

Consolidated Financial Statements of

**CHIPPEWAS OF SAUGEEN
FIRST NATION**

Year ended March 31, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of **Chippewas of Saugeen First Nation** (the "First Nation") are the responsibility of management and have been approved by Chippewas of Saugeen First Nation and the undernoted Chief and Council of the First Nation.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains a system of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council review the First Nation's consolidated financial statements and recommend their approval. Chief and Council meet to discuss and to review the annual report, the consolidated financial statements and the external auditors' report. Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the First Nation Members. Chief and Council also consider the engagement of the external auditors.


The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the First Nation.




Chief



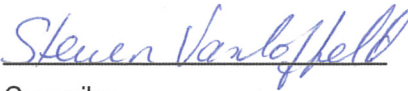
Councilor




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INDEPENDENT AUDITORS' REPORT

To the Members of Chippewas of Saugeen First Nation

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

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our 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, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



Opinion

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

Comparative Information

The consolidated financial statement of Chippewas of Saugeen First Nation as at and for the year ended March 31, 2015 were audited by another auditor who expressed an unmodified opinion on those financial statements on August 5, 2015.

KPMG LLP

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that underlines the text.

Chartered Professional Accountants, Licensed Public Accountants

July 28, 2016

Sudbury, Canada

CHIPPEWAS OF SAUGEEN FIRST NATION

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Year ended March 31, 2016

Consolidated Financial Statements

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CHIPPEWAS OF SAUGEEEN FIRST NATION

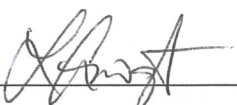


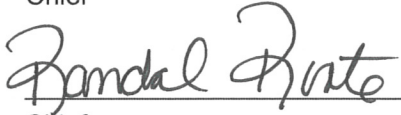
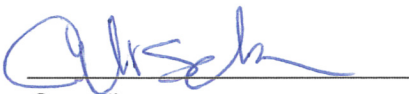
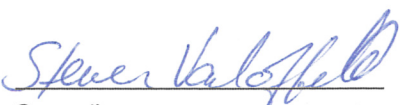
Exhibit A - Consolidated Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
Financial assets:		
Cash and short-term investments (note 2)	\$ 2,265,191	935,699
Accounts receivable (note 3)	1,403,299	2,073,054
Inventory	148,417	108,360
Investments	102,174	102,174
Portfolio investments (note 4)	37,243,632	36,900,000
Mortgages receivable (note 5)	2,854,617	3,024,981
Consolidated revenue fund (note 12)	9,102,036	8,931,759
	<u>53,119,366</u>	<u>52,076,027</u>
Financial liabilities:		
Accounts payable and accrued liabilities	1,994,805	3,239,468
Deferred revenue (note 6)	2,243,007	2,075,321
Long-term debt (note 7)	36,824,477	37,985,864
	<u>41,062,289</u>	<u>43,300,653</u>
Net financial assets	12,057,077	8,775,374
Non-financial assets:		
Prepaid expenses	61,615	51,949
Tangible capital assets (note 8)	23,391,063	24,203,592
	<u>23,452,678</u>	<u>24,255,541</u>
Contingent liabilities (note 10)		
Accumulated surplus (note 11)	\$ 35,509,755	33,030,915

See accompanying notes to consolidated financial statements.

On behalf of the First Nation:

 _____ Chief	 _____ Councilor	 _____ Councilor
 _____ Chief	 _____ Councilor	 _____ Councilor

CHIPPEWAS OF SAUGEEN FIRST NATION

Exhibit B - Consolidated Statement of Operations

Year ended March 31, 2016, with comparative information for 2015

	2016 Budget (note 13)	2016 Actual	2015 Actual
Revenue:			
Government transfers - Provincial	\$ 3,004,426	3,560,827	3,012,687
- Federal	7,086,630	6,853,527	6,878,088
Investment income	925,000	4,147,895	1,158,802
Rental income	3,382,600	3,576,394	3,573,341
Business operations	4,671,905	5,013,482	3,610,918
Other	2,562,288	2,934,035	3,650,938
Total revenue	21,632,849	26,086,160	21,884,774
Expenses:			
Revenue Fund	11,270,874	5,647,558	8,445,601
Education	3,829,768	3,506,665	3,805,411
Capital Housing	336,515	234,249	318,464
Social Services	1,112,600	1,505,085	1,147,357
Land Management	-	6,100,000	2,895,594
Saugeen Ojibway Nation	-	513,791	1,110,460
Driftwood Corporation	179,517	171,512	145,475
Gas Bar	3,904,935	3,146,941	2,954,944
Red Road Café & Grill Corporation	299,469	333,700	376,180
Saugeen Ojibway Nation	-	-	-
Finance Corporation	-	2,447,819	452,173
Total expenses	20,933,678	23,607,320	21,651,659
Excess of revenue over expenses	699,171	2,478,840	233,115
Accumulated surplus, beginning of year	33,030,915	33,030,915	32,797,800
Accumulated surplus, end of year	\$ 33,730,086	35,509,755	33,030,915

