

BROKENHEAD OJIBWAY NATION
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2016

TABLE OF CONTENTS

Management Responsibility Statement.....	1
Independent Auditor's Report.....	2 - 3
Consolidated Statement of Financial Position.....	4
Consolidated Statement of Income and Accumulated Deficit.....	5
Consolidated Statement of Cash Flows.....	6
Consolidated Statement of Changes in Net Surplus	7
Notes to the Financial Statements.....	8 - 25
Schedules to the Financial Statements.....	26
Schedule 2 - Consolidated Statement of Expenses by Object	26
Schedule 3 - Consolidated Summary Schedule of Segment Operations.....	27
Schedule 4 - Consolidated Schedule of Segment Operations - Ottawa Trust.....	28
Schedule 5 - Consolidated Schedule of Segment Operations - Band Governance.	29
Schedule 6 - Consolidated Schedule of Segment Operations - Social Assistance..	30
Schedule 7 - Consolidated Schedule of Segment Operations - Land Management	31
Schedule 8 - Consolidated Schedule of Segment Operations - Housing.....	32
Schedule 9 - Consolidated Schedule of Segment Operations - Subsidized Housing	33
Schedule 10 - Consolidated Statement of Segment Operations - Community Infrastructure.....	34
Schedule 11 - Consolidated Schedule of Segment Operations - Education.....	35
Schedule 12 - Consolidated Schedule of Segment Operations - Community Wellness	36

Schedule 13 - Consolidated Schedule of Segment Operations - Economic Development	37
Schedule 14 - Consolidated Schedule of Segment Operations - Economic Enterprises	38



Management Responsibility Statement

The management of Brokenhead Ojibway Nation is responsible for preparing the financial statements, the notes to the financial statements and other financial information contained in this annual report.

Management prepares the financial statements in accordance with Canadian Public Sector Accounting Standards. The financial statements are considered by management to present fairly the management's financial position and results of operations.

Brokenhead Ojibway Nation, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that management assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the financial statements.

The financial statements have been reported on by Pinnacle CPAs LLP, Chartered Professional Accountants, the Nation's auditor. The report outlines the scope of the examination and the opinion on the financial statements.

Controller

1

HEAD OFFICE 2250 BOYDARD DRIVE EAST SUITE 615 BRAMPTON, ONTARIO L6R 0W3 WWW.PINNACLE-CPAS.CA	BRAMPTON 905.793.4448 BRAMPTON FAX 905.793.1444 TORONTO 416.993.6357 TORONTO FAX 416.981.7989	3065-A DUNDAS STREET WEST TORONTO, ONTARIO M6P 1Z5 INFO@PINNACLE-CPAS.CA
AUDIT & ASSURANCE CANADIAN US & INTERNATIONAL TAXATION BUSINESS DEVELOPMENT & INTERNATIONAL CONSULTING		



Independent Auditor's Report

To the Members of
Brokenhead Ojibway Nation

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

Management's Responsibility for the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 auditor's 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 Nation'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.

2

HEAD OFFICE 2250 BOVAIRD DRIVE EAST SUITE 615 BRAMPTON, ONTARIO L6R 0W3	BRAMPTON 905.793.4448 BRAMPTON FAX 905.793.1444 TORONTO 416.993.6357 TORONTO FAX 416.981.7989	3065-A DUNDAS STREET WEST TORONTO, ONTARIO M6P 1Z5
WWW.PINNACLE-CPAS.CA AUDIT & ASSURANCE CANADIAN US & INTERNATIONAL TAXATION BUSINESS DEVELOPMENT & INTERNATIONAL CONSULTING		INFO@PINNACLE-CPAS.CA



Independent Auditor's Report, continued

We believe that the audit evidence we have obtained in our audit 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 Brokenhead Ojibway Nation as at March 31, 2016, and its financial performance, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Pinnacle CPAs LLP

Brampton, Ontario
October 28, 2016

Chartered Professional Accountants
Licensed Public Accountants

3

HEAD OFFICE 2250 BOYD DRIVE EAST SUITE 615 BRAMPTON, ONTARIO L6R 0W3	BRAMPTON 905.793.4448 BRAMPTON FAX 905.793.1444 TORONTO 416.993.6357 TORONTO FAX 416.981.7989	3065-A DUNDAS STREET WEST TORONTO, ONTARIO M6P 1Z5
WWW.PINNACLE-CPAS.CA AUDIT & ASSURANCE CANADIAN US & INTERNATIONAL TAXATION BUSINESS DEVELOPMENT & INTERNATIONAL CONSULTING		INFO@PINNACLE-CPAS.CA

BROKENHEAD OJIBWAY NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended March 31	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	-	341,709
Accounts receivable (Note 4)	691,362	991,651
Inventory (Note 5)	266,614	277,755
Restricted cash (Note 6)	558,186	478,553
Investments (Note 7)	113,124	112,919
Investment in government business enterprises (Note 8)	5,885,546	5,127,048
Investment in South Beach Casino (Note 9)	3,434,292	3,493,356
	10,949,124	10,823,091
LIABILITIES		
Bank indebtedness	469,042	1,097,256
Accounts payable and accrued liabilities (Note 13)	2,229,781	1,998,410
Long term debt (Note 11)	10,301,975	7,412,350
Deferred revenue (Note 14)	368,065	78,101
Federal income taxes payable (Note 22)	125,601	-
	13,494,464	10,586,117
Net financial assets	(2,545,340)	236,974
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	15,523,914	16,370,492
Prepaid expenses (and deposits)	22,020	20,000
Land held for development	1,831,582	-
Deferred financing costs	479,311	-
	17,856,827	16,390,492
Accumulated surplus (Note 16)	15,311,487	16,627,466

