

November 6, 2017

Indigenous and Northern Affairs Canada  
200 - 365 Hargrave Street  
Winnipeg MB R3B 3A3

Attention: Ms. Audrey Kozak-Dobush

Dear Ms. Kozak-Dobush:

**Re: Tootinaowaziibeeng Treaty Reserve #292**

Please find enclosed herewith the following:

- ▶ March 31, 2017 audited financial statements signed by a quorum of Chief and Council;
- ▶ Supplementary Schedules to the Consolidated Financial Statements as at March 31, 2017;
- ▶ Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration - Elected or Appointed Officials as at March 31, 2017;
- ▶ Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration - Unelected Senior Officials as at March 31, 2017;
- ▶ Audit Management Letter.

Please do not hesitate to contact us with any questions or concerns you may have.

Yours truly,

**MNP LLP**

Brenna Minish-Kichuk, CPA, CA

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**Tootinaowaziibeeng Treaty Reserve**

**#292**

**Consolidated Financial Statements**

*March 31, 2017*

# Tootinaowaziibeeng Treaty Reserve #292

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*For the year ended March 31, 2017*

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## Management's Responsibility

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### 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 3, 2017



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Chief and  
Councillor



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Finance  
Administrator

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## Independent Auditors' Report

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### 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, 2017, and the consolidated statements 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, 2017 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 3, 2017

*MNP LLP*



Chartered Professional Accountants

**Tootinaowaziibeeng Treaty Reserve #292**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2017*

	2017	2016
<b>Financial assets</b>		
Cash (Note 3)	369,018	192,732
Restricted cash (Note 4)	109,884	59,983
Accounts receivable (Note 5)	362,047	195,292
Inventory for resale	16,873	15,449
Investments	5,931	5,898
Funds held in trust (Note 6)	1,203	1,180
	864,956	470,534
<b>Liabilities</b>		
Bank indebtedness (Note 7)	281,348	298,824
Accounts payable and accruals (Note 8)	872,331	552,139
Deferred revenue (Note 9)	403,231	365,497
Term loans due on demand (Note 10)	659,167	700,000
Capital lease obligations (Note 11)	199,381	-
Long-term debt (Note 12)	2,459,945	1,092,945
	4,875,403	3,009,405
<b>Net debt</b>	(4,010,447)	(2,538,871)
<b>Contingencies and commitments (Note 15)</b>		
Significant event (Note 19)		
<b>Non-financial assets</b>		
Tangible capital assets (Note 13)	9,752,064	6,812,078
Prepaid expenses	104,153	43,703
	9,856,217	6,855,781
<b>Accumulated surplus</b>	5,845,770	4,316,910

Approved on behalf of Chief and Council:

  
 \_\_\_\_\_ Chief and Councillor  
 \_\_\_\_\_ Councillor

  
 \_\_\_\_\_ Councillor  
  
 \_\_\_\_\_ Councillor

**Tootinaowaziibeeng Treaty Reserve #292**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2017*

	2017 <i>Budget</i>	2017	2016
<b>Revenue</b>			
Indigenous and Northern Affairs Canada (Note 14)	2,496,919	6,333,354	5,445,056
Health Canada (Note 14)	1,756,311	1,742,054	1,495,814
First Peoples Development, Inc. (Note 14)	409,730	545,813	409,721
Canada Mortgage and Housing Corporation (Note 14)	104,964	180,852	90,439
Convenience Store	-	603,027	650,202
Video Lotto Terminals (incl. tobacco sales)	-	458,210	363,497
Other revenue (including revenue deferrals)	95,900	250,921	225,123
Province of Manitoba (incl. tobacco and fuel tax rebates)	-	154,713	167,517
Administration fees	186,000	283,510	248,169
User fees	36,000	51,222	41,936
Rental income	167,292	110,325	129,348
Income from TTR Legacy Trust	-	300,000	-
Work opportunity program	23,990	85,087	83,753
Manitoba First Nation Education Resource Centre (MFNERC)	30,000	24,552	29,020
	<b>5,307,106</b>	<b>11,123,640</b>	<b>9,379,595</b>
<b>Program expenses</b>			
Band Government and Administration	735,404	799,844	966,767
Convenience Store Operations	-	701,635	786,055
Economic Development	63,658	68,700	86,751
Education Services	1,439,002	1,668,639	1,431,239
Employment and Daycare	414,813	428,643	390,249
Gaming Operations	-	444,846	383,688
Housing Services	265,276	390,457	201,503
Public Works	458,162	1,310,935	1,265,288
Social Services	-	1,695,866	1,618,169
Other Operations	156,992	180,893	148,095
Health Services	1,797,256	1,857,678	1,697,369
Community Development	-	43,447	-
	<b>5,330,563</b>	<b>9,591,583</b>	<b>8,975,173</b>
<b>Surplus (deficit) before other items</b>	<b>(23,457)</b>	<b>1,532,057</b>	<b>404,422</b>
<b>Other income</b>			
Loss on disposal of capital assets	-	(3,197)	-
<b>Surplus (deficit)</b>	<b>(23,457)</b>	<b>1,528,860</b>	<b>404,422</b>
<b>Accumulated surplus, beginning of year</b>	<b>-</b>	<b>4,316,910</b>	<b>3,912,488</b>
<b>Accumulated surplus, end of year</b>	<b>-</b>	<b>5,845,770</b>	<b>4,316,910</b>

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, 2017*

	<i>2017</i>	<i>2017</i>	<i>2016</i>
	<i>Budget</i>		
<b>Annual surplus</b>	-	<b>1,528,860</b>	404,422
Purchases of tangible capital assets	-	(3,250,458)	(2,044,801)
Amortization of tangible capital assets	-	577,275	480,643
Loss on disposal of tangible capital assets	-	3,197	-
Proceeds of disposal of tangible capital assets	-	-	11,000
Acquisition of assets under capital lease	-	(270,000)	-
Acquisition of prepaid expenses	-	(60,450)	-
Use of prepaid expenses	-	-	2,115
<b>Increase in net debt</b>	-	<b>(1,471,576)</b>	(1,146,621)
<b>Net debt, beginning of year</b>	-	<b>(2,538,871)</b>	(1,392,250)
<b>Net debt, end of year</b>	-	<b>(4,010,447)</b>	(2,538,871)

*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, 2017*

	2017	2016
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus	1,528,860	404,422
Non-cash items		
Amortization	577,275	480,643
Loss on disposal of capital assets	3,197	-
Changes in working capital accounts		
Accounts receivable	(166,755)	252,812
Prepaid expenses	(60,450)	2,115
Deferred costs	-	108,595
Accounts payable and accruals	320,192	(175,715)
Deferred revenue	37,734	56,102
Investments	(33)	(753)
Inventories for resale	(1,424)	4,218
Funds held in trust	(23)	126,547
	2,238,573	1,258,986
<b>Financing activities</b>		
Advances of long-term debt	1,584,195	410,290
Repayment of long-term debt	(217,195)	(507,613)
Advances of term debt due on demand	-	700,000
Repayments of term debt due on demand	(40,833)	-
Capital lease payments	(70,619)	-
	1,255,548	602,677
<b>Capital activities</b>		
Purchases of tangible capital assets	(3,250,458)	(2,044,801)
Proceeds of disposal of tangible capital assets	-	11,000
	(3,250,458)	(2,033,801)
<b>Increase (decrease) in cash resources</b>	<b>243,663</b>	<b>(172,138)</b>
<b>Cash resources (deficiency), beginning of year</b>	<b>(46,109)</b>	<b>126,029</b>
<b>Cash resources (deficiency), end of year</b>	<b>197,554</b>	<b>(46,109)</b>
<b>Cash resources (deficiency) are composed of:</b>		
Cash and cash equivalents	369,018	192,732
Restricted cash	109,884	59,983
Bank indebtedness	(281,348)	(298,824)
	197,554	(46,109)

*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, 2017

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### 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 financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities and partnerships.

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 Treaty Reserve Holdings 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.