See accompanying notes to consolidated financial statements.

CHIPPEWAS OF SAUGEEN FIRST NATION

Exhibit C - Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2016, with comparative information for 2015

	2016 Budget (note 13)	2016 Actual	2015 Actual
Excess of revenue over expenses	\$ 699,171	2,478,840	233,115
Acquisition of tangible capital assets	(305,603)	(305,603)	(292,968)
Amortization of tangible capital assets	1,078,797	1,078,797	1,164,540
Gain on disposal of tangible capital assets	(43,540)	(43,540)	24,423
Proceeds on disposal of tangible capital assets	82,875	82,875	101,503
	1,511,700	3,291,369	1,230,613
Acquisition of prepaid expenses	-	(61,615)	(51,949)
Use of prepaid expenses	-	51,949	89,602
Change in net financial assets	1,511,700	3,281,703	1,268,266
Net financial assets, beginning of year	8,775,374	8,775,374	7,507,108
Net financial assets, end of year	\$ 10,287,074	12,057,077	8,775,374

See accompanying notes to consolidated financial statements.

CHIPPEWAS OF SAUGEEEN FIRST NATION

Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Operating transactions:		
Excess of revenue over expenses	\$ 2,478,840	233,115
Adjustment for:		
Amortization of tangible capital assets	1,078,797	1,164,540
Gain (loss) on disposal of assets	(43,540)	24,423
	<u>3,514,097</u>	<u>1,422,078</u>
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	669,755	(511,001)
Decrease in accounts payable and accrued liabilities	(1,244,663)	(742,669)
Increase in due from federal government		
Increase in due from provincial government		
Decrease (increase) in prepaid expenses	(9,666)	37,653
Decrease (increase) in inventory	(40,057)	193
Decrease in deferred revenue	167,686	(36,006)
	<u>3,057,152</u>	<u>170,248</u>
Capital transactions:		
Proceeds on sale of tangible capital assets	82,875	101,503
Cash used to acquire tangible capital assets	(305,603)	(292,968)
	<u>(222,728)</u>	<u>(191,465)</u>
Financing transactions:		
Issuance of long-term debt	-	37,734,092
Principal payments on long-term debt	(1,161,387)	(25,057)
Decrease (increase) in mortgages receivable	170,364	(730,802)
	<u>(991,023)</u>	<u>36,978,233</u>
Investing transactions:		
Acquisition of portfolio investments	(343,632)	(36,900,000)
Decrease (increase) in trust funds	(170,277)	202,670
Acquisition of investments	-	(1,452)
	<u>(513,909)</u>	<u>(36,698,782)</u>
Net increase in cash and short-term investments	1,329,492	258,234
Cash and short-term investments, beginning of year	935,699	677,465
Cash and short-term investments, end of year	\$ 2,265,191	935,699

See accompanying notes to consolidated financial statements.

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

The Chippewas of Saugeen First Nation (the "First Nation"), located in Southampton Ontario, administers programs and provides services to First Nation members.

1. Significant accounting policies:

These consolidated financial statements of the First Nation are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these consolidated financial statements:

(a) Reporting entity:

The First Nation reporting entity includes the First Nation government and all related entities which are accountable for the administration of their financial affairs and resources to the First Nation and are either owned or controlled by the First Nation

These financial statements consolidate the assets, liabilities and results of operations for the following entities:

- Chippewas of Saugeen Revenue Fund
- Chippewas of Saugeen Education Fund
- Chippewas of Saugeen Capital Housing Program
- Chippewas of Saugeen Social Services
- Chippewas of Saugeen Land Management
- Saugeen Gas Bar
- Saugeen Ojibwas Nation programs administered by Saugeen First Nation
- Saugeen Driftwood Corporation
- The Red Road Café & Grill Corporation

A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The municipality's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:

Saugeen Ojibway Nation Finance Corporation – 50%

All inter-fund balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not been eliminated.