Approved on behalf of council

Chief



Councillor



Councillor



Councillor



Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended March 31

	Schedule	2016 Actual	2015 Restated
Revenue		\$	\$
Aboriginal Affairs and Northern Development Canada		5,290,833	4,777,587
Sales		9,962,359	9,874,899
Land lease revenue		195,210	144,996
Other revenue		1,596,633	2,805,403
First Peoples Development Inc.		394,453	496,528
Canada Mortgage and Housing Corporation		333,137	388,629
Public Safety Canada		27,858	34,822
Rental		632,672	560,399
First Nations and Inuit Health		1,204,096	1,293,328
Interest income		-	44,395
Province of Manitoba - Tobacco and Fuel tax rebate		1,971,700	1,729,958
Management and service fees		817,856	709,278
Video lottery terminals		2,084,067	1,881,838
Revenue deferred in prior year		78,101	85,069
Revenue deferred to subsequent year		(239,643)	(78,101)
		24,349,332	24,749,028
 Expenses			
Band Governance	5	1,881,494	2,022,131
Social Assistance	6	1,335,257	1,506,493
Land Management	7	538,530	389,049
Housing	8	221,761	375,392
Subsidized Housing	9	1,505,541	1,025,696
Community Infrastructure	10	2,016,468	2,297,352
Education	11	2,767,620	2,366,065
Community Wellness	12	1,515,851	1,372,831
Economic Development	13	705,346	827,730
Economic Enterprises	14	13,177,441	12,811,036
Total segment expenses		25,665,309	24,993,775
 Annual surplus (deficit)		(1,315,977)	(244,747)
 Accumulated surplus, beginning of year		16,627,464	16,872,211
Accumulated surplus, end of year		15,311,487	16,627,464

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31

	2016	2015 Restated
	\$	\$
Operating activities		
Annual surplus (deficit)	(1,315,977)	(244,747)
Adjustments for		
Amortization	1,177,597	1,266,608
Total adjustments	1,177,597	1,266,608
	(138,380)	1,021,861
Change in non-cash working capital items		
Accounts receivable	300,289	(331,131)
Prepaid expenses (and deposits)	(2,020)	(11,387)
Inventory	11,141	71,317
Short term investment	59,064	-
Accounts payable and accrued liabilities	231,371	435,798
Income taxes payable/receivable	125,601	-
Unearned revenue	289,964	(6,968)
	877,030	1,179,490
Investing activities		
Investment in government business enterprises	(758,498)	(24,073)
Deferred financing costs	(479,311)	-
Investment in (draw from) restricted cash	(79,533)	162,578
Portfolio investments	(205)	(28,587)
Investment in South Beach Casino Resort	59,064	-
Land held for future development	(1,831,582)	-
	(3,090,065)	109,918
	(2,213,035)	1,289,408
Financing activities		
Advances of long-term debt	5,970,097	462,082
Repayment of long term debt	(3,139,539)	(705,319)
Increase in bank indebtedness	(1,097,256)	5,947
	1,733,302	(237,290)
Capital activities		
Purchases of tangible capital assets	(331,018)	(1,022,004)
Increase (decrease) in cash	(810,751)	30,114
Cash, beginning of year	341,709	311,595
Cash (bank indebtedness), end of year	(469,042)	341,709

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

CONSOLIDATED STATEMENT OF CHANGES IN NET SURPLUS

Year ended March 31	2016	2015
Annual surplus (deficit)	\$ (1,315,977)	\$ (244,747)
Amortization of tangible capital assets	1,177,597	1,266,608
Purchase of tangible capital assets	(331,018)	(1,022,004)
Construction in progress	(1,831,582)	-
	(985,003)	244,604
Acquisition of prepaid expenses	(22,020)	(20,000)
Use of prepaid expenses	20,000	8,613
Deferred financing costs	(479,314)	-
	(481,334)	(11,387)
Decrease (increase) in net debt	(2,782,314)	(11,530)
Net surplus, beginning of year	236,974	248,504
 Net surplus, end of year	 (2,545,340)	236,974

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

1. Nature of operations

The Brokenhead Ojibway Nation (the "Nation") is located in the province of Manitoba, and provides various services to its members. The Brokenhead Ojibway Nation financial reporting entity includes all related entities which are accountable to the Nation and are either owned or controlled by the Nation.

2. Basis of consolidation

These financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for government business enterprises. Trusts administered on behalf of third parties by Brokenhead Ojibway Nation are excluded from the Nation reporting entity.

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

- Brokenhead Ojibway Nation Housing Authority ("Housing Authority")
- Brokenhead Entertainment Centre ("Entertainment Centre")
- Brokenhead Community Store ("Store")
- Wavers of Brokenhead ("Wavers")
- Mom's Seed Home ("Seed Home")
- Baaskaandibewizibii Trust ("Trust")
- BON Communications Ltd.
- Brokenhead Gaming Commission
- BON Limited Partnership

All inter-entity balances and transactions have been eliminated on consolidation.

Brokenhead Ojibway Nation business entities, owned or controlled by the Nation's Council but not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under this method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to that of the Nation. Thus, the Nation's investment in these entities is initially recorded at acquisition cost and adjusted for the proportionate share of post-acquisition earnings, losses and distributions. Entities accounted for under this method include BON Development Corporation.

BON Development Corporation (formerly 4667141 Manitoba Ltd.) owns 100% of the shares of B.O.N. Ltd, the general partner of the BON Limited Partnership which was formed for the purpose of facilitating business and economic development within the community, which includes the operation of a casino for the benefit of the Nation. Baaskaandibewizibii Trust was established to be the limited partner of the BON Limited Partnership.

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual method recognizes revenue as they become available and measurable. Expenses are recorded as they are incurred and measurable as a result of the receipt of goods and services and the resulting legal obligation to pay for such goods and services.

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

3. Significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards. The significant accounting policies adopted by the Nation include the following:

(a) Basis of presentation

The Nation carries on its business through its own divisions, subsidiaries, associated businesses, partnerships and joint ventures. The accounts of its' subsidiary entities and companies are consolidated with those of the Nation.

(b) Cash

Cash consists of balances with financial institutions and any marketable securities or short term investments with maturities of 90 days or less. Any cash that is subject to restrictions that prevent its use for current purposes is disclosed separately as restricted cash when applicable.

