

Long Plain First Nation
Consolidated Financial Statements
March 31, 2016

Long Plain First Nation
Consolidated Contents
For the year ended March 31, 2016

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Management's Responsibility

To the Chief and Council and Members of Long Plain First Nation:

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

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

July 12, 2016



Administrator

Independent Auditors' Report

To the Chief and Council and Members of Long Plain First Nation:

We have audited the accompanying consolidated financial statements of Long Plain First Nation, which comprise the statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Long Plain First Nation as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Portage la Prairie, Manitoba

July 12, 2016

MNP LLP

Chartered Professional Accountants

Long Plain First Nation
Consolidated Statement of Financial Position
As at March 31, 2016

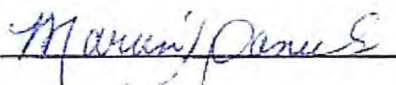
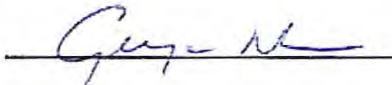
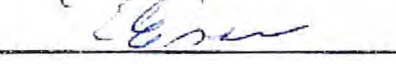

	2016	2015
Financial assets		
Current		
Cash	27,121	103,768
Restricted cash <i>(Note 3)</i>	505,243	-
Accounts receivable <i>(Note 4)</i>	1,873,709	2,118,365
	2,406,073	2,222,133
Funds held in trust <i>(Note 5)</i>	25,856	25,587
Investment in Nation business entities <i>(Note 6)</i>	5,743,328	3,160,888
Total financial assets	8,175,257	5,408,608

The accompanying notes are an integral part of these financial statements

Long Plain First Nation
Consolidated Statement of Financial Position
As at March 31, 2016

	2016	2015
Financial Liabilities		
Current		
Bank indebtedness (Note 7)	2,266,598	1,395,744
Accounts payable and accruals (Note 8)	3,485,630	5,443,545
Deferred revenue (Note 9)	446,051	1,142,676
Short term loans (Note 10)	612,629	522,502
Damage deposits	2,364	15,495
	6,813,272	8,519,962
Long-term debt (Note 11)	18,210,784	19,455,240
Total financial liabilities	25,024,056	27,975,202
Net debt	(16,848,799)	(22,566,594)
Contingencies (Note 12)		
Non-financial assets		
Tangible capital assets (Schedule 1)	51,984,973	58,448,308
Construction in progress (Note 13)	2,405,860	602,757
Inventory	4,234	4,968
Prepaid expenses	148,895	1,748
Total non-financial assets	54,543,962	59,057,781
Accumulated surplus (Note 22)	37,695,163	36,491,187

Approved on behalf of Chief and Council

 _____	Chief	 _____	Councillor
 _____	Councillor	 _____	Councillor
	Councillor		

The accompanying notes are an integral part of these financial statements

Long Plain First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2016

<i>Schedules</i>	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada (Note 15)	12,485,350	12,346,484	12,778,485
Health Canada (Note 15)	2,260,948	2,621,124	2,297,903
Canada Mortgage and Housing Corporation (Note 15)	956,331	960,641	933,971
First Peoples Development Inc.	686,933	936,310	860,185
Province of Manitoba (Note 15)	60,700	65,013	51,136
Municipal tax sharing grant	42,500	42,753	42,753
Government of Canada - Trust (Note 15)	-	380,669	380,669
Dakota Ojibway Tribal Council	39,500	20,868	125,930
Interest forgiveness on debt	257,000	439,847	-
CDI contributions	75,000	75,000	100,000
Long Plain First Nation Trust - LOU	618,000	939,105	808,609
Administration fees	330,360	406,686	330,072
User fees - water usage	-	38,668	174,150
Tobacco tax	2,131,686	1,961,855	1,309,529
Canteen	92,125	65,790	70,190
Rental income	1,827,473	1,701,074	1,744,587
Insurance	8,500	353,186	-
Goods and Service Tax rebates	8,690	11,540	10,837
Interest income	3,000	2,878	4,858
Miscellaneous	439,376	91,425	76,218
Interest earned on First Nation trust funds	-	268	1,813
Licensing fees revenue	105,000	112,082	105,906
Band minimum revenue contribution	61,844	91,366	175,385
Manitoba First Nations Education Resource Centre	31,210	31,210	30,000
Sale of product	42,000	43,429	44,445
Daycare fees	20,000	13,283	12,613
Donations	29,550	30,138	9,075
Earnings from investment in Nation business entities	-	1,237,868	431,260
Deferred revenue - prior year	-	1,142,676	904,873
Deferred revenue - current year	-	(446,051)	(1,142,676)
	22,613,076	25,717,185	22,672,776