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

1. Significant accounting policies (continued):

(b) Investments:

Investments are recorded at cost. Temporary declines in the market value of the long-term investments are not adjusted.

Temporary investments are recorded at cost plus accrued interest which approximates market value

(c) Revenue recognition:

Revenues are reported on the accrual basis of accounting. Revenues are recognized as follows:

- (i) Revenue from land leases is recognized in accordance with the term of the lease agreements.
- (ii) Donations are recognized when collected
- (iii) Other revenue generated from the sale of goods and the provision of services is recognized when performance of the service has been completed or transfer of title of the goods has taken place.
- (iv) Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized on the consolidated statement of operations as the stipulation liabilities are settled.

(d) Inventory:

Inventory is stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

1. Significant accounting policies (continued):

(f) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	25 years
Vehicles	5 years
Machinery and equipment	5 years
Roads	
Gravel	25 years
Pavement and sidewalks	20 years
Street light	30 years
Culverts	40 years
Buildings	25 years
Water system	58 years

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(g) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets and valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

1. Significant accounting policies (continued):

(h) Prior year funding adjustments:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments with audit adjustments repayable to the government.

Adjustments made under funding arrangements relating to prior years are charged to operations in the year during which the adjustments are made.

2. Cash and short-term investments:

The short-term investments consisting of cash and term deposits are recorded at cost and earn rates of return ranging from 1% to 2% per annum.

3. Accounts receivable:

	2016	2015
Trade receivables	\$ 349,123	380,644
Saugeen Ojibway Nation programs	254,179	466,282
Member loans	288,688	247,595
Harmonized Sales Tax	90,126	194,677
Department of Health and Welfare Canada	–	61,327
Aboriginal Affairs and Northern Development Canada	102,242	618,761
Hurononia and Area Aboriginal Board of Management	47,042	63,420
Ministry of Agriculture, Food and Rural Affairs	164,666	90,000
Aboriginal Labour Force Development Circle	–	36,741
Ministry of Community and Social Services	–	106,056
Other government agencies	329,474	44,497
	1,625,540	2,310,000
Allowance for doubtful accounts	(222,241)	(236,946)
	\$ 1,403,299	2,073,054

The First Nation provides loans to members, both employee and non-employee for various purposes. The repayment and interest terms vary and are secured by Land Lease payments or payroll deductions.

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

4. Portfolio investment:

	2016	2015
Class A BLMP Interest	\$ 25,000,000	25,000,000
Class B BLMP Interest	11,000,000	11,000,000
Accrued Interest	1,243,632	900,000
	<u>\$ 37,243,632</u>	<u>36,900,000</u>

On December 17, 2014, the Saugeen Ojibway Nation Finance Corporation purchased 50,000,000 Class A Units and 22,000,000 Class B Units representing a 35.19% interest of B2M Limited Partnership ("B2M"). Chippewas of Saugeen first Nation owns a 50% share in Saugeen Ojibway Nation Finance Corporation and therefore beneficially own 25,000,000 Class A units and 11,000,000 Class B units.

B2M owns and operations a high voltage electrical transmission tower line between Kincardine and Milton Ontario.

5. Mortgages receivable:

	2016	2015
Mortgages receivable	\$ 4,735,208	4,945,981
Allowance for uncollectible mortgages	(1,880,591)	(1,921,000)
	<u>\$ 2,854,617</u>	<u>3,024,981</u>

The First Nation provides mortgages to members for the purpose of home renovations and new home construction. The mortgages are non-interest bearing and require monthly principal repayments.

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

6. Deferred revenue:

	2016	2015
Revenue	\$ 1,444,825	1,048,857
Land management	138,737	138,737
Capital housing program	450,864	366,327
SON projects	208,581	521,400
	\$ 2,243,007	2,075,321

7. Long-term debt:

	2016	2015
Tecumseh mortgage payable in annual payments of \$10,000, increasing to \$40,000 by 2024 plus interest at prime plus 2%, secured by premises and land lease, due 2024	\$ 240,915	250,915
Tecumseh mortgage payable in annual in payments of \$10,000, increasing to \$25,000 by 2024 plus interest at prime plus 2%, secured by premises and land lease, due 2024	224,949	234,949
The Canada Life Insurance Company of Canada Tranche A Loan payable in quarterly payments of \$393,540 including interest at 3.825%, due November 2039	24,491,112	25,000,000
The Canada Life Insurance Company of Canada Tranche B Loan payable in quarterly payments of \$393,540 including interest at 3.825%, due November 2039	11,867,501	12,500,000
	\$ 36,824,477	37,985,864