(c) Inventory

Inventories are measured at the lower of cost and net realizable value, with cost being determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase comprise the purchase price, import duties and non-recoverable taxes, and transport, handling and other costs directly attributable to the acquisition of finished goods, materials or services.

Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed (the reversal is limited to the amount of the original write-down).

(d) Tangible capital assets

Tangible capital assets are recorded at cost. The Nation provides for amortization using the following methods at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Buildings	Straight-line	25 years
Equipment	Straight-line	1 - 20 years
Vehicles	Straight-line	5 - 20 years
Infrastructure	Straight-line	20 years
Housing	Straight-line	20 - 25 years

The estimated useful lives of assets are reviewed by management and adjusted if necessary.

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

3. Significant accounting policies, continued

(e) 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 accounting policies disclosed herein.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset exceeds the value of future economic benefits associated with the asset. Impairment is measured as the amount by which the asset's carrying amount exceeds the residual value of the asset's service potential to the Nation. Any impairment is included in the statement of operations.

(f) Capital lease obligations

Assets financed by obligations under capital lease are recorded at their value at the inception of the lease with the principal portion of the rental obligation recorded as a long-term liability. Amortization is recorded as outlined in note 10 and the interest portion of the lease payments is expensed as incurred.

(g) Financial instruments

The Nation's financial instruments consist of cash, accounts receivable, restricted cash, investment in government business enterprises, investments, bank indebtedness, accounts payable and accruals, and long term debt. Unless otherwise noted it is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

(h) Management estimates

The preparation of financial statements in accordance 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 revenues and expenses during the reporting period.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, allowance for doubtful accounts as it applies specifically to credit sales; provisions for slow moving or obsolete inventory; provisions for noncollection as it relates to rental amounts receivable, and amortization based on the estimated useful lives of tangible capital assets. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

(i) Prior year's figures

Prior year's figures have been restated, where applicable, to conform to current year's presentation.

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

3. Significant accounting policies, continued

(j) Related parties

Related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

(k) Revenue recognition

Government transfer revenue which includes funding from Indigenous and Northern Affairs Canada (INAC), First Nations and Inuit Health (FNIH), Canada Mortgage and Housing Corporation (CMHC), First Peoples Development Inc., and Public Safety Canada is recognized as the funding becomes receivable under the terms and conditions of the respective funding agreements. Any funding received under funding arrangements that relate to future fiscal periods are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt and recognized as revenue in the year to which it was originally designated. Funding that is restricted for any particular purpose is deferred and recognized when the eligible expenses have been incurred.

The Nation recognizes video lottery terminal revenue on a daily basis as the net winnings from gaming activities (defined as the difference between gaming wins and gaming losses), which consists of slot machines. Gaming revenue is net of commissions paid to the Liquor and Gaming Authority of Manitoba. Management believes that it is appropriate to present these commissions net of gaming revenue as these amounts are fixed as per agreement with the Liquor and Gaming Authority of Manitoba.

Sales are recognized when the goods are sold or services provided (normally at point of sale) and collection is reasonably assured.

Rent revenue and lease revenue are recorded in the year they are earned. At the end of each year, management evaluates the extent of the collectibility of its rent and lease revenue and records a bad debt expense as a current year charge with a corresponding allowance for doubtful accounts. Any future collections of amounts designated as uncollectible are recognized in the year of collection.

Tobacco and fuel tax rebates are recognized when the rebates have been earned from the Province of Manitoba.

Investment and interest revenue is recognized on an accrual basis in the period generated.

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

(l) Net financial assets (debt)

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

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

3. Significant accounting policies, continued

(m) Non-financial assets

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

(n) Recent accounting pronouncements and standards not yet adopted

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of the issuance of PS 3450 there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2016 for governments and departments of governments.

PS 3450 is applied prospectively in the fiscal year of adoption; therefore restatement of prior period consolidated financial statements including associated comparative information are not restated. Management does not expect the adoption of these standards to have a material impact on its consolidated financial statements.

(o) Contributed services

Volunteers contributed time to assist the Nation in carrying out its various programs and community events. Because of the difficulty of determining their fair value, contributed services are not recognized in the consolidated financial statements.

(p) Employee future benefits

The Nation's employee future benefit program consists of a defined contribution pension plan. Contributions by the Nation to the plan are expensed as incurred.

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

3. Significant accounting policies, continued

(q) Investments

Short-term investments are recorded at the lower of cost and market value for investments where fair market value is readily obtainable. If there is an other than temporary decline in value, the investments are written down to provide for the loss.

The Nation's investment in companies in which they holds significant influence but not more than 50% are accounted for using the modified equity method. Under this method, the Nation's share of the investee's income and retained earnings is recognized up to the end of the investee's fiscal year on a proportionate basis.

Other long-term investments in entities that are not owned, controlled or significantly influenced by the Nation are carried at cost. If there is an other than temporary decline in value, these investments are written down to provide for the loss.

All other investments are recorded at cost.

(r) Construction in progress

Construction in progress represents costs incurred for construction of assets that are not yet available of use and no amortization is recorded during the year the assets are under construction.

(s) Funds held in the Ottawa Trust Fund

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position as a component of restricted cash. These trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

3. Significant accounting policies, continued

(t) Segment information

The Nation conducts its business and activities through eleven reportable segments. These operating segments are established by senior management and approved by Chief and Council to facilitate the achievement of the Nation's long term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent amounts that are directly attributable to the segment.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the significant accounting policies.