Continued on next page

Long Plain First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2016

	<i>Schedules</i>	<i>Budget 2016</i>	<i>2016</i>	<i>2015</i>
Revenue <i>(Continued from previous page)</i>		22,613,076	25,717,185	22,672,776
Program expenses				
Tribal Council	4	5,594,469	6,559,764	6,879,848
Social Services	5	4,350,000	4,303,585	4,253,464
Housing Administration	6	1,084,035	1,237,063	1,538,266
Housing C.M.H.C.	7	1,841,845	1,608,401	1,610,107
Non Insured Health Benefit	8	544,139	638,008	594,152
Health Services	9	2,030,658	2,012,372	2,013,565
Education Authority	10	3,721,187	3,625,300	3,463,168
Employment and Training	11	727,816	1,132,803	1,010,339
Post Secondary Education	12	1,973,527	1,967,852	2,564,409
Long Plain First Nation Gaming Commission	13	147,000	145,862	174,863
Long Plain Irrigation Management Company Ltd.	14	618,530	658,904	628,048
Long Plain General Partner Inc.	15	107,269	98,422	107,260
Total expenditures		22,740,475	23,988,336	24,837,489
Surplus (deficit) before other items		(127,399)	1,728,849	(2,164,713)
Other income (expense)				
Recovery (repayment) of funding		-	-	146,612
Loss on disposal of tangible capital assets		-	(234,885)	(330,683)
		-	(234,885)	(184,071)
Surplus (deficit) before transfers		(127,399)	1,493,964	(2,348,784)
Transfers between Nation entities		(363,244)	(289,988)	(7,417)
Surplus (deficit)		(490,643)	1,203,976	(2,356,201)
Accumulated surplus, beginning of year		-	36,491,187	38,847,388
Accumulated surplus, end of year		(490,643)	37,695,163	36,491,187

The accompanying notes are an integral part of these financial statements

Long Plain First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Annual surplus (deficit)	(490,643)	1,203,976	(2,356,201)
Purchases of tangible capital assets	-	(161,909)	(1,944,241)
Amortization of tangible capital assets	-	3,267,018	3,256,638
Increase in construction in progress	-	(1,803,102)	(321,978)
Acquisition of inventory	-	-	(708)
Use of inventory	-	732	-
Loss on sale of tangible capital assets	-	234,885	330,683
Proceeds of disposal of tangible capital assets	-	3,123,341	1,669,364
Acquisition of prepaid expenses	-	(147,147)	-
Use of prepaid expenses	-	-	4,067
Increase in net financial assets	(490,643)	5,717,794	637,624
Net debt, beginning of year	(22,566,591)	(22,566,593)	(23,204,218)
Net debt, end of year	(23,057,234)	(16,848,799)	(22,566,594)

The accompanying notes are an integral part of these financial statements

Long Plain First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	1,203,976	(2,356,201)
Non-cash items		
Amortization	3,267,018	3,256,638
Loss on disposal of tangible capital assets	234,885	330,683
Earnings from investment in Nation business entities	(1,237,868)	(431,260)
	3,468,011	799,860
Changes in working capital accounts		
Accounts receivable	244,656	774,704
Prepaid expenses	(147,147)	4,067
Accounts payable and accruals	(1,957,915)	329,070
Restricted cash	(505,512)	(1,811)
Deferred revenue	(696,625)	237,803
Short term loans	90,127	(677,498)
Damage deposits	(13,131)	(5,848)
Inventory	748	(708)
	483,212	1,459,639
Financing activities		
Advances of long-term debt	983,477	1,355,016
Repayment of long-term debt	(2,227,933)	(2,061,460)
Repayment of capital lease obligations	-	(42,400)
	(1,244,456)	(748,844)
Capital activities		
Purchases of tangible capital assets	(161,909)	(1,944,241)
Proceeds of disposal of tangible capital assets	3,123,341	1,669,364
Construction in progress	(1,803,102)	(321,975)
Advances to Nation business entities	(1,344,587)	(874,964)
	(186,257)	(1,471,816)
Decrease in cash resources	(947,501)	(761,021)
Cash deficiency, beginning of year	(1,291,976)	(530,955)
Cash deficiency, end of year	(2,239,477)	(1,291,976)
Cash resources (deficiency) are composed of:		
Cash total (positive only)	27,121	103,768
Bank indebtedness	(2,266,598)	(1,395,744)
	(2,239,477)	(1,291,976)

