

Tootinaowaziibeeng Treaty Reserve #292

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For the year ended March 31, 2016

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Management's Responsibility

To the Members of Tootinaowaziibeeng Treaty Reserve #292:

The accompanying consolidated financial statements of Tootinaowaziibeeng Treaty Reserve #292 are the responsibility of management and have been approved by the Chief and Council.

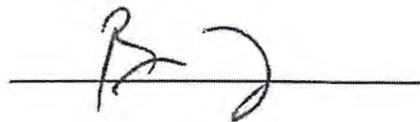
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate 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 consolidated financial statements.

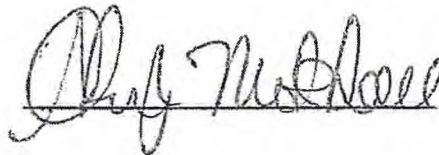
The Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and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

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Chief and Council on behalf of 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.

November 14, 2016

A handwritten signature in black ink, appearing to be 'B. J.', written over a horizontal line.

Chief and
Councillor

A handwritten signature in black ink, appearing to be 'D. J. McNamee', written over a horizontal line.

Finance
Administrator

Independent Auditors' Report

To the Chief and Council and Members of Tootinaowaziibeeng Treaty Reserve #292:

We have audited the accompanying consolidated financial statements of Tootinaowaziibeeng Treaty Reserve #292, which comprise the statement of financial position as at March 31, 2016, and the consolidated statement of operations and accumulated surplus, change in net debt 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 consolidated 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 consolidated 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 consolidated 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 Tootinaowaziibeeng Treaty Reserve #292 as at March 31, 2016 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Swan River, Manitoba

November 14, 2016

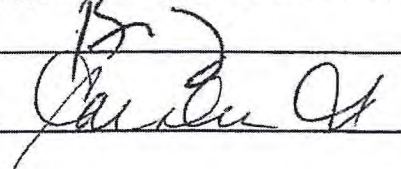
MNP LLP

Chartered Professional Accountants

Tootinaowaziibeeng Treaty Reserve #292
Consolidated Statement of Financial Position
As at March 31, 2016

	2016	2015 (restated - Note 21)
Financial assets		
Cash (Note 4)	192,732	171,374
Restricted cash (Note 5)	59,983	75,033
Accounts receivable (Note 6)	195,291	448,103
Inventory for resale	15,449	19,667
Deferred costs (Note 7)	-	108,595
Investments	5,898	5,145
Funds held in trust (Note 8)	1,180	127,727
	470,533	955,644
Liabilities		
Bank indebtedness (Note 9)	298,824	120,375
Accounts payable and accruals (Note 10)	552,142	727,857
Deferred revenue (Note 11)	365,497	309,395
Term loans due on demand (Note 12)	700,000	-
Long-term debt (Note 13)	1,092,945	1,190,270
	3,009,408	2,347,897
Net debt	(2,538,875)	(1,392,253)
Contingencies (Note 15)		
Significant event (Note 20)		
Non-financial assets		
Tangible capital assets (Note 14)	6,812,078	5,258,920
Prepaid expenses	43,703	45,818
	6,855,781	5,304,738
Accumulated surplus	4,316,906	3,912,485

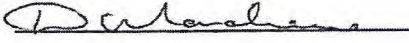
Approved on behalf of Chief and Council:



Chief and
Councillor

Chief and
Councillor

Councillor



Councillor

Councillor

Councillor

Tootinaowaziibeeng Treaty Reserve #292
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2016

