

Chippewas of Rama First Nation
Consolidated Financial Statements
For the year ended March 31, 2018

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Management's Responsibility for the Consolidated Financial Statements

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

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible 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.

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

The external auditors, BDO Canada LLP, conduct an audit, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to financial management of Chippewas of Rama First Nation and meet when required.

On behalf of Chippewas of Rama First Nation:

Dan Shilling
First Nation Manager

Rick Morano
Chief Financial Officer

September 24, 2018



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BDO Canada LLP
19 Front Street N., PO Box 670
Orillia ON L3V 6K5 Canada

Independent Auditor's Report

To Chief and Council of Chippewas of Rama First Nation

We have audited the accompanying consolidated financial statements of Chippewas of Rama First Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Chippewas of Rama First Nation as at March 31, 2018, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Other Matters

Chippewas of Rama First Nation has also prepared another set of consolidated financial statements for the year ended March 31, 2018 in accordance with Canadian public sector accounting standards. However, these consolidated financial statements do not include unaudited supplementary schedules. Our audit report on the other set of consolidated financial statements was issued to the members of Chippewas of Rama First Nation and was dated September 24, 2018.

Unaudited Information

These consolidated financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures and have been prepared to assist management of Chippewas of Rama First Nation to meet the reporting requirements of various funding agencies. Our report is intended solely for management of Chippewas of Rama First Nation and various funding agencies. As a result, the financial statements should not be distributed to or used by other parties.

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the supplementary schedules on pages 32 through 65 of the financial statements.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Orillia, Ontario

September 24, 2018

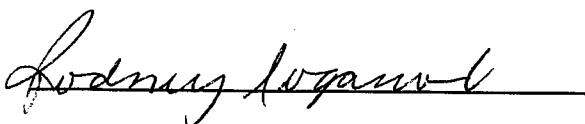
Chippewas of Rama First Nation

Consolidated Statement of Financial Position

March 31	2018	(Restated Note 2) 2017
Financial assets		
Cash and cash equivalents (Note 3)	\$ 3,464,767	\$ 2,870,998
Restricted cash (Note 4)	634,684	628,080
Trust funds held by federal government (Note 5)	177,706	170,278
Accounts receivable (Note 6)	3,642,505	4,059,252
Due from government (Note 7)	1,563,070	4,102,878
Loans receivable (Note 8)	953,078	858,911
Portfolio investments (Note 9)	76,505,239	75,750,413
Inventories for resale	559,947	470,310
Due from controlled entities (Note 10)	2,313,291	2,163,291
Investment in government business enterprises (Note 11)	2,578,256	6,646,509
	<u>92,392,543</u>	<u>97,720,920</u>
Liabilities		
Accounts payable and accrued liabilities (Note 12)	6,808,082	5,751,034
Deferred payouts - minors (Note 13)	23,082,591	24,675,911
Due to government (Note 14)	242,190	503,951
Deferred revenue (Note 15)	3,503,699	4,711,800
Long-term debt (Note 16)	20,493,419	20,407,057
Solid waste closure and post-closure liabilities (Note 17)	1,601,967	1,496,343
	<u>55,731,948</u>	<u>57,546,096</u>
Net financial assets	<u>36,660,595</u>	<u>40,174,824</u>
Non-financial assets		
Tangible capital assets (Note 19)	90,514,988	90,818,668
Prepaid expenses	244,941	196,189
Inventories held for use	20,618	19,445
	<u>90,780,547</u>	<u>91,034,302</u>
Accumulated surplus	<u>\$127,441,142</u>	<u>\$131,209,126</u>

Contingent liabilities (Note 20)
Contractual obligations (Note 21)

On behalf of Chippewas of Rama First Nation:



Chief

The accompanying notes are an integral part of these consolidated financial statements

