First Nation has not prepared a complete consolidated budget for the year ended March 31, 2023. Accordingly, budget figures are not presented in these consolidated financial statements.

24. COMPARATIVE FIGURES

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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25. SEGMENT DISCLOSURE

Roseau River Anishinabe First Nation provides a range of services to its community members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenditures 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 Basis of Presentation and Summary of Significant Accounting Policies as described in Note 2. The segment results for the year are as follows:

	Band Government		Capital		Community Development Account		Economic Development		Education	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue:										
Federal Government										
ISC	\$ 673,827	\$ 826,692	\$ 3,089,306	\$ 589,198	\$ -	\$ -	\$ 105,394	\$ 105,394	\$ 1,113,945	\$ 969,140
CMHC	-	-	-	-	-	-	-	-	-	-
Subtotal	673,827	826,692	3,089,306	589,198			105,394	105,394	1,113,945	969,140
Other revenue			14,912		3,385,313	5,550,025				
Deferred from prior year	22,468	214,516	97,116	241,005				19,938	614,838	266,282
Deferred to following year	(15,000)	(22,468)	(1,670,542)	(97,116)	-	-	-	-	(734,854)	(614,838)
Total revenue	681,295	1,018,740	1,530,792	733,087	3,385,313	5,550,025	105,394	125,332	993,929	620,584
Expenditures:										
Amortization			13,400	16,750						
Interest on long term debt										
Salaries and benefits	669,584	482,938				400	4,391	16,391	201,496	93,925
Other	787,920	690,845	477,098	332,696	2,621,016	181,632	118,003	89,003	906,460	779,826
Total expenditures	1,457,504	1,173,783	490,498	349,446	2,621,016	182,032	122,394	105,394	1,107,956	873,751
Annual Surplus (Deficit)	\$ (776,209)	\$ (155,043)	\$ 1,040,294	\$ 383,641	\$ 764,297	\$ 5,367,993	\$ (17,000)	\$ 19,938	\$ (114,027)	\$ (253,167)

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25. SEGMENT DISCLOSURE (continued)

	Employment and Training		Ginew Seniors Lodge		Ginew Wellness Centre		Housing		Own Source	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue:										
Federal Government										
ISC	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CMHC	-	-	51,220	49,466	-	-	50,571	164,089	-	-
Subtotal			51,220	49,466	5,422,085	6,000,707	50,571	855,589	-	-
Other revenue	312,229	438,678	49,447	52,775	226,471	339,979	122,234	259,052	4,067,748	2,383,500
Deferred from prior year	184,405	316,929	1,579	5,730	1,607,301	843,948	1,375,679	1,113,987	279,130	373,536
Deferred to following year	(61,530)	(184,405)	(6,675)	(1,579)	(2,181,904)	(1,607,301)	(708,208)	(1,375,679)	-	(279,130)
Total revenue	435,104	571,202	95,571	106,392	5,073,953	5,577,333	840,276	852,949	4,346,878	2,477,906
Expenditures:										
Amortization	7,443	7,443	35,894	36,659	295,822	277,568	313,565	435,453	308,863	216,185
Interest on long term debt			8,528	5,900			5,539	7,463	415	5,671
Salaries and benefits	156,983	116,861			3,741,309	3,784,643	272,704	252,595	839,905	588,431
Other	287,023	171,697	71,979	67,916	1,869,640	1,825,693	915,792	1,823,562	2,706,351	2,609,639
Total expenditures	451,449	296,001	116,401	110,474	5,906,771	5,887,904	1,507,600	2,519,073	3,855,534	3,419,926
Annual Surplus (Deficit)	\$ (16,345)	\$ 275,201	\$ (20,830)	\$ (4,082)	\$ (832,818)	\$ (310,571)	\$ (667,324)	\$ (1,666,124)	\$ 491,344	\$ (942,020)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

25. SEGMENT DISCLOSURE *(continued)*

	Public Works		Social		TOTAL	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue:						
Federal Government						
ISC	\$ 2,415,958	\$ 2,075,148	5,941,719	5,490,524	\$ 18,762,234	\$ 16,748,303
CMHC	-	-	-	-	101,791	213,555
Subtotal	2,415,958	2,075,148	5,941,719	5,490,524	18,864,025	16,961,858
Other revenue		20,000			8,178,354	9,044,009
Deferred from prior year	163,396	174,899	2,139,881	276,078	6,485,793	3,846,848
Deferred to following year	(174,050)	(163,396)	(2,131,640)	(2,139,881)	(7,684,403)	(6,485,793)
Total revenue	<u>2,405,304</u>	<u>2,106,651</u>	<u>5,949,960</u>	<u>3,626,721</u>	<u>25,843,769</u>	<u>23,366,922</u>
Expenditures:						
Amortization	66,863	83,585	6,163	6,487	1,048,013	1,080,130
Interest on long term debt					14,482	19,034
Salaries and benefits	724,535	533,393	104,705	71,937	6,715,612	5,941,514
Other	<u>2,255,695</u>	<u>1,216,938</u>	<u>4,621,082</u>	<u>2,703,145</u>	<u>17,638,059</u>	<u>12,492,592</u>
Total expenditures	<u>3,047,093</u>	<u>1,833,916</u>	<u>4,731,950</u>	<u>2,781,569</u>	<u>25,416,166</u>	<u>19,533,269</u>
Annual Surplus (Deficit)	<u>\$ (641,789)</u>	<u>\$ 272,735</u>	<u>\$ 1,218,010</u>	<u>\$ 845,152</u>	<u>\$ 427,603</u>	<u>\$ 3,833,653</u>