**Tootinaowaziibeeng Treaty Reserve #292**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

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

**Inventory for Resale**

Inventory of supplies and goods available for resale are recorded 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**

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment. Investments consist of patronage equity accounts.

**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.

**Capital lease**

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

**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	4 %
Computer Equipment and Software	declining balance	30 %
Assets under capital lease	declining balance	30 %

**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 and prepaid expenses.

**Tootinaowaziibeeng Treaty Reserve #292**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

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

**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.

**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, 2017 as funding from government agencies will offset any costs associated with the closure of landfill sites.

## Tootinaowaziibeeng Treaty Reserve #292

### Notes to the Financial Statements

For the year ended March 31, 2017

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

##### **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.

##### **Segments**

The First Nation conducts its business through 12 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.

*Community Development* - receives funds from the Tootinaowaziibeeng Treaty Reserve First Nation Legacy Trust in accordance with the Trust Agreement (e.g. annual distribution), and utilizes the funds for various projects that will better the First Nation community and its members.

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 *Significant accounting policies*.

# Tootinaowaziibeeng Treaty Reserve #292

## Notes to the Financial Statements

For the year ended March 31, 2017

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

#### 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.

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. Cash

	2017	2016
Unrestricted cash in bank	369,018	192,732

### 4. Restricted cash

	2017	2016
Health - moveable assets reserve	3,752	3,810
Housing - replacement reserve	106,132	56,173

#### 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, 2017, \$3,752 (2016 - \$3,810) has been set aside to fund this reserve. The unfunded portion at March 31, 2017 was \$33,150 (2016 - \$33,091).

#### 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 \$10,175 (2016 - \$14,367), to ensure that major repairs of buildings financed by CMHC are done as necessary. At March 31, 2017, \$106,132 (2016 - \$56,173) has been set aside to fund this reserve. The overfunded portion at March 31, 2017 was \$39,852 (2016 - unfunded by \$128,449).

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, 2017*

**5. Accounts receivable**

	2017	2016
Indigenous and Northern Affairs Canada	116,000	3,210
Health and Welfare Canada	-	7,350
First Peoples Development, Inc.	111,022	87,491
CMHC - subsidy and retrofit initiative	37,603	10,931
Members	5,000	-
Receiver General of Canada	5,806	5,459
Other	94,131	93,660
Province of Manitoba	23,647	18,353
Allowance for doubtful accounts	(31,162)	(31,162)
	362,047	195,292

Indigenous and Northern Affairs Canada accounts receivable consists of the following:  
 Cultural Hall                      \$116,000

**6. 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.

In the prior year, 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 prior year, the funds were released.

**Capital Trust**

Balance	65	65
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**Revenue Trust**

Balance, beginning of year	1,115	1,091
Interest	23	24

Balance, end of year	1,138	1,115
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**Other Funds Held in Trust**

Balance, beginning of year	-	126,571
Expenses recognized for land claim negotiation and ratification	-	(126,571)

Balance, end of year	-	-
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	1,203	1,180
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**7. Bank indebtedness**

	2017	2016
Operating line of credit	281,338	291,803
Other bank indebtedness	10	7,021
	281,348	298,824

# Tootinaowaziibeeng Treaty Reserve #292

## Notes to the Financial Statements

*For the year ended March 31, 2017*

**7. Bank indebtedness** *(Continued from previous page)*

At March 31, 2017, the First Nation had an authorized line of credit of \$200,000 (2016 - \$200,000) and there was \$56,586 (2016 - \$83,368) 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 \$137,924 (2016 - \$175,171).

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.