The accompanying notes are an integral part of these financial statements

Long Plain First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

1. Operations

The Long Plain First Nation (the "Nation") is located in the province of Manitoba, and provides various services to its members. Long Plain First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Long Plain First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Long Plain First Nation Tribal Council
- Long Plain First Nation Housing Administration
- Long Plain First Nation Housing C.M.H.C.
- Long Plain First Nation Non Insured Health Benefits
- Long Plain First Nation Health Services
- Long Plain First Nation Education Authority
- Long Plain First Nation Employment and Training
- Long Plain First Nation Post Secondary Education
- Long Plain First Nation Gaming Commission
- Long Plain Irrigation Management Company Ltd.
- Long Plain General Partner Inc.
- Long Plain First Nation Social Services

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.

Long Plain First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in this entity is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entity accounted for by the modified equity basis include:

Arrowhead Development Corporation (consolidated with 6089292 Manitoba Ltd.)

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting 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.

Long Plain First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. Significant accounting policies *(Continued from previous page)*

Cash resources

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Buildings	straight-line	4 - 5 %
Housing	straight-line	2.5 - 4 %
Equipment	straight-line	10 - 20 %
Infrastructure	straight-line	4 %
Landfill	straight-line	4 %
Roads	straight-line	3 - 8 %
Water	straight-line	2.5 %
Utility Systems	straight-line	2.5 %
Automotive	straight-line	30 %
Skatepark	straight-line	2 %
Playground	straight-line	20 %

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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, construction in progress, prepaid expenses and inventories of supplies.

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 value exceeds its fair value. Any impairment is included in operations for the year.

Funds held in Ottawa Trust Fund

Funds are held in trust on behalf of Long Plain First Nation by the Government of Canada. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and

- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when received. These monies are reported on by the Government of Canada.

2. Significant accounting policies *(Continued from previous page)*

Net debt

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

Revenue recognition

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Tobacco Tax Revenue

Tobacco tax revenue is recognized when the goods have been delivered, the amount is determinable and collectability is reasonably assured.

Rental and Other Revenue

Rental revenue is recognized over the rental term. Other revenues are earned from other services provided by the First Nation and are recognized at their fair value when the service has been provided.

Retail sales are recognized when the sale is made and the customer takes possession of the merchandise.

Measurement uncertainty

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

Accounts receivable, and amounts due from related parties, are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Payable to funding agencies is based on anticipated repayment requirements; however, actual repayments will be determined upon funding agencies review of financial statements. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the operations in the periods in which they become known.

Provision for site rehabilitation

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. A liability is recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used and is equal to a proportion of the estimated total expenditure required for closure and post-closure care. The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future revenue generation, are expensed in the current year.

No liability has been recorded as of March 31, 2016 as funding from government agencies will offset any costs associated with the closure of landfill sites.

Long Plain First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. Significant accounting policies *(Continued from previous page)*

Segments

The First Nation conducts its business through 13 reportable segments. These segments are differentiated by the major activities or services they provide. The Nation's segments are as follows:

Long Plain First Nation Tribal Council - includes administration and governance activities
Long Plain First Nation Housing Administration - reports on band owned housing projects
Long Plain First Nation Housing C.M.H.C. - reports on CMHC housing projects
Long Plain First Nation Non-Insured Health Benefits - reports on the First Nation's Health Canada funding for non-insured benefits
Long Plain First Nation Health Services - reports on the First Nation's Health Canada funding
Long Plain First Nation Education Authority - includes the operations of education programs
Long Plain First Nation Employment and Training - includes the operations of employment and training programs
Long Plain First Nation Post Secondary - includes the operations of post secondary education programs
Long Plain First Nation Gaming Commission - includes administration of Manitoba Lottery Corporation licensing
Long Plain Irrigation Management Company Ltd. - includes administration and land leases
Long Plain General Partner Inc. - reports on urban reserve housing development
Long Plain First Nation Social Services - includes social assistance programs
Investment in Nation business entities - reports on gains and losses of Arrowhead Development Corporation (consolidated)

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 reported segment, revenue and expenses 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 Note 2 under reporting entity.