The Nation's segments are differentiated by the major activities or services they provide:

- i) Ottawa Trust - revenue allocated to the fund and transfers to other segments.
- ii) Band Governance - administration and governance activities.
- iii) Social Assistance - social program activities.
- iv) Land Management - activities for the development of the Nation's land.
- v) Housing - activities related to the development and sustainment of community housing, excluding subsidized housing.
- vi) Subsidized Housing - activities related to the development and sustainment of community housing subsidized by CMHC.
- vii) Community Infrastructure - activities for the maintenance of the community and its infrastructure.
- viii) Education - operations associated with education programs.
- ix) Community Wellness - activities related to health and wellness.
- x) Economic Development - band programs other than economic enterprises not funded by INAC or FNIH.
- xi) Economic Enterprises - economic enterprises not funded by INAC or FNIH, including its commercial operations.

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

4. Accounts receivable

	2016	2015
Rent, trade and other	\$ 1,564,025	\$ 1,383,305
Canada Mortgage and Housing Corporation	16,612	46,807
Allowance for doubtful accounts	1,580,637 (889,275)	1,430,112 (438,461)
	691,362	991,651

5. Inventory

	2016	2015
Fuel	\$ 63,260	\$ 74,211
Confectionary and other	203,354	203,544
	266,614	277,755

The cost of inventory recognized as an expense and included in cost of sales totalled \$9,722,437 (2015 - \$9,517,612).

6. Restricted cash

	2016	2015
CMHC Replacement Reserve	\$ 525,931	\$ 475,857
Baaskaandibewiziibii Trust funds, held in trust	100	100
Ottawa Trust	32,155	2,696
	558,186	478,653

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

6. Restricted cash, continued

CMHC replacement reserve

As required under the Nation's agreement with the Canada Mortgage and Housing Corporation, a separate bank account has been established to hold funds intended for the replacement of capital equipment and major repairs to Nation-owned housing. Under the terms of this agreement, the replacement reserve must either be held in a separate bank account or invested in other accounts or financial instruments that are secured by the Canada Deposit Insurance Corporation or as approved by the CMHC. The Nation is currently in contravention of its major funding agreement with CMHC. At year end, the specified replacement bank accounts were underfunded by \$310,531 (2015 - \$254,591). Chief and Council have passed a Band Council Resolution to increase funding to the replacement reserve by \$299,125 over 60 months commencing February 2016.

Baaskaandibewiziibii Trust

The \$100 held in trust for the Baaskaandibewiziibii Trust represents the gold coin used to settle the trust.

Ottawa Trust

The Ottawa Trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Capital and revenue trust monies are transferred to the Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the Nation's Chief and Council.

	2016	2015
Capital trust, beginning of year	\$ 2,131	\$ 2,131
Revenue trust, beginning of year	- 133,480	133,480
Interest	23	3,808
Land leases	30,000	-
Transfers to the Nation	- (139,419)	(139,419)
 Total Ottawa Trust	 32,154	 -

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

7. Investments

	2016	2015
Shawano Wapunong Building Inc.	\$ 100,317	\$ 100,317
Investors Group - money market funds	12,807	12,602
	113,124	112,919

Funds held by Shawano Wapunong Building Inc. are on deposit only and generate interest at 7.50% annually. The Building is owned by the eight Southeast First Nations in Manitoba and invests funds mostly in commercial real estate in Winnipeg, Manitoba.

8. Investments

The Nation owns BON Development Corporation, a government business enterprise. Financial information for this enterprise, as at March 31, 2016, is as follows:

	2016	2015
Financial assets	\$ 2,171	\$ 2,071
Liabilities	(565,537)	(4,838)
Non-financial assets	6,448,912	5,129,815
	5,885,546	5,127,048

9. Investment in South Beach Casino

The investment at South Beach Casino Resort Limited Partnership represents one seventh ownership as a Limited Partner, comprised of 100 units issued by the Limited Partnership, and was formed to operate the Aboriginal casino located on Nation-owned land in Scanterbury, Manitoba.

10. Tangible capital assets

	2016 Cost	2016 Accumulated amortization	2016 Net	2015 Net
Buildings	\$ 8,627,588	\$ 3,956,582	\$ 4,671,006	\$ 5,116,098
Equipment	1,873,730	1,352,996	520,734	580,299
Vehicles	860,639	693,183	167,456	226,183
Infrastructure	9,852,218	5,657,817	4,194,401	4,002,505
Housing	15,285,652	9,315,335	5,970,317	6,445,407
	36,499,827	20,975,913	15,523,914	16,370,492

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

11. Long-term debt

	2016	2015
	\$	\$
CMHC Subsidized Housing: Phase 1, Post 96 - CMHC - blended monthly payments of \$5,636 bearing interest at 2.61% annually, maturing August 2015, secured by a Ministerial guarantee for an eleven-unit rental housing project and an assignment of fire insurance.	-	27,926
CMHC Subsidized Housing: Phase 2, Post 96 - CMHC - blended monthly payments of \$5,241 bearing interest at 2.61% annually, maturing June 2024, secured by a Ministerial guarantee for a five-unit rental housing project and an assignment of fire insurance.	464,785	516,064
CMHC Subsidized Housing: Phase 2, Pre 97 - First Nations Bank of Canada - blended monthly payments of \$4,427 bearing interest at 4.00%, maturing November 2015, amortized over 25 years, secured by a Ministerial guarantee for a ten-unit rental housing project and an assignment of fire insurance.	-	22,933
CMHC Subsidized Housing: Phase 3, Post 96 - CMHC - blended monthly payments of \$2,457 bearing interest at 2.11% annually, maturing October 2028, secured by a Ministerial guarantee for a five-unit rental housing project and an assignment of fire insurance.	325,734	348,100
CMHC Subsidized Housing: Phase 3, Pre 97 - First Nations Bank of Canada - Blended monthly payments of \$4,983 bearing interest at 4.00% annually, maturing June 2016, amortized over 25 years, secured by a Ministerial guarantee for a two-unit rental housing project and an assignment of fire insurance.	18,180	74,987
CMHC Subsidized Housing: Phase 4, Post 96 - CMHC - blended monthly payments of \$2,509 bearing interest at 1.92%, maturing March 2029, secured by a Ministerial guarantee for a six-unit rental housing project and an assignment of fire insurance.	346,277	369,503
CMHC Subsidized Housing: Phase 4, Pre 97 - First Nations Bank of Canada - blended monthly payments of \$3,866 bearing interest at 3.19% annually, maturing July 2019 with a scheduled renewal of October 2014, amortized over 25 years, secured by a Ministerial guarantee for a twelve-unit rental housing project and an assignment of fire insurance.	146,195	187,283
Carried forward	1,301,171	1,546,796