	2016 Budget	2016	2015 (restated - Notes 3 and 21)
Revenue			
Indigenous and Northern Affairs Canada (Note 16)	3,837,592	5,445,056	4,799,354
Health Canada (Note 16)	1,139,933	1,495,814	1,555,429
First Peoples Development, Inc. (Note 16)	409,730	409,721	495,221
Canada Mortgage and Housing Corporation (Note 16)	64,800	90,439	84,287
Convenience Store	-	650,202	679,721
Video Lotto Terminals (incl. tobacco sales)	-	363,497	315,145
Other revenue (including revenue deferrals)	267,440	225,123	70,756
Province of Manitoba (incl. tobacco tax rebates and fuel tax returns) (Note 16)	-	167,517	165,570
Administration fees	443,296	248,169	227,359
User fees	81,300	41,936	36,253
Rental income	156,042	129,348	128,852
GST and Sales Tax rebates	10,000	-	9,597
Work opportunity program	41,269	83,753	70,161
Manitoba First Nation Education Resource Centre (MFNERC)	30,000	29,020	19,456
	6,481,402	9,379,595	8,657,161
Program expenses			
Band Government and Administration	932,354	966,767	598,102
Convenience Store Operations	-	786,055	831,057
Economic Development	58,171	86,751	87,692
Education Services	1,362,107	1,431,239	1,385,314
Employment and Daycare	420,427	390,249	497,511
Gaming Operations	-	383,688	322,925
Housing Services	297,216	201,503	289,640
Public Works	2,290,889	1,265,289	1,015,200
Social Services	-	1,618,169	1,456,143
Other Operations	194,642	148,095	162,057
Health Services	1,438,173	1,697,369	1,761,729
	6,993,979	8,975,174	8,407,370
Surplus (deficit) before other items	(512,577)	404,421	249,791
Other income			
Gain on disposal of capital assets	-	-	26,724
Surplus (deficit)	(512,577)	404,421	276,515
Accumulated surplus, beginning of year	-	3,912,485	3,517,377
Prior period adjustment (Note 21)	-	-	118,593
Accumulated surplus, beginning of year, as restated	-	3,912,485	3,635,970
Accumulated surplus, end of year	-	4,316,906	3,912,485

The accompanying notes are an integral part of these financial statements

Tootinaowaziibeeng Treaty Reserve #292
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	-	404,421	276,515
Purchases of tangible capital assets	-	(2,044,801)	(1,105,166)
Amortization of tangible capital assets	-	480,643	430,017
(Gain) loss on sale of tangible capital assets	-	-	(26,724)
Proceeds of disposal of tangible capital assets	-	11,000	81,059
Acquisition of prepaid expenses	-	-	(4,527)
Use of prepaid expenses	-	2,115	-
Increase in net debt	-	(1,146,622)	(348,826)
Net debt, beginning of year	-	(1,392,253)	(1,043,427)
Net debt, end of year	-	(2,538,875)	(1,392,253)

The accompanying notes are an integral part of these financial statements

Tootinaowaziibeeng Treaty Reserve #292
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)	404,421	276,515
Non-cash items		
Amortization	480,643	430,017
Loss on disposal of capital assets	-	(26,724)
Changes in working capital accounts		
Accounts receivable	252,812	(337,259)
Inventories for resale	4,218	(2,338)
Funds held in trust	126,547	(126,615)
Prepaid expenses	2,115	(4,527)
Deferred costs	108,595	(108,595)
Accounts payable and accruals	(175,715)	148,081
Deferred revenue	56,102	71,798
Investments	(753)	80
	1,258,985	320,433
Financing activities		
Advances of long-term debt	410,290	806,390
Repayment of long-term debt	(507,615)	(227,704)
Advances of term debt due on demand	700,000	-
	602,675	578,686
Capital activities		
Purchases of tangible capital assets	(2,044,801)	(1,105,166)
Proceeds of disposal of tangible capital assets	11,000	81,059
	(2,033,801)	(1,024,107)
Decrease in cash resources	(172,141)	(124,988)
Cash resources, beginning of year	126,032	251,020
Cash resources (deficiency), end of year	(46,109)	126,032
Cash resources (deficiency) are composed of:		
Cash and cash equivalents	192,732	171,374
Restricted cash	59,983	75,033
Bank indebtedness	(298,824)	(120,375)
	(46,109)	126,032

The accompanying notes are an integral part of these financial statements

Tootinaowaziibeeng Treaty Reserve #292

Notes to the Financial Statements

For the year ended March 31, 2016

1. Operations

The Tootinaowaziibeeng Treaty Reserve #292 (the "Nation") is located in the province of Manitoba, and provides various services to its members. Tootinaowaziibeeng Treaty Reserve #292 includes the First 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 include the following significant accounting policies:

Reporting entity

The Tootinaowaziibeeng Treaty Reserve #292 reporting entity includes the First Nation government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation.

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

- Tootinaowaziibeeng Treaty Reserve #292
- Tootinaowaziibeeng Anishinabe Health Authority
- Tootinaowaziibeeng Housing Authority
- Tootinaowaziibeeng Aboriginal Skills and Employment Training Strategy (ASETS) Program
- Anishinabe Childhood Development Inc.
- Tootinaowaziibeeng Convenience Store
- Tootinaowaziibeeng VLT Operations

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

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.