Financial instruments

Financial Instruments include cash, accounts receivable, restricted cash, bank indebtedness, accounts payable and accruals, advances from related parties and long-term debt. Unless otherwise stated, it is management's opinion that the Nation is not exposed to significant interest, currency or credit risk arising from financial instruments. Unless otherwise stated, the book value of the Nation's financial assets and liabilities approximates their fair value due to the short-term maturities of the instruments. The fair value of the Nation's long-term debt are approximated by their carrying value as the terms and conditions of similar instruments are not materially different from those associated with the Nation's current long-term debt.

Retirement benefits

The First Nation has a defined contribution pension plan covering substantially all full-time employees. Contributions are discretionary, and are based on 3% of participants' contributions, up to a maximum of 5%. The First Nation follows the policy of funding retirement plan contributions as accrued. During the year, the First Nation's contributions totalled \$143,193 (2015 - \$131,010).

3. Restricted cash

Restricted cash is comprised of:

- \$350,000 (2015 - nil) held with Me-Dian Credit Union for the purpose of building repairs to the Health Centre and;

- \$155,243 (2015 - nil) for the purpose of payment of settlement monies to Long Plain band members, as agreed to under the Loss of Use land claim settlement agreement between Long Plain First Nation and the Government of Canada.

Long Plain First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

4. Accounts receivable

	2016	2015
Indigenous and Northern Affairs Canada	67,757	165,893
Health Canada	55,000	34,506
Province of Manitoba	255,821	379,386
Canada Mortgage and Housing Corporation	-	452,683
Trade receivables	551,097	477,798
Rent receivable	1,059,641	1,057,907
Employee advances	1,776	1,448
Goods and Services Tax receivable	40,229	92,822
Student advances	17,850	30,983
Long Plain First Nation Trust - TLE	99,261	55,523
Long Plain First Nation Trust - LOU	145,360	143,000
Government of Canada - Trust	380,669	380,669
	2,674,461	3,272,618
Allowance for doubtful accounts	800,752	1,154,253
	1,873,709	2,118,365

5. Funds held in trust

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust money consists of:

Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and

Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

	2016	2015
Capital Trust		
Balance	2,225	2,225
Revenue Trust		
Balance, beginning of year	23,362	21,550
Interest	269	1,812
Balance, end of year	23,631	23,362
	25,856	25,587

6. Investments in Nation business entities

The First Nation holds the following investment in commercial enterprises:

	2015			2016
	Opening balance	Equity in earnings	Advances to Arrowhead Development Corporation	Closing balance
Arrowhead Development Corporation (consolidated)	3,160,888	1,237,838	1,344,602	5,743,328

Long Plain First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

6. Investments in Nation business entities *(Continued from previous page)*

The condensed financial information for the wholly owned business enterprises for the year ending March 31, 2016 is as follows:

	Assets	Liabilities	Net Assets	Revenues	Expenses	Earnings
2016	13,635,739	7,534,878	6,100,861	47,818,333	46,580,465	1,237,868
2015	12,761,722	7,898,729	4,862,993	35,179,803	34,748,546	431,257

7. Bank indebtedness

Bank indebtedness includes an operating loan amounting to \$1,965,761 (2015 - \$601,919). The operating loan bears interest at prime plus 1.5%, to a maximum of \$2,000,000 and is secured by a Band Council Resolution redirecting all funds from Indigenous and Northern Affairs Canada to the financial institution.

Bank indebtedness also includes a second operating loan amounting to \$250,369 (2015 - \$481,529). The operating loan bears interest at prime plus 0.8%, to a maximum of \$500,000 and is secured by a Band Council Resolution redirecting all funds from Indigenous and Northern Affairs Canada to the financial institution.

