

BROKENHEAD OJIBWAY NATION
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2017

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Management Responsibility Statement

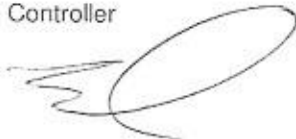
The management of Brokenhead Ojibway Nation is responsible for preparing the financial statements, the notes to the financial statements and other financial information contained in this annual report.

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



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, 2017, 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.

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, 2017, 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.

Brampton, Ontario
September 19, 2017

Pinnacle CPAs LLP
Chartered Professional Accountants
Licensed Public Accountants

BROKENHEAD OJIBWAY NATION



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended March 31

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	-	71,626
Accounts receivable (Note 4)	1,030,914	690,992
Inventory (Note 5)	411,511	309,900
Restricted cash (Note 6)	585,865	558,186
Investments (Note 7)	110,176	103,040
Investment in government business enterprises (Note 8)	4,035,772	6,035,407
Investment in South Beach Casino (Note 9)	3,306,568	3,434,292
Revenue property available for sale	3,121,599	-
	<u>12,602,405</u>	<u>11,203,443</u>
LIABILITIES		
Bank indebtedness	1,455,108	-
Accounts payable and accrued liabilities (Note 14)	1,668,252	2,239,277
GST payable	17,056	8,976
Long term debt (Note 11)	14,167,289	10,301,975
Secured debt (Note 12)	593,505	-
Obligation under capital lease	10,191	15,239
Deferred revenue (Note 15)	532,156	415,170
Federal income taxes payable (Note 23)	125,601	125,601
	<u>18,569,158</u>	<u>13,106,238</u>
Net financial assets (debt)	<u>(5,966,753)</u>	<u>(1,902,795)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	19,786,505	15,552,662
Prepaid expenses (and deposits)	69,119	22,389
Assets held for development	-	1,831,582
Deferred financing costs	447,357	479,311
	<u>20,302,981</u>	<u>17,885,944</u>
Accumulated surplus (Note 17)	<u>14,336,228</u>	<u>15,983,149</u>

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	2017 Actual	2016 Restated
		\$	\$
Revenue			
Indigenous and Northern Affairs Canada		5,346,601	4,983,740
Sales		11,595,358	9,963,007
Land lease revenue		162,917	195,210
Other revenue		948,828	1,621,954
First Peoples Development Inc.		340,836	394,453
Canada Mortgage and Housing Corporation		353,159	327,096
Public Safety Canada		31,515	27,858
Rental		769,987	632,672
First Nations and Inuit Health		1,584,698	1,204,096
Insurance proceeds		52,529	-
Province of Manitoba - Tobacco and Fuel tax rebate		2,060,382	1,939,357
Management and service fees		870,510	817,856
Video lottery terminals		2,248,592	2,084,067
Revenue deferred in prior year		317,308	102,744
Revenue deferred to subsequent year		(511,217)	(317,308)
		26,172,003	23,976,802
Expenses			
Band Governance	5	2,215,210	1,893,583
Social Assistance	6	1,262,301	1,335,257
Land Management	7	556,247	538,530
Housing	8	110,829	221,761
Subsidized Housing	9	883,137	1,507,768
Community Infrastructure	10	2,138,373	1,986,516
Education	11	2,692,165	2,736,093
Community Wellness	12	1,675,016	1,515,851
Economic Development	13	1,240,608	705,346
Economic Enterprises	14	15,045,038	13,317,845
Total segment expenses		27,818,924	25,758,550
Annual surplus (deficit)		(1,646,921)	(1,781,748)
Accumulated surplus, beginning of year		15,983,149	17,764,897
Accumulated surplus, end of year		14,336,228	15,983,149