Cash resources

Cash and cash equivalent 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.

Funds held in Trust

Ottawa Trust Fund

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 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.

Other Funds Held in Trust

Funds held in trust on behalf of First Nation members by Doer Accounting Ltd. are reported on the statement of financial position. These monies relate to funds received from the Government of Canada for purposes of negotiation and ratification of the proposed settlement for the First Nation's land expropriation claim.

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2016

2. Significant accounting policies (Continued from previous page)

Inventory for Resale

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Investments

Investments in non-controlled entities are recorded at the lower of cost and net realizable value.

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the following method at rates intended to amortize the cost of the assets over their estimated useful lives (amortization is recorded at one-half the normal rate in the year of acquisition):

Buildings	declining balance	4-5 %
Furniture, Fixtures and Equipment	declining balance	20 %
Automotive Equipment	declining balance	30 %
Infrastructure	declining balance	5 %
Computer Equipment and Software	declining balance	30 %
Video Lotto Terminals	declining balance	10 %

Long-term debt

Long-term financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in long-term debt.

Repayments of long-term financing are recognized as a decrease in long-term debt.

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 and prepaid expenses.

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 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.

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2016

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

Net debt

The First Nation's consolidated 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.

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.

Other Revenue

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.

Rent is recorded in the year it is earned.

Gaming Revenue

The First Nation recognizes Video Lottery Terminals (VLT) revenue as the net win from gaming activities (the difference between gaming wins and gaming losses), consisting of slot machines, on a daily basis. Gaming revenue is gross of commissions paid to Manitoba Liquor and Lotteries which management believes is the most appropriate presentation of gaming revenue on the financial statements.

Insurance proceeds

Due to the inability to reasonably ascertain the proceeds ultimately receivable related to housing units damaged/destroyed, these proceeds are recognized only when the amounts have been confirmed through actual receipt of funds.

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.

Employee future benefits

The First Nation's employee future benefit programs consist of defined contribution pension plans. The First Nation's contributions to the plan are expensed as incurred.

Tootinaowaziibeeng Treaty Reserve #292
Notes to the 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 11 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

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

Convenience Store Operations - activities include providing retail services within the community for fuel, and tobacco and grocery products.

Economic Development - benefits include greater use of land resources under the control of the community, better access to opportunities from land and resources beyond the control of the community, more and larger businesses and business opportunities within the community and a better economic environment.

Education Services - activities include overseeing many aspects of educational opportunities for its members at all levels of learning, the construction, operations and maintenance of all school facilities and the provision of transportation services for the students.

Employment and Daycare - activities include the delivery of both employment and child care services to assist community members to have the opportunity to find and maintain meaningful employment.

Gaming Operations - activities include providing a form of gaming entertainment for community members which generates revenue for discretionary needs of the community members.

Housing Services - activities include the development and maintenance of the community's buildings and houses.

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

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

Other Operations - discretionary funds that are received from various sources and other projects that may be entered into from year to year.

Health Services - activities include the delivery of community-based health promotion and disease prevention programs, primary home and community care services, programs to control communicable diseases and address environmental issues and non-insured health benefits.

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 financial statements as disclosed in Note 2.

Measurement uncertainty

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

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2016

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

Accounts receivable are stated after evaluation 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. Payables to funding agencies are based on anticipated repayment requirements; however actual repayments will be determined upon the 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.

3. **Change in accounting policy**

Effective April 1, 2015, the First Nation adopted the recommendations relating to the accounting and reporting of transactions between entities that comprise the government reporting entity under PS 3420 *Inter-entity Transactions*, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied retroactively, and prior periods have been restated.

As described in Accounting Policies, Note 2, the First Nation reports all revenues and expenses on a gross basis where costs have been allocated and/or recovered from other entities within the government reporting entity. Previously, these amounts were eliminated in the consolidated financial statements. The effect on the prior year of adopting this change in accounting policy is to increase revenues and expenses by \$596,477. There was no impact of this change on the annual or accumulated surplus at March 31, 2015.