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

11. Long-term debt, continued

	2016	2015
Carried forward	\$ 1,301,171	\$ 1,546,796
CMHC Subsidized Housing: Phase 5, Post 96 - CMHC - blended monthly payments of \$2,184 bearing interest at 2.76% annually, maturing June 2030, secured by a Ministerial guarantee for a four-unit rental housing project and an assignment of fire insurance.	307,393	326,255
CMHC Subsidized Housing: Phase 5, Pre 97 - First Nations Bank of Canada - blended monthly payments of \$1,703 bearing interest at 4.14% annually, maturing March 2020, amortized over 25 years, secured by a Ministerial guarantee for an eight-unit rental housing project and an assignment of fire insurance.	74,872	92,196
CMHC Subsidized Housing: Phase 6, Post 96 - CMHC - blended monthly payments of \$2,151 bearing interest at 1.62% annually, maturing March 2028, secured by a Ministerial guarantee for an eight-unit housing project and an assignment of fire insurance.	383,557	402,993
CMHC Subsidized Housing: Phase 7, Post 96 - CMHC - blended monthly payments of \$1,895 per month bearing interest at 1.62% annually, maturing March 2033, secured by a Ministerial guarantee for a six-unit rental housing project and an assignment of fire insurance.	338,006	355,133
CMHC Subsidized Housing: Phase 8, Post 96 - CMHC - blended monthly payments of \$2,393 bearing interest at 2.04% annually, maturing March 2034, secured by a Ministerial guarantee for a four-unit rental housing project and an assignment of fire insurance.	432,635	452,323
CMHC Subsidized Housing: Phase 9, Post 96 - CMHC - blended monthly payments of \$2,558 bearing interest at 2.65% annually, maturing February 2035, secured by a Ministerial guarantee for a four-unit rental housing project and an assignment of fire insurance.	452,879	474,249
CMHC Subsidized Housing: Phase 11, Post 96 - CMHC - blended monthly payments of \$2,748 bearing interest at 2.18% annually, maturing January 2039, secured by a Ministerial guarantee for a four-unit rental housing project and an assignment of fire insurance.	592,774	612,592
Carried forward	3,883,287	4,262,537

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

11. Long-term debt, continued

	2016	2015
	\$	\$
Carried forward	3,883,287	4,262,537
CMHC Subsidized Housing: Phase 12, Post 96 - CMHC - blended monthly payments of \$1,748 bearing interest at 0.98% annually, maturing March 2040, secured by a Ministerial guarantee for a four-unit rental housing project and an assignment of fire insurance.	448,590	465,082
Gas station: First Nations Bank of Canada - monthly principal payments of \$15,409 plus interest at 4.30% annually, maturing February 2027 and secured by a general security agreement.	-	1,722,089
School bus: First Nations Bank of Canada - monthly principal payments of \$1,678 plus interest at 4.25% annually, maturing March 2019 and secured by a general security agreement.	-	80,552
Bobcat: First Nations Bank of Canada - monthly principal payments of \$905 plus interest at 4.25% annually, maturing March 2019 and secured by a general security agreement.	-	62,985
Band hall: First Nations Bank of Canada - annual principal payments of \$110,810 plus interest paid monthly at 4.25% annually, maturing December 2021 and secured by a general security agreement.	-	775,670
Excavator: First Nations Bank of Canada - monthly principal payments of \$1,615 plus interest at 4.25% annually, maturing June 2018 and secured by a general security agreement.	-	43,435
Bank of Montreal non-revolving demand loan - blended monthly payments of \$37,432 including interest currently at 4.29% annually, maturing March 2030 and secured by a general security agreement, a band council resolution authorizing recourse through First Nation Tobacco Tax and Gasoline Rebate Funding, a corporate guarantee by BON Development Corporation, a Chief's Certificate and assignment of business and fire insurance.	4,785,234	-
Bank of Montreal non-revolving demand loan - blended monthly variable payments including interest currently at 4.29% annually, maximum borrowing to \$6,537,500, maturing March 2040 and secured by a general security agreement, a band council resolution authorizing recourse through First Nation Tobacco Tax and Gasoline Rebate Funding, a corporate guarantee by BON Development Corporation, a Chief's Certificate and assignment of business and fire insurance.	1,184,864	-
Carried forward	10,301,975	7,412,350

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

11. Long-term debt, continued

	2016	2015
Carried forward	\$ 10,301,975	\$ 7,412,350
	<u>10,301,975</u>	<u>7,412,350</u>

Estimated principal re-payments are as follows:

2017	405,307
2018	403,670
2019	425,381
2020	410,602
2021	396,256
Subsequent	8,260,759
Unspecified	-
	<u>10,301,975</u>

12. Bank loan

The Nation has an authorized line of credit with a ceiling of \$1,500,000 bearing interest at prime plus 1.25% and is secured by a general security agreement, of which \$1,273,179 was utilized as at year end.

13. Accounts payable and accrued liabilities

	2016	2015
Trade payables and accruals	\$ 1,825,324	\$ 1,632,362
Indigenous and Northern Affairs Canada clawbacks	366,050	366,050
Government remittances payable	38,407	-
	<u>2,229,781</u>	<u>1,998,412</u>

Amounts payable to INAC consists of overpayment of basic needs funding from the 2007 fiscal year. While provision for this amount has been set up, no formal terms of repayment have been determined by INAC.