**8. Accounts payable and accruals**

	2017	2016
Trade accounts payable	731,934	347,360
Receiver General of Canada	20,812	62,946
Group pension plan and insurance	19,096	20,541
Indigenous and Northern Affairs Canada	45,094	64,792
Other	2,895	-
Accrued liabilities	52,500	56,500
	872,331	552,139

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

\$15,700 - Special Needs Funding  
 \$ 9,385 - Parental engagement strategy  
 \$10,009 - Teacher recruitment and retention  
\$10,000 - First Nation Career Promotion and Awareness  
 \$45,094

**9. Deferred revenue**

	Balance, March 31, 2016	Funding Received 2017	Revenue Recognized 2017	Balance, March 31, 2017
INAC - School Operations and Maintenance	34,014	141,600	175,614	-
INAC - Student Transportation	7,580	148,014	155,594	-
INAC - Post Secondary	89,675	343,524	400,176	33,023
INAC - Roads and Bridges - FNIF (Flood)	121,655	-	121,655	-
INAC - Cultural Hall	-	116,000	45,415	70,585
INAC - Wastewater > \$1.5M (Septic)	-	802,982	587,697	215,285
	252,924	1,552,120	1,486,151	318,893
First Peoples Development, Inc. - ASETS	56,323	545,813	546,548	55,588
Aboriginal Headstart Program - Minor Capital	56,250	-	56,250	-
CMHC - RRAP	-	28,750	-	28,750
	112,573	574,563	602,798	84,338
	365,497	2,126,683	2,088,949	403,231

## Tootinaowaziibeeng Treaty Reserve #292

### Notes to the Financial Statements

*For the year ended March 31, 2017*

#### 10. Term loans due on demand

	2017	2016
CIBC - demand loan bearing interest at prime plus 1.5%, repayable in monthly instalments of \$5,833, with five mobile homes (having a net book value of \$669,736) and a Band Council Resolution redirecting all funds from Indigenous and Northern Affairs Canada to the financial institution, pledged as collateral:	<b>659,167</b>	700,000

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

2018	43,135
2019	44,982
2020	46,908
2021	48,917
2022	51,011
	234,953

#### 11. Capital lease obligations

	2017	2016
John Deere Financial Inc. - capital lease payable in equal monthly instalments of \$7,323 including interest at 7.65%, due October 2019, secured by 2013 John Deere Grader, having a net book value of \$229,500:	<b>199,381</b>	-

Minimum lease payments related to the obligation under capital lease are as follows:

2018	87,876
2019	87,876
2020	43,938
	219,690
Less: imputed interest	20,309
	199,381

#### 12. Long-term debt

	2017	2016
Canada Mortgage and Housing Corporation - mortgage repayable in blended monthly instalments 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:	<b>81,517</b>	91,313
Canada Mortgage and Housing Corporation - mortgage repayable in blended monthly instalments of \$4,402 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:	-	43,683
GE Canada Equipment Financing - loan repayable in monthly instalments of \$1,941 with interest at 8.25% included therein, secured by 2014 International Water Truck (2016 net book value - \$30,928), repaid during the year:	-	3,863

**Tootinaowaziibeeng Treaty Reserve #292**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

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

Manitoba Lotteries Corporation - loan repayable in weekly installments of \$334 with interest at 2.35% included in therein, due September 2020, secured by six video lotto terminals (net book value - \$73,614):	57,173	73,025
GE Canada Equipment Financing - loan repayable in monthly installments of \$2,001 with interest at 8.25% included therein, secured by 2014 International Water Truck (2016 net book value - \$30,968), repaid during the year:	-	3,975
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:	26,667	36,667
Canada Mortgage and Housing Corporation - mortgage 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:	494,172	528,236
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:	87,648	100,026
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 - \$113,036):	61,472	109,673
Manitoba Lotteries Corporation - loan repayable in weekly installments of \$334 with interest at 2.35% included in therein, due July 2022, secured by six video lotto terminals (net book value - \$101,261):	87,331	102,484
TTR Legacy Trust - loan repayable in annual installments of \$114,228 (to be deducted from annual income distribution from the Trust), with interest at 2.7% included therein, due August 2026:	1,015,432	-
Canada Mortgage and Housing Corporation - mortgage repayable in blended monthly installments of \$3,418 with interest at 1.05%, due August 2031 with a renewal date of August 1, 2021, secured by a Ministerial Guarantee, a CMHC undertaking to insure and an assignment of fire insurance:	548,533	-
	2,459,945	1,092,945

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

2018	245,509
2019	206,566
2020	197,718
2021	195,011
2022	199,066
	1,043,870

During the year, interest paid was \$76,186 (2016 - \$33,506).