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31

	2017	2016 Restated
	\$	\$
Operating activities		
Annual surplus (deficit)	(1,646,921)	(1,781,748)
Adjustments for		
Amortization	1,235,764	1,278,779
Amortization of deferred charges	31,954	-
Total adjustments	1,267,718	1,278,779
	(379,203)	(502,969)
Change in non-cash working capital items		
Accounts receivable	(339,922)	300,289
Prepaid expenses (and deposits)	(46,730)	17,870
Inventory	(101,611)	245,609
Accounts payable and accrued liabilities	(571,027)	529,710
Government remittances	8,080	43
Unearned revenue	116,986	238,598
Income taxes payable	-	125,601
	(1,313,427)	954,751
Investing activities		
Investment in government business enterprises	1,999,635	(408,398)
Investment in (draw from) restricted cash	(27,679)	(76,738)
Portfolio investments	(7,137)	(205)
Investment in South Beach Casino Resort	127,724	59,064
Assets under construction for resale	(1,290,017)	(1,831,582)
Deferred financing costs	-	(479,311)
	802,526	(2,737,170)
	(510,901)	(1,782,419)
Financing activities		
Advances of long-term debt	5,162,233	5,970,097
Obligation under capital lease	(5,048)	(4,709)
Repayment of long term debt	(1,650,859)	(3,139,539)
Increase (decrease) in bank indebtedness	947,089	(1,097,256)
	4,453,415	1,728,593
Capital activities		
Purchases of tangible capital assets	(5,469,248)	(331,018)
Decrease in cash	(1,526,734)	(384,844)
Cash, beginning of year	71,626	456,470
Cash (bank indebtedness), end of year	(1,455,108)	71,626

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

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 Ltd. ("Store")
- Wavers of Brokenhead Ltd. ("Wavers")
- Mom's Seed Home ("Seed Home")
- Baaskaandibewizibii Trust ("Trust")
- BON Communications Ltd.
- Brokenhead Gaming Commission
- BON Limited Partnership
- Brokenhead Grocery Ltd. ("Grocery")
- BON Pharmacy Ltd. ("Pharmacy")

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. Brokenhead Grocery Ltd., Brokenhead Community Store Ltd., and Wavers of Brokenhead Ltd. are wholly-owned subsidiaries of BON Development Corporation. BON Pharmacy Ltd. is 100% owned by Brokenhead Ojibway Nation with shares held in trust by Chief and Council.

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, 2017

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
Paving	Straight-line	15 years
Infrastructure	Straight-line	20 years
Office equipment	Straight-line	5 years
Housing	Straight-line	20 - 25 years
Computer equipment	Straight-line	5 years
Security system	Straight-line	5 years
Store equipment	Straight-line	5 years
Signage	Straight-line	5 years

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2017

3. Significant accounting policies, continued

(d) Tangible capital assets, continued

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

(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, 2017

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 (FNIHB), Canada Mortgage and Housing Corporation (CMHC), First Peoples Development Inc. (FPDI), 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, 2017

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 has determined that the adoption of these standards do not 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, 2017

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, 2017

3. Significant accounting policies, continued

(l) 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, 2017

4. Accounts receivable

	2017	2016
	\$	\$
Rent, trade and other	1,638,590	1,563,655
Indigenous and Northern Affairs Canada	143,453	-
Canada Mortgage and Housing Corporation	16,612	16,612
	1,798,655	1,580,267
Allowance for doubtful accounts	(900,658)	(889,275)
	897,997	690,992

5. Inventory

	2017	2016
	\$	\$
Fuel	106,289	67,254
Confectionary and other	231,331	239,075
Prescription inventory	73,891	3,571
	411,511	309,900

6. Restricted cash

	2017	2016
	\$	\$
CMHC Replacement Reserve	552,928	525,931
Baaskaandibewiziibii Trust funds, held in trust	100	100
Ottawa Trust	32,837	32,155
	585,865	558,186

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

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 \$350,063 (2016 - \$399,494). 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.

	2017	2016
	\$	\$
Capital trust, beginning of year	32,154	2,131
Interest	683	23
Land leases	30,000	30,000
Total Ottawa Trust	62,837	32,154

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2017

7. Investments

	2017	2016
Shawano Wapunong Building Inc.	\$ 97,369	\$ 90,233
Investors Group - money market funds	12,807	12,807
	110,176	103,040

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, 2017, is as follows:

	2017	2016 restated
Financial assets	\$ 8,440	\$ 152,032
Liabilities	(1,100,596)	(565,537)
Non-financial assets	5,127,928	6,448,912
	4,035,772	6,035,407

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.