4. **Cash**

	2016	2015
Unrestricted cash in bank	192,732	171,374

5. **Restricted cash**

	2016	2015
Health - moveable assets reserve	3,810	3,843
Housing - replacement reserve	56,173	71,190

Health Reserves

The Moveable Assets Reserve is funded by an annual allocation in the Health Services Transfer agreement. These funds, along with accumulated interest, must be held in a separate bank account and are to be used only for the replacement or acquisition of physical assets. As of March 31, 2016, \$3,810 (2015 - \$3,843) has been set aside to fund this reserve. The unfunded portion at March 31, 2016 was \$33,091 (2015 - \$24,906).

CMHC Reserves

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the First Nation established the following: A replacement reserve, established by an annual allocation of \$14,367 (2014 - \$13,050), to ensure replacement of buildings financed by CMHC. At March 31, 2016, \$56,173 (2015 - \$71,190) has been set aside to fund this reserve. The unfunded portion at March 31, 2016 was \$128,449 (2015 - \$212,685).

A subsidy surplus reserve can be established by retaining excess federal assistance payments received. Reserve funds may be used to meet future subsidy requirements of income test occupants, over and above the maximum federal assistance.

In accordance with terms of the agreements, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2016

6. Accounts receivable

	2016	2015
Indigenous and Northern Affairs Canada	3,210	369,727
Health and Welfare Canada	7,350	-
First Peoples Development, Inc.	87,491	-
CMHC - subsidy	10,931	-
Members	9,627	12,242
Receiver General of Canada	5,459	34,062
Other	92,075	34,159
Province of Manitoba	18,353	27,002
Allowance for doubtful accounts	(39,205)	(29,089)
	195,291	448,103

Indigenous and Northern Affairs Canada accounts receivable consists of the following:

Local roads and bridges	\$2,869
Land management	341

7. Deferred Costs

During the previous year, the First Nation incurred costs relating to the negotiation of a proposed settlement with the Government of Canada for the 1905 Railway Expropriation Specific Claim. This claim relates to the expropriation of approximately 55 acres of reserve lands in 1905 (including Ballast pit) for purposes of constructing a railway. The proposed settlement provides for compensation to the First Nation and its members of \$16,276,488 plus an additional \$234,698 for negotiation and ratification costs.

The members of the First Nation positively ratified the proposed settlement on August 19, 2015. Accordingly, costs incurred in the previous year were deferred and have been recognized in the March 31, 2016 fiscal year as the compensation for negotiation and ratification costs was received by the First Nation.

8. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the First Nation's Council.

Other funds held in trust consist of funds held in trust by Doer Accounting Ltd. related to monies received from the Government of Canada under a Native Claims Loan agreement. These funds were being held to be used for future costs (i.e. negotiation and ratification of the proposed settlement) related to the First Nation's 1905 Railway Expropriation Claim with the Government of Canada. As the claim was settled during the year, the funds were released.

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2016

8. Funds held in trust (Continued from previous page)

	2016	2015
Capital Trust		
Balance	65	65
Revenue Trust		
Balance, beginning of year	1,091	1,047
Interest	24	44
Balance, end of year	1,115	1,091
Other Funds Held in Trust		
Balance, beginning of year	126,571	-
Funds advanced for land claim negotiation and ratification	-	126,571
Expenses recognized for land claim negotiation and ratification	(126,571)	-
Balance, end of year	-	126,571
	1,180	127,727

9. Bank indebtedness

	2016	2015
Operating line of credit	298,824	120,375

At March 31, 2016, the First Nation had an authorized line of credit of \$200,000 (2015 - \$100,000) and there was \$76,347 (2015 - \$nil) that remained unused. A portion of the use of the authorized line of credit relates to cheques that have been issued and are outstanding at the end of the year, which amount to \$175,171 (2015 - \$65,285).

The line of credit bears interest at prime plus 1.5% and is secured by a Band Council resolution redirecting all funds from Indigenous and Northern Affairs Canada to the financial institution.