Principal repayments over the next five years are estimated as follows:

2017	\$ 1,026,303
2018	1,423,025
2019	1,471,746
2020	1,542,199
2021	1,594,449

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

8. Tangible capital assets:

Cost	March 31, 2015	Additions	Disposals	March 31, 2016
Land	\$ 604,168	\$ -	\$ -	\$ 604,168
Land improvements	513,585	-	-	513,585
Buildings	9,425,534	62,856	-	9,488,390
Machinery and equipment	4,714,722	198,913	(160,864)	4,752,771
Vehicles	1,837,977	43,834	(98,337)	1,783,474
Streets	2,602,840	-	-	2,602,840
Water	18,131,963	-	-	18,131,963
Broadband	974,796	-	-	974,796
Total	\$ 38,805,585	\$ 305,603	\$ (259,201)	\$ 38,851,987

Accumulated amortization	March 31, 2015	Disposals	Amortization expense	March 31, 2016
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	358,889	11,885	-	370,774
Buildings	4,631,261	312,425	-	4,943,686
Machinery and equipment	3,408,030	332,817	(160,864)	3,579,983
Vehicles	1,513,812	34,791	(59,002)	1,489,601
Streets	2,133,797	54,763	-	2,188,560
Water	2,499,528	312,620	-	2,812,148
Broadband	56,676	19,496	-	76,172
Total	\$ 14,601,993	\$ 1,078,797	\$ (219,866)	\$ 15,460,924

	Net book value March 31, 2015	Net book value March 31, 2016
Land	\$ 604,168	\$ 604,168
Land improvements	154,696	142,811
Buildings	4,794,273	4,544,704
Machinery and equipment	1,306,692	1,172,788
Vehicles	324,165	293,873
Streets	469,043	414,280
Water	15,632,435	15,319,815
Broadband	918,120	898,624
Total	\$ 24,203,592	\$ 23,391,063

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

8. Tangible capital assets (continued):

Cost	March 31, 2014	Additions	Disposals	March 31, 2015
Land	\$ 604,168	\$ -	\$ -	\$ 604,168
Land improvements	513,585	-	-	513,585
Buildings	9,436,683	118,291	(129,440)	9,425,534
Machinery and equipment	4,593,077	128,368	(6,723)	4,714,722
Vehicles	1,860,052	40,425	(62,500)	1,837,977
Streets	2,596,956	5,884	-	2,602,840
Water	18,131,963	-	-	18,131,963
Broadband	974,796	-	-	974,796
Total	\$ 38,711,280	\$ 292,968	\$ (198,663)	\$ 38,805,585

Accumulated amortization	March 31, 2014	Disposals	Amortization expense	March 31, 2015
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	346,946	-	11,943	358,889
Buildings	4,326,783	(3,514)	307,992	4,631,261
Machinery and equipment	3,048,119	(6,723)	366,634	3,408,030
Vehicles	1,494,363	(62,500)	81,949	1,513,812
Streets	2,069,891	-	63,906	2,133,797
Water	2,186,908	-	312,620	2,499,528
Broadband	37,180	-	19,496	56,676
Total	\$ 13,510,190	\$ (72,737)	\$ 1,164,540	\$ 14,601,993

	Net book value March 31, 2014	Net book value March 31, 2015
Land	\$ 604,168	\$ 604,168
Land improvements	166,639	154,696
Buildings	5,109,900	4,794,273
Machinery and equipment	1,544,958	1,306,692
Vehicles	365,689	324,165
Streets	527,065	469,043
Water	15,945,055	15,632,435
Broadband	937,616	918,120
Total	\$ 25,201,090	\$ 24,203,592

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

9. Government Business Enterprise:

The following summarizes the financial position and operations of the government business enterprises which have been reported in these financial statements using the modified equity method:

Saugeen Ojibway Nation Finance Corporation

Saugeen Ojibway Nation Finance Corporation was incorporated on March 22, 2013. On December 17, 2014, the company purchased units of B2M Limited Partnership. Saugeen Ojibway Nation Finance Corporation is incorporated under the laws of the Province of Ontario and provides municipal electrical services. Chippewas of Saugeen First Nation owns 50% and Chippewas of Nawash First Nation own 50% of the outstanding shares of Saugeen Ojibway Nation Finance Corporation. Saugeen Ojibway Nation Finance Corporation has a December 31st year-end but has quarterly review done each quarter. The summarized information below has been updated from the year ended March 31, 2016.