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

14. Deferred revenue

	2016	2015
Social assistance	\$ 39,844	\$ -
Housing	34,328	2,881
Infrastructure	8,884	-
Education	31,000	7,720
Community wellness	42,637	67,500
Economic enterprises	82,951	-
Lands management	94,980	-
Case management	33,441	-
	368,065	78,101

15. Financial instruments

Financial instruments consist of recorded amounts of accounts receivable which will result in future cash receipts, as well as a demand loan, accounts payable and accruals and long-term payable and long-term debt which will result in future cash outlays.

The Nation manages its exposure to interest rate risk through a combination of fixed and floating rate borrowings. The fixed rate debt is subject to interest rate price risk, as the value will fluctuate as a result of changes in market rates. The floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates.

The Nation is exposed to the following risks in respect of certain of the financial instruments held:

(a) Fair value

The Nation's financial instruments include cash and cash equivalents, accounts receivable, bank indebtedness and accounts payable and accrued liabilities. The carrying value of these instruments approximates their fair value due to their short-term maturities.

(b) Interest rate risk

The company's exposure to interest rate fluctuations is with respect to the use of its bank revolving credits and demand instalment loan which bear interest at floating rates.

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

16. Accumulated surplus

	2016	2015
Ottawa Trust	\$ 32,155	\$ -
CMHC Replacement Reserves	525,931	485,397
Invested in tangible capital assets	10,007,173	9,195,116
Unrestricted	4,746,228	6,946,953
	<hr/> 15,311,487	<hr/> 16,627,466

17. Contingencies

The Nation has a potential liability of \$366,050 related to a repayment of funds to INAC. This amount has been accrued in the consolidated financial statements.

The Nation has been named as defendant in a lawsuit on behalf of Roy's Electric in which the plaintiff is seeking to recover damages allegedly sustained in the amount of \$62,247. There are many uncertainties associated with this lawsuit and it is currently not possible to predict the outcome of this suit or determine any amounts that may potentially be incurred as a result. Consequently no amounts have been recorded in the consolidated financial statements. Any amounts awarded as a result of this lawsuit will be recorded as a current year charge when reasonably determinable.

The Nation was named as a defendant in a lawsuit on behalf of First Canadian Fuels Ltd in which the plaintiff is seeking to recover amounts allegedly due to them. As the lawsuit is currently in early stages, the outcome and any amounts that may be determined to be liable cannot be reasonably determined. Consequently, no amounts have been recorded in the consolidated financial statements. Any amounts awarded as a result will be recorded as a current year charge when reasonably determinable.

18. Economic dependence

The Nation receives a significant portion of its revenue from Indigenous and Northern Affairs Canada and from First Nations and Inuit Health. During the year, the Nation received 26.7% (2015 - 25.6%) of its revenue from these government agencies.

The revenue is provided as a result of Treaties entered into between the Nation and the Government of Canada. These treaties are administered by INAC and FNIH under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the continued financial commitments by the Government of Canada as guaranteed by these Treaties.

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

19. Management and service fees

Casino management fees of \$650,000 (2015 - \$650,000) and service fees of \$52,288 (2015 - \$59,278) were earned from the South Beach Casino Resort Limited Partnership (the "Partnership"). The Partnership is related to the First Nation as disclosed in Note 9.

These transactions were in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

20. Defined contribution pension plan

The Nation has a defined contribution pension plan for its full-time employees. The Nation remits amounts due under its pension liabilities on a monthly basis. No amounts due under the plan requirements were in arrears at year end.

21. Provision for site rehabilitation

The Manitoba Environmental Protection Act stipulates the regulatory framework and requirements under which active and inactive landfill sites are maintained and/or closed. Under this environmental law, there is a requirement for closure and post-closure care of solid waste sites including landscaping and ongoing environmental monitoring, site inspection and site maintenance.

Under the requirements of PS 3270, a liability must be recognized when the landfill first accepts waste to the date the landfill ceases to accept waste. Any liability for closure and post-closure maintenance is recognized as the site capacity is as a proportion of site capacity utilized to date compared to estimated total closure and post-closure maintenance costs.

The estimated total expenditure represents the sum of discounted future cash flows associated with these maintenance costs and include consideration of current levels of technology, estimated length of post-closure care and current environmental regulations. Any expenditures that are incurred and relate to an existing condition that is linked to past operations and do not contribute to the future service potential of the landfill are treated as a current year charge to operations.

As at year end, the total extent to which the Nation is bound under the regulations of The Manitoba Environmental Protection Act was not determinable, and consequently no liability has been recorded in the consolidated financial statements.

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

22. Income taxes

As at March 31, 2016, the Nation had recorded \$125,601 (2015 - \$-) of of income taxes that have been assessed on the Baaskaandibewiziibii Trust by the Canada Revenue Agency. As at March 31, 2016 this matter had been appealed to the Tax Court of Canada and legal counsel is in process of determining any amounts with the Department of Finance that may be assessed under the Income Tax Act for revenues generated within the Trust. Amounts have been accrued in these financial statements and any future adjustments will be recognized as a current year charge in the year of settlement.

BROKENHEAD OJIBWAY NATION

SCHEDULE 2 - CONSOLIDATED STATEMENT OF EXPENSES BY OBJECT

Year ended March 31

	2016	2015
	\$	\$
Consolidated expenses by object		
Advertising and promotion	\$ 24,800	\$ 2,250
Amortization	1,177,597	1,266,608
Automotive	155,963	159,825
Bad debts	433,803	26,432
Community donations	350,000	462,625
Community events	233,014	206,049
Consulting fees	131,819	170,661
Cost of sales	9,722,437	9,517,612
Honoraria	51,948	118,984
Insurance	314,154	277,133
Interest and bank charges	157,330	84,527
Interest on long-term debt	318,448	218,169
Members support	756,034	779,003
Professional fees	420,333	500,250
Rent	30,000	36,162
Repairs and maintenance	1,117,926	1,321,099
Royalties	23,400	21,450
Salaries and related benefits	6,427,614	5,982,287
Social assistance	1,043,002	1,232,484
Supplies	1,268,980	1,241,585
Telephone and utilities	153,773	149,161
Training	626,953	206,943
Travel and accommodation	188,047	272,649
Tuition	328,321	473,317
Utilities	209,612	266,513
	\$ 25,665,308	\$ 24,993,778