10. Accounts payable and accruals

	2016	2015
Indigenous and Northern Affairs Canada	64,792	45,094
Trade accounts payable	392,361	551,342
Accrued liabilities	56,500	50,946
Receiver General of Canada	17,947	16,349
Group pension plan and insurance	15,013	58,343
Other	5,526	5,783
	552,139	727,857

Indigenous and Northern Affairs Canada accounts payable consists of the following:

2004-2005 Education program recoveries	\$29,393
2001-2006 Social program recoveries	15,701
2015 CORP Economic development recovery	18,320
2015 Cultural/education centre recovery	186
2015 Wastewater recovery	617
2015 Summer work experience recovery	78
2015 Skills link program recovery	497

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2016

11. Deferred revenue

	<i>Balance, March 31, 2015</i>	<i>Funding Received 2016</i>	<i>Revenue Recognized 2016</i>	<i>Balance, March 31, 2016</i>
INAC - School Operations and Maintenance	58,908	141,600	(166,494)	34,014
INAC - Student Transportation	-	7,580	-	7,580
INAC - Post Secondary	92,684	335,657	(338,666)	89,675
INAC - Roads and Bridges - FNIF (Flood)	117,036	908,946	(904,327)	121,655
INAC - Major Renos, Extensions and Repairs	18,294	-	(18,294)	-
	<u>286,922</u>	<u>1,393,783</u>	<u>(1,427,781)</u>	<u>252,924</u>
First Peoples Development, Inc. - ASETS	22,473	409,721	(375,871)	56,323
Aboriginal Headstart Program - Minor Capital	-	56,250	-	56,250
	<u>22,473</u>	<u>465,971</u>	<u>(375,871)</u>	<u>112,573</u>
	<u>309,395</u>	<u>1,859,754</u>	<u>(1,803,652)</u>	<u>365,497</u>

12. Term loans due on demand

	<i>2016</i>	<i>2015</i>
CIBC - term loan bearing interest at prime plus 1.5%, repayment terms to be finalized in next fiscal year, with five mobile homes (having a net book value of \$686,909), pledged as collateral:	<u>700,000</u>	<u>-</u>

Principal repayments on long-term debt in each of the next year

<u>2017</u>	<u>700,000</u>
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Tootinaowaziibeeng Treaty Reserve #292

Notes to the Financial Statements

For the year ended March 31, 2016

13. Long-term debt

	2016	2015
Canada Mortgage and Housing Corporation - mortgage repayable in blended monthly installments of \$5,933 with interest at 1.65%, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance, repaid during the year:	-	64,722
Canada Mortgage and Housing Corporation - mortgage repayable in blended monthly installments of \$897 with interest at 1.12%, due February 1, 2025 with a renewal date of February 2020, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	91,313	100,996
Canada Mortgage and Housing Corporation - mortgage repayable in blended monthly installments of \$4,402 with interest at 1.65%, due January 2017, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	43,683	95,319
GE Canada Equipment Financing - loan repayable in monthly installments of \$1,941 with interest at 8.25% included therein, due May 2016, secured by 2014 International Water Truck (net book value - \$30,928):	3,863	25,971
Manitoba Lotteries Corporation - loan repayable in weekly installments of \$334 with interest at 2.35% included therein, due September 2020, secured by six video lotto terminals (net book value - \$86,338):	73,025	88,804
GE Canada Equipment Financing - loan repayable in monthly installments of \$2,001 with interest at 8.25% included therein, due May 2016, secured by 2014 International Water Truck (net book value - \$30,968):	3,975	26,725
CIBC - loan repayable in monthly installments of \$833 plus interest at CIBC prime plus 1.5%, secured by a Band Council Resolution redirecting all funds from Indigenous and Northern Affairs Canada to the financial institution:	36,667	46,667
Government of Canada - non-interest bearing promissory note repayable in full on the earlier of March 31, 2019 or the date on which the 1905 Railway Expropriation Claim is settled and signed by the Minister of Indian Affairs and Northern Development, repaid during the year:	-	234,698
Canada Mortgage and Housing Corporation - loan repayable in blended monthly installments of \$3,298 with interest at 1.08%, due August 2030, with a renewal date of August 2020, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	528,236	248,689
CIBC - loan repayable in monthly installments of \$1,032 plus interest at CIBC prime plus 1.5%, due October 2023, secured by a Band Council Resolution redirecting all funds from Indigenous and Northern Affairs Canada to the financial institution:	100,026	112,823
GE Canada Equipment Financing - loan repayable in monthly installments of \$4,602 with interest at 8.25% included therein, due May 2018, secured by two 2016 International School Buses (net book value - \$132,983):	109,673	144,856
Manitoba Lotteries Corporation - loan repayable in weekly installments of \$334 with interest at 2.35% included therein, due July 2022, secured by six video lotto terminals (net book value - \$109,395):	102,484	-
	1,092,945	1,190,270

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2016

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

Principal repayments on long-term debt in each of the next year, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal
2017	167,712
2018	121,037
2019	79,100
2020	67,032
2021	61,121

496,002

During the year, interest paid was \$33,506 (2015 - \$22,268).