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2017

10. Tangible capital assets

	2017 Cost	2017 Accumulated amortization	2017 Net	2016 Net
	\$	\$	\$	\$
Buildings	13,755,412	4,418,788	9,336,624	4,407,032
Equipment	1,960,784	1,326,109	634,675	571,097
Vehicles	940,633	759,250	181,383	167,455
Paving	181,000	80,500	100,500	112,567
Infrastructure	9,751,855	5,819,695	3,932,160	4,314,056
Office equipment	13,712	13,420	292	292
Housing	15,285,652	9,694,925	5,590,727	5,970,317
Computer equipment	4,646	2,946	1,700	2,629
Security system	21,624	21,623	1	1
Store equipment	25,105	21,372	3,733	6,416
Signage	42,091	37,381	4,710	800
	41,982,514	22,196,009	19,786,505	15,552,662

11. Long-term debt

	2017 \$	2016 \$
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.	412,428	464,785
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.	302,863	325,734
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
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.	322,574	346,277
Carried forward	1,037,865	1,154,976

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

11. Long-term debt, continued

	2017	2016
Carried forward	\$ 1,037,865	\$ 1,154,976
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.	103,837	146,195
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.	287,736	307,393
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.	57,002	74,872
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.	363,777	383,557
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.	320,575	338,006
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.	412,503	432,635
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.	431,246	452,879
Carried forward	3,014,541	3,290,513

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2017

11. Long-term debt, continued

	2017	2016
	\$	\$
Carried forward	3,014,541	3,290,513
CMHC Subsidized Housing: Phase 11, Post 96 - CMHC - blended monthly payments of \$2,746 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.	572,464	592,774
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.	431,915	448,590
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.	4,533,840	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.	3,029,957	1,184,864
Bank of Montreal non-revolving construction loan - fixed monthly principal payments of \$19,381 plus interest, 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 Brokenhead Ojibway Nation, a Chief's Certificate and assignment of business and fire insurance.	2,584,571	-
	14,167,289	10,301,975

BROKENHEAD OJIBWAY NATION

NOTES TO THE FINANCIAL STATEMENTS March 31, 2017

11. Long-term debt, continued

Estimated principal re-payments are as follows:

2018	1,065,066
2019	1,082,582
2020	1,066,634
2021	1,051,530
2022	1,068,924
Subsequent	8,832,553
Unspecified	-
	<u>14,167,289</u>

12. Loan payable

	2017	2016
	\$	\$
Royal Bank of Canada litigation loan, capitalized interest calculated monthly and fully secured by insurance with bank listed as beneficiary	329,072	-
Royal Bank of Canada litigation loan, capitalized interest calculated monthly and fully secured by insurance with bank listed as beneficiary	264,433	-
Due beyond one year	593,505	-

13. 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 \$1,367,770 was utilized as at year end.

14. Accounts payable and accrued liabilities

	2017	2016
	\$	\$
Trade payables and accruals	1,297,258	1,834,820
Indigenous and Northern Affairs Canada clawbacks	337,256	366,050
Government remittances payable	33,736	38,407
	<u>1,668,250</u>	<u>2,239,277</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, 2017

15. Deferred revenue

	2017	2016
	\$	\$
Social assistance	134,256	86,949
Housing	163,607	34,328
Infrastructure	20,663	8,884
Education	-	31,000
Community wellness	84,986	42,637
Economic enterprises	99,069	82,951
Lands management	-	94,980
Case management	29,575	33,441
	532,156	415,170

16. 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, 2017

17. Accumulated surplus

	2017	2016
	\$	\$
Ottawa Trust	62,837	32,155
CMHC Replacement Reserves	585,865	558,186
Invested in tangible capital assets	10,153,056	10,007,173
Unrestricted	3,534,470	5,385,635
	14,336,228	15,983,149

18. Contingencies

The Nation has a potential liability of \$337,256 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.

19. 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% (2016 - 26.7%) 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, 2017

20. Management and service fees

Casino management fees of \$700,000 (2016 - \$650,000) and service fees of \$68,264 (2016 - \$52,288) 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.

21. 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.

22. 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, 2017

23. Income taxes

As at March 31, 2017, the Nation had recorded \$125,601 (2016 - \$125,601) of income taxes that have been assessed on the Baaskaandibewiziibii Trust by the Canada Revenue Agency. As at March 31, 2017 this matter had been appealed to the Tax Court of Canada and legal counsel has determined, in conjunction with Canada Revenue Agency, 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. The amount remained outstanding as at year end pending additional instructions from legal counsel with respect to the structure of a new Trust for the Nation.

24. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2017 financial statements. Indigenous and Northern Affairs Canada had issued instructions for the restatement of certain program schedules to conform with INAC internal reporting requirements and these schedules have not materially impacted the comparative financial information.