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 3 - CONSOLIDATED SUMMARY SCHEDULE OF SEGMENT OPERATIONS		Year ended March 31		2016		2016		2016		2016	
	Schedule #	Revenue	Expenses	Revenue	Expenses	Transfers in/out)		Transfers	Surplus (deficit)	Surplus (deficit)	
Ottawa Trust	4	\$ 30,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,023	\$ 3,808	
Band Governance	5	1,164,989	1,881,493	854,256	137,752	(471,177)					
Social Assistance	6	1,234,902	1,335,257	36,229	(64,126)	(151,609)					
Land Management	7	683,440	538,528	(85,980)	58,932	(22,442)					
Housing	8	35,820	221,760	400,000	214,060	(115,951)					
Subsidized Housing	9	998,879	1,505,542	47,140	(459,523)	44,027					
Community Infrastructure	10	1,136,955	2,016,470	200,000	(679,515)	(790,607)					
Education	11	2,499,218	2,767,621	82,472	(185,931)	(252,885)					
Community Wellness	12	1,115,113	1,515,849	13,023	(387,713)	252,951					
Economic Development	13	3,082,725	705,345	(885,245)	1,492,135	2,275,252					
Economic Enterprises	14	12,367,266	13,177,442	(661,895)	(1,472,071)	(1,016,114)					
Total		24,349,330	25,665,307	-	(1,315,977)	(244,747)					

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 4 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - OTTAWA TRUST

Year ended March 31

2016 2015

	\$	\$
Revenue		
Land lease revenue	30,000	-
Interest income	23	3,808
Annual surplus	30,023	3,808

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 5 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - BAND GOVERNANCE

Year ended March 31

	2016	2015
	\$	\$
Revenue		
Indigenous and Northern Affairs Canada	664,527	577,491
Other revenue	472,604	1,032,852
Public Safety Canada	27,858	34,822
	1,164,989	1,645,165
 Expenses		
Salaries and benefits	1,317,872	1,188,074
Professional fees	246,837	231,466
Supplies	94,750	102,024
Travel	74,796	84,318
Bank charges	50,794	26,705
Telephone and internet	41,274	43,232
Honoraria	32,798	98,134
Training	10,078	56,631
Consulting	10,000	101,994
Insurance	2,294	15,748
Members support	-	42,229
Repairs and maintenance	-	12,296
Automotive	-	19,280
	1,881,493	2,022,131
 Annual deficit before transfers	 (716,504)	 (376,966)
Transfers between segments	854,256	(94,211)
 Annual surplus (deficit)	 137,752	 (471,177)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 6 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - SOCIAL ASSISTANCE

Year ended March 31

	2016	2015
	\$	\$
Revenue		
Indigenous and Northern Affairs Canada	1,157,219	1,224,197
Other revenue	117,527	97,339
Deferred revenue from prior year	-	9,758
Revenue deferred to subsequent year	(39,844)	-
	1,234,902	1,331,294
 Expenses		
Social assistance	1,043,002	1,232,484
Salaries and benefits	218,541	195,043
Supplies	29,242	27,648
Training	12,676	906
Telephone and internet	8,930	4,856
Members support	8,921	-
Travel	6,707	3,345
Utilities	4,278	5,233
Insurance	1,889	1,807
Repairs and maintenance	1,071	676
Consulting	-	34,495
	1,335,257	1,506,493
Annual deficit before transfers	(100,355)	(175,199)
Transfers between segments	36,229	23,590
 Annual deficit	(64,126)	(151,609)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 7 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - LAND MANAGEMENT

Year ended March 31

	2016	2015
Revenue	\$	\$
Indigenous and Northern Affairs Canada	599,851	315,448
Other revenue	60,417	51,160
Province of Manitoba	23,172	-
	683,440	366,608
 Expenses		
Training	245,894	53,398
Salaries and benefits	148,908	122,773
Supplies	54,071	27,691
Consulting	41,568	-
Professional fees	36,869	143,103
Telephone and internet	6,282	5,024
Travel	4,936	29,777
Repairs and maintenance	-	7,284
	538,528	389,050
Annual surplus (deficit) before transfers	144,912	(22,442)
Transfers between segments	(85,980)	-
 Annual surplus (deficit)	58,932	(22,442)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 8 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - HOUSING

Year ended March 31

	2016	2015
	\$	\$
Revenue		
Indigenous and Northern Affairs Canada	-	60,000
Deferred revenue from prior year	2,882	20,286
Revenue deferred to subsequent year	(34,328)	(2,882)
Other revenue	67,266	118,022
	35,820	195,426
 Expenses		
Amortization	98,784	101,659
Salaries and benefits	55,164	59,175
Repairs and maintenance	37,718	188,708
Supplies	21,112	-
Insurance	7,009	6,731
Consulting	1,348	19,118
Bank charges	425	-
Training	200	-
	221,760	375,391
 Annual deficit before transfers	(185,940)	(179,965)
Transfers between segments	400,000	64,014
 Annual surplus (deficit)	214,060	(115,951)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 9 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - SUBSIDIZED HOUSING		
Year ended March 31	2016	2015
	\$	\$
Revenue		
Rent	327,529	560,399
Canada Mortgage and Housing Corporation	537,219	388,629
Deferred revenue from prior year	-	20,000
Other revenue	134,131	100,694
	998,879	1,069,722
Expenses		
Bad debts	429,634	-
Amortization	395,742	439,237
Repairs and maintenance	269,283	204,261
Interest on long term debt	97,384	104,723
Salaries and benefits	95,161	146,228
Professional fees	79,525	27,923
Insurance	77,788	60,193
Utilities	18,921	18,623
Travel	15,349	7,047
Training	9,996	11,602
Supplies	8,451	3,916
Bank charges	4,891	1,942
Telephone and internet	3,417	-
	1,505,542	1,025,695
Annual surplus (deficit) before transfers	(506,663)	44,027
Transfers between segments	47,140	-
Annual surplus (deficit)	(459,523)	44,027