14. Tangible capital assets

Please see schedule 1 for further information on tangible capital assets.

15. Contingencies

A portion of the balance included as surpluses (deficits) is from funds contributed by government agencies. Such surpluses (deficits) may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions of the relevant agreements. Any such repayment or recovery, where not otherwise ascertainable, will be recorded in the fiscal period in which such determination is made.

During the previous year, the First Nation has received two forgivable loans from CMHC's Residential Rehabilitation Assistance Program (RRAP) totalling \$32,000, which was included in income. Provided the First Nation continues to own and occupy the subject houses until November 1, 2019, the principal amount plus interest at 5.25% and 3.125%, respectively, will be forgiven. However, if the houses are disposed of prior to November 1, 2019, the unearned portion of the forgivable loan plus interest will become due and payable.

The First Nation has been in discussions with a vendor, that was used on a capital project during the March 31, 2016 year, to determine the final amount payable by the First Nation to the vendor. Due to different interpretations of the contract between the two parties, the final amount has not yet been resolved. The amount currently under dispute is \$209,000 and no accrual has been made in the consolidated financial statements for this matter.

16. Government Transfers

	Operating	Capital & Repairs	2016 Total	2015 Total
Indigenous and Northern Affairs Canada	4,229,410	1,215,646	5,445,056	4,799,354
Health Canada	1,439,564	56,250	1,495,814	1,555,429
Canada Mortgage and Housing Corporation	90,439	-	90,439	84,287
First Peoples Development Inc.	409,721	-	409,721	495,221
	6,169,134	1,271,896	7,441,030	6,934,291
Province of Manitoba	167,517	-	167,517	165,570
	6,336,651	1,271,896	7,608,547	7,099,861

Included in the operating transfers from INAC is \$234,698 related to monies received from the settlement of the CN claim (see Note 20) that represented a reimbursement to the First Nation for negotiation and ratification costs.

Tootinaowaziibeeng Treaty Reserve #292
Notes to the Financial Statements
For the year ended March 31, 2016

17. Pension Plan

The Tootinaowaziibeeng Treaty Reserve #292 has a defined contribution pension plan whereby employees' contributions to the plan are fully matched by the First Nation. The contribution amount varies depending on which entity the individual is employed by and ranges from 2% to 8%. The pension plan is administered and managed by London Life.

The expense recognized in the consolidated statement of operations and accumulated surplus with respect to this plan was \$76,497 (2015 - \$83,128). There were no significant changes to the pension plan in 2016.

18. Economic dependence

Tootinaowaziibeeng Treaty Reserve #292 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 (INAC) 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.

19. Budget information

Canadian public sector accounting standards require the disclosure of budget information for comparison to the First Nation's actual revenues and expenses. The First Nation's Social Services program, Gaming operations and Convenience Store operations budgeted revenue and expenses and deficit have not been reported in these financial statements.

20. Significant Event

During the fiscal year, the members of the First Nation approved, by majority, a settlement with the Government of Canada for the 1905 Railway Expropriation Specific Claim. This claim relates to the expropriation of approximately 55 acres of reserve lands in 1905 (including Ballast pit) for purposes of constructing a railway. The settlement provided for compensation to the First Nation and its members of \$16,276,488 plus an additional \$234,698 for negotiation and ratification costs. The \$234,698 is recorded as revenue and included in INAC funding for the year ended March 31, 2016. Subsequent to March 31, 2016 fiscal year, the First Nation received the remainder of the settlement proceeds to establish a Trust and to provide payments to members, in accordance with the terms of the Trust agreement.

21. Restatement of deferred revenues

During the year, the First Nation determined that unexpended funding related to the band support grant received would not be deferred to a future year as this amount is not subject to repayment with INAC. At March 31, 2015 the impact of this correction has resulted in a decrease to deferred revenues of \$259,356, an increase to annual surplus of \$140,763 and an increase to opening accumulated surplus of \$118,593.

22. Corresponding Figures

Prior year's corresponding figures have been reclassified where necessary to conform to the current year's presentation.