# Tootinaowaziibeeng Treaty Reserve #292

## Notes to the Financial Statements

For the year ended March 31, 2017

### 13. Tangible capital assets

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

### 14. Government Transfers

	<i>Operating</i>	<i>Capital &amp; Repairs</i>	<i>2017 Total</i>	<i>2016 Total</i>
Indigenous and Northern Affairs Canada	5,107,672	1,225,682	6,333,354	5,445,056
Health Canada	1,742,054	-	1,742,054	1,495,814
Canada Mortgage and Housing Corporation	95,027	85,825	180,852	90,439
First Peoples Development Inc.	412,918	132,895	545,813	409,721
Province of Manitoba	154,713	-	154,713	167,517
	<b>7,512,384</b>	<b>1,444,402</b>	<b>8,956,786</b>	<b>7,608,547</b>

### 15. Contingencies and commitments

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.

In a 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.

In August 2016, the First Nation signed an agreement with P.M. Associates Ltd. Under this agreement, the First Nation is obligated to pay P.M. Associates Ltd. \$139,500 for project management services related to the design and construction of new septic fields throughout the community. This project was still on-going at March 31, 2017.

Subsequent to the fiscal year end, the First Nation signed an agreement with P.M. Associates Ltd. Under this agreement, the First Nation is obligated to pay P.M. Associates Ltd. \$97,500 for consulting services related to the construction of a cultural and community centre.

Subsequent to the fiscal year end, the First Nation undertook a 3 unit CMHC housing project. The budgeted project cost was \$617,000 (\$87,000 to be contributed by the First Nation and \$530,000 to be financed with a CMHC mortgage). The project was completed June 1, 2017.

### 16. 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 \$87,174 (2016 - \$76,497). There were no significant changes to the pension plan in 2017.

# Tootinaowaziibeeng Treaty Reserve #292

## Notes to the Financial Statements

For the year ended March 31, 2017

### 17. 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.

### 18. 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.

### 19. Significant Event

During the previous 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. During the March 31, 2017 fiscal year, the First Nation established a Trust which received the remainder of the settlement proceeds. The Trust was established to hold and manage the settlement proceeds and to provide payments to members, in accordance with the terms of the Trust agreement.

### 20. Trusts administered by the First Nation

Trust funds administered by the First Nation, amounting \$580,535 ( - \$0) have not been included on the statement of financial position, nor have their operations been included on the statement of operations. The trust funds relate to monies that were to be paid to members of the First Nation upon receipt of the settlement proceeds from the Government of Canada in April 2017 (Note 19). The remaining funds are owed to members that could not be located or have not yet turned 18 years of age. The trust fund balances at March 31 were as follows:

	2017	2016
Adult distribution fund (restricted cash)	24,544	-
Minor distribution fund (restricted cash)	555,991	-
	<b>580,535</b>	<b>-</b>

### 21. 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, 2017*

	<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>
<b>Cost</b>							
Balance, beginning of year	120,000	8,288,830	833,082	1,378,136	2,561,962	233,035	13,415,045
Acquisition of tangible capital assets	235,972	2,153,262	35,198	78,818	747,208	-	3,250,458
Disposal of tangible capital assets	-	-	-	(28,578)	-	-	(28,578)
Write down of tangible capital assets	-	-	-	-	-	(5,238)	(5,238)
Balance, end of year	355,972	10,442,092	868,280	1,428,376	3,309,170	227,797	16,631,687
<b>Accumulated amortization</b>							
Balance, beginning of year	-	4,138,563	515,386	975,997	763,856	209,165	6,602,967
Annual amortization	-	257,056	48,221	130,812	91,645	9,041	536,775
Accumulated amortization on disposals	-	-	-	(27,178)	-	(3,441)	(30,619)
Balance, end of year	-	4,395,619	563,607	1,079,631	855,501	214,765	7,109,123
<b>Net book value of tangible capital assets</b>	<b>355,972</b>	<b>6,046,473</b>	<b>304,673</b>	<b>348,745</b>	<b>2,453,669</b>	<b>13,032</b>	<b>9,522,564</b>
Net book value of tangible capital assets 2016	120,000	4,150,267	317,696	402,139	1,798,106	23,870	6,812,078