	2016	2015
Financial Position:		
Current assets	\$ 5,347,328	4,718,409
Non-current assets	72,000,000	72,000,000
	77,347,328	76,718,409
Current liabilities	731,301	818,452
Long-term debt	72,717,225	75,000,000
	73,448,526	75,818,452
Net assets	\$ 3,898,802	899,957
Results of operations:		
Revenue	\$ 7,894,479	1,804,304
Expenses	4,895,634	904,347
Net earnings	2,998,845	899,957
Accumulated deficit, beginning of period	899,957	–
Accumulated surplus, end of period	\$ 3,898,802	899,957

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

10. Contingent liabilities:

Loan guarantees:

The First Nation, by Band Council Resolution, has guaranteed on behalf of First Nation member's business loans in the amount of \$22,512 (2015 - \$52,058).

11. Accumulated surplus:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 22,973,624	23,717,728
Consolidated revenue fund	9,102,036	8,931,759
Business enterprises	1,949,400	449,979
Other	(2,959,148)	(4,234,697)
	<hr/>	<hr/>
	31,065,912	28,864,769
Reserves:		
Arena	35,233	35,233
Education bursary	112,051	112,051
Police building	231,351	231,351
Loan guarantee	99,093	99,093
Ontario First Nations Limited Partnership	3,966,115	3,688,418
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	4,443,843	4,166,146
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	\$ 35,509,755	33,030,915

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

12. Consolidated revenue fund:

The following schedule details the receipts and expenditures for the consolidated revenue fund:

	Revenue	Capital	Total
Balance, beginning of year	\$ 8,620,066	311,693	8,931,759
Interest	169,277	-	169,277
Transfer from Band	1,000,000	-	1,000,000
Expenses	(999,000)	-	(999,000)
Balance, end of year	\$ 8,790,343	311,693	9,102,036

13. Budget figures:

The budget data presented in these consolidated financial statements is based upon the operating and capital budgets approved by Council. The reconciliation of the approved budget to the budget figures reported on these consolidated financial statements is listed below.

Approved expense budget:	
Total expenses per budget	\$ 20,121,149
Less:	
Capital acquisition	(305,603)
Add:	
Amortization of tangible capital assets	1,078,797
Capital disposal	39,335
	<hr/>
	1,118,132
	<hr/>
Expense budget per financial statements	\$ 20,933,678

14. Comparative information:

Certain 2015 comparative information have been reclassified where necessary to conform to the current year presentation.

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

15. Segmented information:

Chippewas of Saugeen First Nation is a diversified governmental institution that provides a wide range of services to its Members and local community such as educational and social assistance, water treatment, recreational and health programs, housing and community services.

Services are provided by functional segments and their activities are reported in these funds. Certain segments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Revenue

Revenue manages the administration functions and various programs that are offered for the betterment of the members of the community. The programs offered include community operations, medical and social services, capital, infrastructure, economic development and recreation. Revenue includes the revenues and expenses that relate to the operations of the First Nation itself and cannot be directly attributed to a specific segment. The Revenue Fund also includes the consolidated transactions of the Funds Held in Trust in Ottawa.

Education

Education provides tuition and educational support through the payment of tuition fees directly to local school boards and through financial assistance to students

Capital Housing

Capital housing provides mortgages, loans and grants to its members to allow for housing construction and renovations.

Social Services

Social services provides services directed towards the well-being of members in need of non-health related services including such activities as income support, home support and provision of child welfare services.

Land Management

Land management handles the administration of the leased lands including the billing and collections for services.

Saugeen Ojibway Nation

The Saugeen Ojibway Nation partners with commercial and community organizations to promote environmental stewardship during project development.

CHIPPEWAS OF SAUGEEN FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

15. Segmented information (continued):

Driftwood Corporation

Driftwood Corporation has been incorporated to provide broadband services to local residents and general solar power.

Gas Bar

The Gas Bar sells fuel, tobacco products and operates a convenience store.

The Red Road Cafe & Grill Corporation

The Red Road Cafe & Grill has been incorporated to operate a restaurant.