BROKENHEAD OJIBWAY NATION

SCHEDULE 2 - CONSOLIDATED STATEMENT OF EXPENSES BY OBJECT

Year ended March 31

	2017	2016 restated
	\$	\$
Consolidated expenses by object		
Advertising and promotion	\$ 43,920	\$ 26,253
Amortization	1,235,764	1,278,780
Automotive	206,162	155,963
Bad debts expense (recovery)	(8,423)	433,803
Propharm fees	7,816	-
Community donations	150,000	350,000
Community events	202,633	233,014
Consulting fees	405,201	131,819
Cost of sales	11,285,136	9,791,142
Honoraria	48,829	51,948
Insurance	464,079	316,542
Interest and bank charges	235,456	154,410
Interest on long-term debt	446,478	317,217
Members support	969,761	758,356
Professional fees	922,859	429,333
Rent	89,000	37,059
Repairs and maintenance	915,005	955,900
Royalties	23,400	23,400
Salaries and related benefits	6,704,455	6,455,968
Social assistance	974,297	1,041,191
Supplies	1,030,464	1,283,271
Telephone and utilities	176,368	158,333
Training	437,091	626,953
Travel and accommodation	254,761	204,020
Tuition	306,994	328,320
Utilities	291,418	215,555
	\$ 27,818,924	\$ 25,758,550

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 3 - CONSOLIDATED SUMMARY SCHEDULE OF SEGMENT OPERATIONS

Year ended March 31

	Schedule #	2017 Revenue	2017 Expenses	2017 Transfers in/(out)	2017 Surplus (deficit)	2016 Surplus (deficit)
		\$	\$	\$	\$	\$
Ottawa Trust	4	30,682	-	-	30,682	30,023
Band Governance	5	948,276	2,215,210	1,067,979	(198,955)	174,799
Social Assistance	6	1,266,216	1,262,300	-	3,916	(144,673)
Land Management	7	495,034	556,247	94,980	33,767	(161,070)
Housing	8	134,588	110,829	-	23,759	216,942
Subsidized Housing	9	995,475	883,137	16,545	128,883	(415,720)
Community Infrastructure	10	1,084,925	2,138,373	261,842	(791,606)	(722,931)
Education	11	2,423,227	2,692,165	49,985	(218,953)	(152,308)
Community Wellness	12	1,332,903	1,675,015	1,144	(340,968)	(403,847)
Economic Development	13	3,405,633	1,240,610	(1,064,225)	1,100,798	1,625,887
Economic Enterprises	14	14,055,044	15,045,038	(428,250)	(1,418,244)	(1,828,850)
Total		26,172,003	27,818,924	-	(1,646,921)	(1,781,748)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 4 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - OTTAWA TRUST

Year ended March 31	2017	2016
	\$	\$
Revenue		
Land lease revenue	30,000	30,000
Interest income	682	23
Annual surplus	30,682	30,023

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 5 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - BAND GOVERNANCE

Year ended March 31	2017	2016
	\$	\$
Revenue		
Indigenous and Northern Affairs Canada	686,630	664,839
Other revenue	230,131	496,785
Public Safety Canada	31,515	27,858
	948,276	1,189,482
Expenses		
Salaries and benefits	1,296,062	1,329,960
Interest on long term debt	251,859	-
Professional fees	233,089	246,837
Supplies	132,699	94,751
Travel	94,655	74,796
Bank charges	78,618	50,794
Telephone and internet	49,363	41,274
Honoraria	33,700	32,798
Training	23,992	10,078
Consulting	18,960	10,000
Insurance	2,214	2,294
	2,215,211	1,893,582
Annual deficit before transfers	(1,266,935)	(704,100)
Transfers between segments	1,067,978	878,898
Annual surplus (deficit)	(198,957)	174,798

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 6 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - SOCIAL ASSISTANCE