**Tootinaowaziibeeng Treaty Reserve #292**  
**Schedule 1 - Schedule of Consolidated Tangible Capital Assets**

*For the year ended March 31, 2017*

	<i>Subtotal</i>	<i>Capital Asset Under Lease</i>	<i>2017</i>	<i>2016</i>
<b>Cost</b>				
Balance, beginning of year	13,415,045	-	13,415,045	11,381,244
Acquisition of tangible capital assets	3,250,458	270,000	3,520,458	2,044,801
Disposal of tangible capital assets	(28,578)	-	(28,578)	(11,000)
Write down of tangible capital assets	(5,238)	-	(5,238)	-
<b>Balance, end of year</b>	<b>16,631,687</b>	<b>270,000</b>	<b>16,901,687</b>	<b>13,415,045</b>
<b>Accumulated amortization</b>				
Balance, beginning of year	6,602,967	-	6,602,967	6,122,325
Annual amortization	536,775	40,500	577,275	480,642
Accumulated amortization on disposals	(30,619)	-	(30,619)	-
<b>Balance, end of year</b>	<b>7,109,123</b>	<b>40,500</b>	<b>7,149,623</b>	<b>6,602,967</b>
<b>Net book value of tangible capital assets</b>	<b>9,522,564</b>	<b>229,500</b>	<b>9,752,064</b>	<b>6,812,078</b>
<b>Net book value of tangible capital assets 2016</b>	<b>6,812,078</b>	<b>-</b>	<b>6,812,078</b>	

**Tootinaowaziibeeng Treaty Reserve #292**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2017*

	2017 <i>Budget</i>	2017 <i>Actual</i>	2016 <i>Actual</i>
<b>Consolidated expenses by object</b>			
INAC recoveries	-	-	18,201
Administration	241,238	288,110	242,813
Advertising	4,000	3,250	1,850
Amortization	-	577,275	480,643
Automotive	94,267	163,585	182,764
Bad debts	-	2,895	10,115
Bank charges and interest	2,900	17,399	5,412
Cash shortage	-	14,180	24,988
Specific claim	-	63,543	235,166
Community donations	17,492	196,361	117,864
Community events	107,000	42,428	69,959
Consulting	96,000	172,835	93,296
Contracted services	-	11,832	-
Cost of goods sold	-	687,321	726,930
Elders fees	-	1,986	410
Election expenses	-	6,000	-
Food and beverage	30,000	47,936	44,273
Funeral	5,500	45,418	15,580
GST and Sales tax	-	-	5,640
Honourarium	170,300	190,330	153,200
Insurance	91,716	118,231	174,352
Interest on long-term debt	247,489	75,275	33,506
Meeting	10,800	17,039	14,343
Miscellaneous	-	8,500	8,715
Office supplies and expenses	96,240	104,846	96,783
Professional development	39,405	36,587	4,542
Professional fees	68,700	131,295	91,441
Program education	14,000	13,779	-
Program expense	415,707	422,520	492,761
Property tax	3,000	4,078	2,739
Rent	-	77,092	100,793
Repairs and maintenance	506,842	732,575	621,756
Salaries and benefits (includes pension expense)	2,254,256	2,548,109	2,435,729
Social assistance	-	1,200,120	1,107,611
Supplies	230,349	377,163	274,214
Telephone	52,285	61,090	54,568
Training	140,255	161,986	125,954
Transportation	-	16,114	-
Travel	252,367	424,035	411,570
Tuition	54,220	75,312	61,975
User fees	-	24,007	21,854
Utilities	84,235	344,548	327,110
Work opportunity program	-	84,598	83,753
	<b>5,330,563</b>	<b>9,591,583</b>	<b>8,975,173</b>