Saugeen Ojibway Nation Finance Corporation

The Saugeen Ojibway Nation Finance Corporation has been incorporated to receive, maintain and distribute funds from their partners interest. The corporation has entered into a nominee agreement with the two 50% shareholders, the Chippewas of Nawash First Nation and the Chippewas of Saugeen First Nation, to hold their interest in the B2M Limited Partnership.

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

CHIPPEWAS OF SAUGEEN FIRST NATION

Note 15 - Segmented Information (continued)

Year ended March 31, 2016

	Revenue	Education	Capital Housing	Social Services	Land Management	Saugeen Ojibway Nation	Driftwood Corporation	Gas Bar	Red Road Café & Grill	Saugeen Ojibway Nation Finance Corporation	2016 Total
Revenue	\$ 9,529,449	3,585,562	154,894	1,504,035	3,425,770	468,570	149,260	3,191,656	129,724	3,947,240	26,086,160
Expenses:											
Salaries, benefits and honorarium	5,116,141	434,437	99,390	159,690	-	76,765	9,083	248,545	103,722	15,659	6,263,432
Materials, supplies and rentals	1,751,285	887,549	8,352	30,304	-	101,768	39,870	21,076	25,319	1,739	2,867,262
Cost of goods sold	-	-	-	-	-	-	-	2,832,657	53,527	-	2,886,184
Contractual and professional	1,999,748	363,477	41,618	-	-	230,346	86,407	-	52,623	54,949	2,829,168
Travel and training	329,655	6,830	651	22,520	-	67,917	-	4,730	81	4,335	436,719
Tuition and student support	-	1,758,458	-	-	-	-	-	-	-	-	1,758,458
Other	1,629,117	51,753	20,847	1,292,571	-	36,995	8,335	26,586	24,186	1,040,415	4,130,805
Band fund allocation	(6,100,000)	-	-	-	6,100,000	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	25,773	1,330,722	1,356,495
Amortization	921,612	4,161	63,391	-	-	-	27,817	13,347	48,469	-	1,078,797
	5,647,558	3,506,665	234,249	1,505,085	6,100,000	513,791	171,512	3,146,941	333,700	2,447,819	23,607,320
Excess (deficiency) of revenue over expenses	\$ 3,881,891	78,897	(79,355)	(1,050)	(2,674,230)	(45,221)	(22,252)	44,715	(203,976)	1,499,421	2,478,840

CHIPPEWAS OF SAUGEEN FIRST NATION

Note 15 - Segmented Information (continued)

Year ended March 31, 2015

	Revenue	Education	Capital Housing	Social Services	Land Management	Saugeen Ojibway Nation	Driftwood Corporation	Gas Bar	Red Road Café & Grill	Saugeen Ojibway Nation Finance Corporation	2015 Total
Revenue	\$ 8,303,403	3,698,455	64,391	1,143,348	3,418,439	976,732	135,749	3,068,460	173,645	902,152	21,884,774
Expenses:											
Salaries, benefits and honorarium	4,940,248	529,596	98,063	101,856	-	93,725	-	229,166	122,887	4,766	6,120,307
Materials, supplies and rentals	1,384,691	896,893	21,452	19,808	-	19,941	28,276	17,073	33,268	965	2,422,367
Cost of goods sold	-	-	-	-	-	-	-	2,658,390	79,344	-	2,737,734
Contractual and professional	1,621,613	407,946	26,526	-	-	901,340	86,367	-	41,255	15,000	3,100,047
Travel and training	267,700	14,099	-	2,282	-	92,681	-	8,124	3,975	822	389,683
Tuition and student support	-	1,883,680	-	-	-	-	-	-	-	-	1,883,680
Other	2,121,609	69,034	109,033	1,023,411	(7,188)	2,773	3,015	33,119	23,758	42,947	3,421,511
Band fund allocation	(2,653,555)	-	(249,227)	-	2,902,782	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	24,115	387,673	411,788
Amortization	1,012,522	4,162	63,390	-	-	-	27,817	9,072	47,579	-	1,164,542
	8,694,828	3,805,410	69,237	1,147,357	2,895,594	1,110,460	145,475	2,954,944	376,181	452,173	21,651,659
Excess (deficiency) of revenue over expenses	\$ (391,425)	(106,955)	(4,846)	(4,009)	522,845	(133,728)	(9,726)	113,516	(202,536)	449,979	233,115