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 10 - CONSOLIDATED STATEMENT OF SEGMENT OPERATIONS - COMMUNITY INFRASTRUCTURE

Year ended March 31	2016	2015
	\$	\$
Revenue		
Indigenous and Northern Affairs Canada	664,580	564,982
Other revenue	411,976	458,913
Province of Manitoba	69,283	-
Revenue deferred to subsequent year	(8,884)	-
	1,136,955	1,023,895
 Expenses		
Repairs and maintenance	587,569	657,803
Amortization	527,705	560,550
Salaries and benefits	435,370	420,707
Insurance	140,422	114,713
Interest on long term debt	118,358	36,428
Utilities	88,664	141,623
Supplies	34,696	286,336
Automotive	33,739	2,662
Consulting	26,732	2,050
Telephone and internet	20,901	12,957
Travel	1,978	57,652
Professional fees	221	1,032
Training	115	2,839
	2,016,470	2,297,352
Annual deficit before transfers	(879,515)	(1,273,457)
Transfers between segments	200,000	482,850
 Annual deficit	(679,515)	(790,607)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 11 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - EDUCATION

Year ended March 31	2016	2015
	\$	\$
Revenue		
Indigenous and Northern Affairs Canada	2,090,071	1,956,352
Other revenue	104,260	229,687
Deferred revenue from prior year	7,720	-
Revenue deferred to subsequent year	(31,000)	(7,720)
First Nations and Inuit Health	312,167	-
Province of Manitoba	16,000	-
	2,499,218	2,178,319
 Expenses		
Salaries and benefits	1,714,284	1,583,511
Tuition	328,321	323,317
Training	245,135	12,524
Supplies	186,698	164,185
Repairs and maintenance	97,466	113,602
Insurance	46,726	48,457
Consulting	43,985	-
Utilities	36,870	46,950
Telephone and internet	21,479	21,090
Automotive	20,530	28,181
Travel	11,383	19,441
Interest on long term debt	11,144	-
Professional fees	3,600	4,808
	2,767,621	2,366,066
Annual deficit before transfers	(268,403)	(187,747)
Transfers between segments	82,472	(65,138)
 Annual surplus (deficit)	 (185,931)	 (252,885)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 12 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - COMMUNITY WELLNESS

Year ended March 31	2016	2015
	\$	\$
Revenue		
First Nation and Inuit Health	\$ 927,525	\$ 1,293,328
Indigenous and Northern Affairs Canada	14,000	79,116
Other revenue	126,309	292,195
Deferred revenue from prior year	67,500	32,757
Revenue deferred to subsequent year	(42,637)	(67,500)
Province of Manitoba	22,416	-
	1,115,113	1,629,896
 Expenses		
Salaries and benefits	1,062,147	899,896
Supplies	168,762	166,435
Automotive	101,694	109,702
Training	64,333	59,770
Travel	47,041	42,955
Telephone and internet	27,462	27,417
Repairs and maintenance	20,562	17,662
Consulting	8,186	-
Utilities	8,085	7,339
Insurance	7,577	4,650
Professional fees	-	37,004
	1,515,849	1,372,830
Annual surplus (deficit) before transfers	(400,736)	257,066
Transfers between segments	13,023	(4,115)
 Annual surplus (deficit)	\$ (387,713)	\$ 252,951

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 13 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - ECONOMIC DEVELOPMENT

Year ended March 31	2016	2015
	\$	\$
Revenue		
Province of Manitoba - Tobacco and Fuel Tax rebate	1,836,454	1,729,958
Management and service fees	702,288	709,278
First Peoples Development	394,453	496,528
Other revenue	149,530	125,692
Interest income	-	40,587
Deferred revenue from prior year	-	2,268
	3,082,725	3,104,311
 Expenses		
Members support	298,895	262,801
Salaries and benefits	292,795	220,979
Supplies	35,795	136,111
Training	26,282	9,273
Professional fees	22,668	17,607
Travel	17,755	14,500
Telephone and internet	6,223	7,711
Utilities	2,209	2,586
Interest on long term debt	1,929	-
Insurance	794	-
Rent	-	6,162
Tuition	-	150,000
	705,345	827,730
Annual surplus before transfers	2,377,380	2,276,581
Transfers between segments	(885,245)	(1,329)
 Annual surplus	1,492,135	2,275,252

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 14 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - ECONOMIC ENTERPRISES

Year ended March 31	2016	2015
	\$	\$
Revenue		
Sales	\$ 10,088,771	\$ 9,874,899
Video lottery terminals	2,084,067	1,881,838
Other revenue	44,196	298,849
Land lease revenue	233,183	144,996
Revenue deferred to subsequent year	(82,951)	-
	12,367,266	12,200,582
Cost of goods sold	9,722,437	9,517,612
Gross margin	2,644,829	2,682,970
 Expenses		
Salaries and benefits	1,087,373	1,145,899
Members support	756,034	473,972
Community donations	350,000	462,625
Supplies	336,507	327,238
Community events	233,014	206,049
Amortization	155,366	165,162
Repairs and maintenance	104,257	118,808
Bank charges	101,219	55,879
Interest on long term debt	89,633	77,017
Utilities	50,584	44,159
Professional fees	30,613	37,307
Rent	30,000	30,000
Insurance	29,656	24,834
Advertising	24,800	2,250
Royalties	23,400	21,450
Honoraria	19,150	20,850
Telephone and internet	17,804	26,873
Travel	8,101	13,614
Bad debts	4,169	26,432
Training	3,325	-
Consulting	-	13,004
	3,455,005	3,293,422
Annual deficit before transfers	(810,176)	(610,452)
Transfers between segments	(661,895)	(405,662)
 Annual deficit	\$ (1,472,071)	\$ (1,016,114)

Audited - see notes to the financial statements