Year ended March 31	2017	2016
	\$	\$
Revenue		
Indigenous and Northern Affairs Canada	1,194,135	1,157,219
Other revenue	85,947	117,527
Deferred revenue from prior year	120,391	-
Revenue deferred to subsequent year	(134,256)	(120,391)
	1,266,217	1,154,355
Expenses		
Social assistance	974,390	1,041,191
Salaries and benefits	166,756	218,541
Supplies	51,230	29,242
Consulting	33,442	-
Members support	22,124	10,732
Travel	6,084	6,707
Telephone and internet	3,946	8,930
Utilities	2,972	4,278
Training	1,357	12,676
Repairs and maintenance	-	1,071
Insurance	-	1,889
	1,262,301	1,335,257
Annual surplus (deficit) before transfers	3,916	(180,902)
Transfers between segments	-	36,229
Annual surplus (deficit)	3,916	(144,673)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 7 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - LAND MANAGEMENT		
Year ended March 31	2017	2016
	\$	\$
Revenue		
Indigenous and Northern Affairs Canada	594,459	379,851
Other revenue	7,843	60,417
Province of Manitoba	-	23,172
Revenue deferred to subsequent year	(107,268)	-
	495,034	463,440
Expenses		
Training	167,546	164,371
Salaries and benefits	164,961	132,646
Consulting	104,694	123,091
Professional fees	40,846	36,869
Travel	31,442	21,199
Supplies	26,335	54,072
Members support	15,136	-
Telephone and internet	5,046	6,282
Insurance	242	-
	556,248	538,530
Annual deficit before transfers	(61,214)	(75,090)
Transfers between segments	94,980	(85,980)
Annual surplus (deficit)	33,766	(161,070)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 8 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - HOUSING

Year ended March 31

	2017	2016
	\$	\$
Revenue		
Deferred revenue from prior year	34,328	5,764
Revenue deferred to subsequent year	(6,723)	(34,328)
Other revenue	106,983	67,266
	134,588	38,702
Expenses		
Repairs and maintenance	70,147	37,718
Salaries and benefits	31,185	55,164
Insurance	7,952	7,009
Consulting	1,395	1,348
Training	150	200
Supplies	-	21,112
Bank charges	-	426
Amortization	-	98,784
	110,829	221,761
Annual surplus (deficit) before transfers	23,759	(183,059)
Transfers between segments	-	400,000
Annual surplus	23,759	216,941

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 9 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - SUBSIDIZED HOUSING		
Year ended March 31	2017	2016
Revenue	\$	\$
Rent		
Canada Mortgage and Housing Corporation	596,346	479,779
Other revenue	385,567	531,178
	13,562	33,951
	995,475	1,044,908
Expenses		
Amortization	413,669	395,742
Professional fees	119,727	81,725
Salaries and benefits	88,839	95,161
Interest on long term debt	74,524	97,384
Insurance	69,636	77,788
Bank charges	44,819	4,918
Repairs and maintenance	39,589	269,283
Travel	17,257	15,349
Training	8,985	9,996
Supplies	4,941	8,451
Utilities	4,184	18,921
Telephone and internet	3,567	3,417
Bad debts (recovered)	(6,599)	429,634
	883,138	1,507,769
Annual deficit before transfers	112,337	(462,861)
Transfers between segments	16,545	47,140
Annual surplus (deficit)	128,882	(415,721)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 10 - CONSOLIDATED STATEMENT OF SEGMENT OPERATIONS - COMMUNITY INFRASTRUCTURE

Year ended March 31	2017	2016
	\$	\$
Revenue		
Indigenous and Northern Affairs Canada	698,636	591,213
Other revenue	320,735	411,976
Province of Manitoba	77,333	69,283
Revenue deferred to subsequent year	(20,663)	(8,884)
Deferred revenue from prior year	8,884	-
	1,084,925	1,063,588
Expenses		
Amortization	634,553	626,489
Repairs and maintenance	530,980	442,834
Salaries and benefits	433,660	435,370
Automotive	156,808	33,739
Insurance	126,615	140,422
Utilities	107,678	88,664
Supplies	74,018	50,696
Consulting	37,719	26,732
Telephone and internet	21,602	20,901
Travel	11,934	1,978
Training	2,367	115
Professional fees	440	221
Interest on long term debt	-	118,358
	2,138,374	1,986,519
Annual deficit before transfers	(1,053,449)	(922,931)
Transfers between segments	261,842	200,000
Annual deficit	(791,607)	(722,931)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 11 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - EDUCATION

Year ended March 31	2017	2016
	\$	\$
Revenue		
Indigenous and Northern Affairs Canada	2,102,484	2,076,034
Other revenue	14,500	73,260
Deferred revenue from prior year	-	48,496
First Nations and Inuit Health	294,243	312,167
Province of Manitoba	12,000	16,000
	2,423,227	2,525,957
Expenses		
Salaries and benefits	1,650,067	1,682,615
Supplies	327,746	186,698
Tuition	306,994	328,321
Training	165,241	245,135
Repairs and maintenance	69,803	97,608
Insurance	48,923	46,726
Utilities	42,585	36,870
Travel	30,742	11,383
Telephone and internet	28,306	21,479
Automotive	21,758	20,530
Professional fees	-	3,600
Interest on long term debt	-	11,144
Consulting	-	43,985
	2,692,165	2,736,094
Annual deficit before transfers	(268,938)	(210,137)
Transfers between segments	49,985	57,829
Annual deficit	(218,953)	(152,308)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 12 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - COMMUNITY WELLNESS