8. Accounts payable and accruals

	2016	2015
Trade payables	3,387,229	5,347,068
Payroll liabilities	5,316	17,993
GST payable	38,891	10,056
Accrued interest	54,194	65,287
Repayment of government funding	-	3,140
	3,485,630	5,443,544

9. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance March 31, 2015</i>	<i>Funding Received 2016</i>	<i>Revenue Recognized 2016</i>	<i>Balance March 31, 2016</i>
Other program - Housing insurance proceeds	239,737	-	239,737	-
INAC - Costs to Acquire or Establish a Business	802,919	-	802,919	-
First Peoples Development - First Nation Job Fund	100,020	96,051	100,020	96,051
Health Canada - Capital Investments	-	350,000	-	350,000
	1,142,676	446,051	1,142,676	446,051

Long Plain First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. Short term loans

	2016	2015
TD Canada Trust demand loan for Dakota Objiway Police Service renovations, principal repayable plus interest at prime plus 1.50%, with the full amount due September 2016.	234,223	-
Long Plain First Nation Trust loan for working capital, principal repayable plus interest at 10%. Secured by Band Council Resolution, due April 30, 2014. Balance remains outstanding at March 31, 2016.	378,406	522,502
	612,629	522,502

11. Long-term debt

	2016	2015
TD Canada Trust loan (27) for Recreation Centre addition, repayable in monthly instalments of \$3,333 plus interest at prime plus 1.50%, secured by Band Council Resolution, due March 2027.	443,332	483,332
TD Canada Trust loan (29) for band based capital, repayable in annual instalments of \$194,705 plus interest at prime plus 1.50%, secured by Band Council Resolution, due April 2017.	389,410	584,115
TD Canada Trust loan (28) for Apartment purchase, repayable in monthly instalments of \$2,917 plus interest at prime plus 1.50%, secured by Band Council Resolution, due February 2017.	210,001	245,001
TD Canada Trust loan (23) for Grader equipment purchase, repayable in annual instalments of \$41,700 including interest at 3.64%, secured by Band Council Resolution, due April 2016.	39,915	78,333
TD Canada Trust loan (30) for purchase of automotive equipment, repayable in monthly instalments of \$1,645 including interest at 3.77%, secured by Band Council Resolution, due May 2016.	3,276	20,354
TD Canada Trust loan (32) for housing repairs, repayable in monthly installments of \$2,778 plus interest at prime plus 1.00%, secured by Band Council Resolution, due March 2029.	30,240	440,013
TD Canada Trust loan (7) for bus purchases, repayable in monthly installments of \$2,723 plus interest at 3.64%, secured by Band Council Resolution, due April 2019.	95,162	123,789
TD Canada Trust loan for irrigation project, payable in monthly instalments of \$15,014 including interest at 4.17%, secured by general security agreement, guarantee of advances from Long Plain First Nation and Arrowhead Development Corporation, and assignment of rents and leases from Long Plain First Nation and Long Plain Irrigation Management Company Ltd., due June 2019.	700,692	847,160
Royal Bank of Canada loan for 39 unit lot development, payable in monthly instalments of \$10,000 plus interest at prime plus 2.70%, secured by all personal property of the borrower, Band Council Resolution, and first ranking assignment in favour of bank of 100% of proceeds of INAC, municipal, and utility grants, due March 1, 2017.	780,000	900,000
Long Plain First Nation Community Trust loan for Arena and Rec Centre addition, non-interest bearing, repayable in annual instalments of \$100,000, secured by Band Council Resolution, due 2032.	1,600,000	1,700,000

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Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

11. Long-term debt *(Continued from previous page)*

TD Canada Trust mortgage, repayable in monthly instalments of \$4,491 including interest at 5.00%. Mortgage matures April 1, 2017 and is secured by Band Council Resolution redirecting all INAC funding.	48,080	98,373
Industrial Alliance mortgage, repayable in monthly instalments of \$3,537 including interest at 5.00%. Mortgage matures December 1, 2017 and is secured by Band Council Resolution redirecting all INAC funding.	71,010	108,915
Peace Hills Trust mortgage repaid during the year.	-	35,833
Peace Hills Trust mortgage, repayable in monthly instalments of \$3,911 including interest at 3.95%. Mortgage matures May 1, 2018 and is secured by Band Council Resolution redirecting all INAC funding.	180,791	219,935
Peace Hills Trust mortgage, repayable in monthly instalments of \$5,160 including interest at 4.55%. Mortgage matures January 1, 2017 and is secured by Band Council Resolution redirecting all INAC funding.	129,207	184,166
Canada Mortgage and Housing Corporation mortgages, repayable in monthly instalments totalling \$69,577 (2015 - \$73,829), including interest payable ranging from 1.04% to 2.63% (2015 - 1.62% - 2.97%). Mortgages mature between February 1, 2019 and September 1, 2039 (2015 - August 2021 to September 2039) and are secured by Band Council Resolution redirecting all INAC funding.	13,489,669	13,385,921
	18,210,785	19,455,240