Tootinaowaziibeeng Treaty Reserve #292
Schedule 1 - Schedule of Consolidated Tangible Capital Assets
For the year ended March 31, 2016

	<i>Land</i>	<i>Buildings</i>	<i>Furniture, Fixtures and Equipment</i>	<i>Automotive Equipment</i>	<i>Infrastructure</i>	<i>Computer Equipment and Software</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	120,000	7,278,534	595,403	1,384,437	1,657,635	233,035	11,269,044
Acquisition of tangible capital assets	-	1,010,296	13,279	4,699	904,327	-	1,932,601
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	(11,000)	-	-	(11,000)
Balance, end of year	120,000	8,288,830	608,682	1,378,136	2,561,962	233,035	13,190,645
Accumulated amortization							
Balance, beginning of year	-	3,958,423	448,704	800,086	702,538	191,256	6,101,007
Annual amortization	-	180,140	30,666	175,911	61,318	17,909	465,944
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	-	4,138,563	479,370	975,997	763,856	209,165	6,566,951
Net book value of tangible capital assets	120,000	4,150,267	129,312	402,139	1,798,106	23,870	6,623,694
2015 Net book value of tangible capital assets	120,000	3,320,110	146,701	584,351	955,097	41,779	5,168,038

Tootinaowaziibeeng Treaty Reserve #292
Schedule 1 - Schedule of Consolidated Tangible Capital Assets
For the year ended March 31, 2016

	<i>Subtotal</i>	<i>Video Lotto Terminals</i>	<i>2016</i>	<i>2015</i>
Cost				
Balance, beginning of year	11,269,044	112,200	11,381,244	10,481,531
Acquisition of tangible capital assets	1,932,601	112,200	2,044,801	619,324
Construction-in-progress	-	-	-	485,842
Disposal of tangible capital assets	(11,000)	-	(11,000)	(205,451)
Balance, end of year	13,190,645	224,400	13,415,045	11,381,246
Accumulated amortization				
Balance, beginning of year	6,101,007	21,318	6,122,325	5,843,424
Annual amortization	465,944	14,698	480,642	430,017
Accumulated amortization on disposals	-	-	-	(151,115)
Balance, end of year	6,566,951	36,016	6,602,967	6,122,326
Net book value of tangible capital assets	6,623,694	188,384	6,812,078	5,258,920
2015 Net book value of tangible capital assets	5,168,038	90,882	5,258,920	

Tootinaowaziibeeng Treaty Reserve #292
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2016

	<i>2016 Budget</i>	<i>2016 Actual</i>	<i>2015 Actual</i>
Consolidated expenses by object			
INAC recoveries	-	18,201	36,696
Administration	234,536	242,811	230,158
Advertising	4,000	1,850	10,465
Amortization	-	480,643	430,017
Automotive	124,650	182,764	169,256
Bad debts	-	10,115	24,638
Bank charges and interest	3,900	5,412	18,192
Cash shortage	-	24,988	17,048
Specific claim	234,698	235,166	14
Community donations	37,800	117,864	171,082
Community events	115,442	69,959	37,660
Consulting	96,000	93,296	64,376
Cost of goods sold	-	726,930	674,901
Elders fees	-	410	1,314
Election expenses	-	-	6,000
Flood mitigation	-	-	54,895
Food and beverage	25,000	44,273	40,394
Funeral	14,400	15,580	10,195
GST and Sales tax	-	5,640	-
Honourarium	170,300	153,200	152,700
Insurance	87,216	174,352	143,426
Interest on long-term debt	222,153	33,506	22,268
Meeting	10,500	14,343	9,161
Miscellaneous	-	8,715	5,878
Office supplies and expenses	70,250	95,793	67,907
Professional development	15,984	4,542	22,454
Professional fees	63,700	91,441	100,779
Program expense	394,696	451,145	374,435
Property tax	3,000	2,739	2,693
Rent	-	100,793	85,527
Repairs and maintenance	2,035,818	629,791	758,402
Salaries and benefits (includes pension expense)	2,263,329	2,506,804	2,591,548
Social assistance	-	1,065,802	935,185
Special needs	-	83,425	79,631
Supplies	303,262	274,214	200,081
Telephone	46,945	54,568	50,700
Training	45,094	56,676	79,919
Travel	219,406	402,731	246,500
Tuition	56,900	61,975	62,843
User fees	-	21,854	19,311
Utilities	95,000	327,110	328,560
Work opportunity program	-	83,753	70,161
	6,993,979	8,975,174	8,407,370