Year ended March 31	2017	2016
	\$	\$
Revenue		
First Nation and Inuit Health	\$ 1,234,735	\$ 927,525
Indigenous and Northern Affairs Canada	14,000	14,000
Other revenue	126,517	126,309
Deferred revenue from prior year	42,637	51,366
Revenue deferred to subsequent year	(84,986)	(42,637)
Province of Manitoba	-	22,416
	1,332,903	1,098,979
Expenses		
Salaries and benefits	1,058,322	1,062,147
Supplies	273,608	168,762
Automotive	121,062	101,694
Training	76,705	64,333
Travel	45,800	47,041
Repairs and maintenance	27,098	20,562
Utilities	22,093	8,085
Telephone and internet	20,954	27,462
Insurance	12,504	7,577
Consulting	9,350	8,186
Rent	5,000	-
Professional fees	2,520	-
	1,675,016	1,515,849
Annual deficit before transfers	(342,113)	(416,870)
Transfers between segments	1,144	13,023
Annual deficit	\$ (340,969)	\$ (403,847)

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 13 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - ECONOMIC DEVELOPMENT

Year ended March 31	2017	2016
	\$	\$
Revenue		
Province of Manitoba - Tobacco and Fuel Tax rebate	2,120,653	1,970,207
Management and service fees	768,264	702,288
First Peoples Development	340,836	394,453
Other revenue	155,430	180,530
Deferred revenue from prior year	31,000	-
Revenue deferred to subsequent year	(10,549)	(31,000)
	3,405,634	3,216,478
Expenses		
Professional fees	462,503	22,668
Salaries and benefits	245,645	292,795
Members support	158,463	201,919
Insurance	153,384	794
Consulting	115,157	-
Supplies	32,854	132,771
Bank charges	22,382	-
Training	19,534	26,282
Travel	12,935	17,756
Interest on long term debt	11,061	1,929
Telephone and internet	5,525	6,223
Utilities	1,167	2,209
	1,240,610	705,346
Annual surplus before transfers	2,165,024	2,511,132
Transfers between segments	(1,064,225)	(885,245)
Annual surplus	1,100,799	1,625,887

Audited - see notes to the financial statements

BROKENHEAD OJIBWAY NATION

SCHEDULE 14 - CONSOLIDATED SCHEDULE OF SEGMENT OPERATIONS - ECONOMIC ENTERPRISES

Year ended March 31	2017	2016
	\$	\$
Revenue		
Sales	\$ 11,744,566	\$ 10,024,644
Video lottery terminals	2,316,925	2,084,067
Other revenue (expense)	(23,401)	44,196
Land lease revenue	73,950	80,933
Deferred revenue from prior year	82,951	-
Revenue deferred to subsequent year	(139,947)	(82,951)
	14,055,044	12,150,889
Gross margin	14,055,044	12,150,889
Expenses		
Cost of sales	11,202,226	9,879,524
Members support	968,985	756,034
Salaries and benefits	949,882	561,105
Professional fees	633,232	596,209
Community events	202,633	233,014
Amortization	150,389	155,366
Community donations	150,000	350,000
Repairs and maintenance	125,707	118,493
Interest on long term debt	109,108	88,402
Bank charges	97,130	104,896
Utilities	92,132	74,930
Legal Settlement	89,254	-
Supplies	78,663	235,242
Insurance	42,883	32,043
Rent	42,000	30,000
Advertising	41,673	26,303
Telephone and internet	24,371	18,139
Royalties	23,400	23,400
Honoraria	17,750	19,150
Travel	4,078	8,101
Training	1,368	3,325
Bad debts	(1,824)	4,169
	15,045,040	13,317,845
Annual deficit before transfers	(989,996)	(1,166,956)
Transfers between segments	(428,250)	(661,895)
Annual deficit	\$ (1,418,246)	\$ (1,828,851)

Audited - see notes to the financial statements