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2017	1,594,000
2018	1,486,000
2019	1,233,000
2020	1,189,000
2021	1,026,000

The terms of the TD Canada Trust loans excluding the loans subject to Ministerial loan guarantees amounting to \$1,960,108 require that certain measurable covenants be met. As at March 31, 2016, it is possible the First Nation may fail to satisfy certain covenants at the next future compliance date. It is not known for certain whether the covenants have been violated as TD Canada Trust calculates and enforces covenants on a client specific basis and may utilise exceptions that are unknown at July 8, 2016. Failure to satisfy certain covenants may result in demand for repayment by the lender.

12. Contingent liabilities

These consolidated financial statements are subject to review by the Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews.

The First Nation is a respondent to a Judicial Review Application in respect of its 2015 Election for Chief and Council. The matter is presently being considered by a Judge of the Federal Court. The effects of any contingent claims relating to this dispute are not determinable at the date of this report.

Long Plain First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

13. Construction in progress

During the year, the Nation continued construction of the 6F project and began construction on the 5F project. The 6F project and the 5F project do not have an estimated date of completion. At the time of completion, the balance of the construction in progress account will be reallocated to tangible capital assets. As at March 31, 2016, \$1,233,841 has been invested in the 6F housing project and \$765,894 (2015 - \$602,757) has been invested in the 5F housing project.

During the year, the First Nation began renovations on the Dakota Ojibway Police Service Building. The renovations are expected to be completed during the summer of 2016. As at March 31, 2016, \$317,634 has been invested in the project.

The First Nation also began work on water systems, which is expected to be completed in the next fiscal year. At the time of completion, the balance of the construction in progress account will be reallocated to tangible capital assets. As at March 31, 2016, \$88,490 has been invested in the project.

14. Equity in CMHC Reserves

Operating Reserves

The First Nation's CMHC Housing Program receives funding pursuant to the post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operations of houses under this Program. The entire balance of \$133,750 in this operating reserve is unfunded at March 31, 2016.

Replacement Reserve

As required as part of the First Nation's CMHC Housing Program, a replacement reserve has been established for replacement of capital equipment and for major repairs to the houses. The entire balance of \$938,614 in this replacement reserve is unfunded at March 31, 2016.

15. Government transfers

During the year, the First Nation recognized the following government transfers as per revenue confirmations:

	2016	2015
Indigenous and Northern Affairs Canada - operational program funding	12,346,484	12,690,705
Health Canada - operational program funding	2,621,124	2,297,903
Canada Mortgage and Housing Corporation - operational program funding	960,641	933,971
Province of Manitoba	65,136	51,136
Government of Canada Trust	380,669	380,669
	16,374,054	16,354,384

16. Supplemental cash flow information

During the year, interest paid was \$716,280 (2015 - \$1,120,861).

17. Economic dependence

Long Plain First Nation receives substantially all of its revenue from the Government of Canada as a result of treaties entered into with the Government of Canada. These treaties are administered by Indigenous and Northern Affairs Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

Long Plain First Nation
Notes to the Consolidated Financial Statements
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18. Related party transactions

During the year, the First Nation rented office space in the amount of \$29,042 (2015 - \$25,208), rented automotive equipment in the amount of nil (2015 - \$22,065) from Arrowhead Development Corporation, and wrote off accounts receivable amounting to nil (\$249,526 - 2015) from Long Plain First Nation Social Services. Also during the year, the First Nation received contributions and donations from Arrowhead Development Corporation in the amount of \$560,059 (2015 - \$1,547,367) that was dispersed among various programs within the First Nation.

At year-end, the First Nation had recorded trade accounts receivable in the amount of \$14,846 (2015 - \$20,023) from Arrowhead Development Corporation.

At year-end, the First Nation has recorded trade accounts payable in the amount of \$481,182 (2015 - \$540,765) to Arrowhead Development Corporation.

Long Plain First Nation and Arrowhead Development Corporation are related parties by virtue of common control. The above noted transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

19. Loan guarantees

As at March 31, 2016, the First Nation has guaranteed term loans amounting to \$2,378,214 (2015 - \$2,718,257) relating to Arrowhead Development Corporation, a Nation government business enterprise, up to a maximum of \$5,498,995 and is collateralized by a promissory note co-signed by the First Nation and by first claim to all present and after acquired property of the First Nation. Payment under this guarantee, which will remain in place until the loans are repaid, is required if the government business enterprise defaults on its loan terms. As at March 31, 2016, no liability has been recorded associated with this guarantee.

As at March 31, 2016, the First Nation has guaranteed the term loan amounting to \$722,967 (2015 - \$1,156,747) relating to 6089292 Manitoba Ltd., a Nation government business enterprise, unlimited in amount. Payment under this guarantee, which will remain in place until the loans are repaid, is required if the government business enterprise defaults on its loan terms. As at March 31, 2016, no liability has been recorded associated with this guarantee.

20. Budget information

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the First Nation's actual revenue and expenses. Budget was adopted on July 20, 2015.

21. INAC funding reconciliation

INAC funding as per the statement of operations and accumulated surplus is as follows:

	2016	2015
Balance per financial statements	12,346,484	12,690,705
Balance per INAC funding confirmation	12,346,484	12,690,705

Long Plain First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

22. Accumulated surplus

Accumulated surplus consists of the following:

	<i>Operating Fund</i>	<i>Capital Asset Fund</i>	<i>Enterprise Fund</i>	<i>Moveable assets Reserve</i>	<i>CMHC Replacement reserve</i>	<i>Trust Funds</i>	<i>Share capital</i>	<i>2016 Total</i>	<i>2015 Total</i>
Beginning of year,	(8,501,690)	39,289,024	4,736,705	133,339	807,622	25,587	600	36,491,187	38,847,457
Program transfers	-	-	-	-	-	-	-	-	-
Issuance of share capital	-	-	-	-	-	-	-	-	-
Current year surplus (deficit)	3,668,590	(3,843,162)	1,237,553	9,734	130,992	269	-	1,203,976	(2,356,270)
	(4,833,100)	35,445,862	5,974,258	143,073	938,614	25,856	600	37,695,163	36,491,187

Accumulated surplus by segment consists of the following:

Long Plain First Nation Tribal Council	(942,756)	27,821,043	-	-	-	25,856	-	26,904,143	27,142,878
Long Plain First Nation Social Services	(776,985)	-	-	-	-	-	-	(776,985)	(839,189)
Long Plain First Nation Housing C.M.H.C.	73,965	(133,580)	-	-	938,614	-	-	878,999	204,671
Long Plain First Nation Housing Administration	1,951,321	3,435,510	-	-	-	-	-	5,386,831	5,753,658
Long Plain First Nation Non Insured Health Benefits	(322,410)	211,553	-	-	-	-	-	(110,857)	(125,259)
Long Plain First Nation Health Services	(254,072)	382,377	-	143,073	-	-	-	271,378	247,471
Long Plain First Nation Education Authority	(1,665,701)	162,089	-	-	-	-	-	(1,503,612)	(1,177,431)
Long Plain First Nation Employment and Training	(113,672)	37,882	-	-	-	-	-	(75,790)	5,319
Long Plain First Nation Post Secondary	(798,271)	-	-	-	-	-	-	(798,271)	(1,011,907)
Long Plain First Nation Gaming Commission	14,264	-	-	-	-	-	-	14,264	4,606
Long Plain Irrigation Management Company Ltd.	(814,670)	2,835,412	-	-	-	-	400	2,021,142	2,040,470
Long Plain General Partner Inc.	(1,184,113)	693,576	-	-	-	-	100	(490,437)	(490,805)
Investment in Business Enterprises	-	-	5,974,258	-	-	-	-	5,974,258	4,736,705
Long Plain First Nation Heavy Equipment	-	-	-	-	-	-	100	100	-
	(4,833,100)	35,445,862	5,974,258	143,073	938,614	25,856	600	37,695,163	36,491,187