Chippewas of Rama First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	(Note 23) Budget 2018	2018	(Restated Note 2) 2017
Revenue			
Federal government transfers (Note 22)	\$ 6,878,841	\$ 8,242,430	\$ 7,377,795
Provincial government transfers (Note 22)	4,658,252	5,061,979	4,665,906
Rental income	4,413,674	4,860,982	4,258,551
Net investment income	1,000,000	2,493,960	8,025,601
Income (loss) from government business enterprises (Note 11)	100,000	(468,253)	(351,065)
Casino Rama ground rent	-	5,150,783	5,077,891
User fees	7,696,585	7,382,169	7,297,171
Sales from business enterprises	11,160,800	11,683,833	11,180,380
Casino Rama fees	7,446,000	8,072,201	7,905,650
Coldwater Treaty	-	180,000	-
Other	5,476,065	4,185,331	3,439,425
	48,830,217	56,845,415	58,877,305
Expenses			
General government	6,725,673	7,280,531	9,572,910
Health and social services	6,138,722	6,643,652	6,301,687
Education services	6,205,933	6,485,378	6,374,974
Economic development and business operations	10,847,770	13,378,225	11,625,073
Housing and social housing services	910,150	1,163,865	922,819
Lands and trust	154,770	8,071,681	8,797,143
Recreation and culture	643,946	601,360	678,089
Special projects	361,068	331,642	355,488
Operations and maintenance	6,396,599	7,067,810	6,725,098
Fire and police	7,334,196	7,562,120	7,649,850
Water and waste water	1,543,283	2,027,135	2,028,858
	47,262,110	60,613,399	61,031,989
Annual surplus (deficit)	1,568,107	(3,767,984)	(2,154,684)
Accumulated surplus, beginning of year	131,209,126	131,209,126	134,409,205
Prior period adjustment (Note 2)	-	-	(1,045,395)
Accumulated surplus, beginning of year restated	131,209,126	131,209,126	133,363,810
Accumulated surplus, end of year	\$132,777,233	\$127,441,142	\$131,209,126

Segment Disclosure (Note 25)

Chippewas of Rama First Nation
Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	(Note 23) Budget 2018	2018	(Restated Note 2) 2017
Annual surplus (deficit)	\$ 1,568,107	\$ (3,767,984)	\$ (2,154,684)
Acquisition of tangible capital assets	(901,131)	(4,118,449)	(3,019,692)
Amortization of tangible capital assets	-	4,352,054	4,123,560
Loss on disposal of tangible capital assets	-	5,335	79,939
Proceeds on disposal of tangible capital assets	-	64,740	22,055
	<u>666,976</u>	<u>(3,464,304)</u>	<u>(948,822)</u>
Use/consumption of prepaid expenses	-	(48,752)	(100,953)
Use/consumption of inventories held for use	-	(1,173)	2,075
	<u>-</u>	<u>(49,925)</u>	<u>(98,878)</u>
Decrease in net financial assets	666,976	(3,514,229)	(1,047,700)
Net financial assets, beginning of year	40,174,824	40,174,824	42,267,919
Prior period adjustment (Note 2)	-	-	(1,045,395)
Net financial assets, beginning of year as restated	40,174,824	40,174,824	41,222,524
Net financial assets, end of year	\$ 40,841,800	\$ 36,660,595	\$ 40,174,824

The accompanying notes are an integral part of these consolidated financial statements

Chippewas of Rama First Nation Consolidated Statement of Cash Flows

For the year ended March 31

2018

2017

Operating transactions

Annual deficit	\$ (3,767,984)	\$ (2,154,684)
Items not involving cash:		
Amortization of tangible capital assets	4,352,054	4,123,560
Solid waste closure and post-closure liabilities	105,624	(18,815)
Loss on disposal of tangible capital assets	5,335	79,939
Loss from government business enterprises	468,253	351,065
Impairment allowance - portfolio investments	-	(3,700,000)
Impairment allowance - due from controlled entities	-	1,318,082
Impairment allowance - investment in government business enterprises	-	867,652
Changes in non-cash operating balances:		
Accounts receivable	416,747	(460,328)
Due from government	2,539,808	(3,499,126)
Inventories for resale	(89,637)	145,554
Prepaid expenses	(48,752)	(100,953)
Inventories held for use	(1,173)	2,075
Accounts payable and accrued liabilities	1,057,048	279,750
Due to government	(261,761)	207,888
Deferred revenue	(1,208,101)	3,230,915
Cash provided by operating transactions	<u>3,567,461</u>	<u>672,574</u>

Capital transactions

Acquisition of tangible capital assets	(4,118,449)	(3,019,692)
Proceeds on disposal of tangible capital assets	64,740	22,055
Cash applied to capital transactions	<u>(4,053,709)</u>	<u>(2,997,637)</u>

Investing transactions

Decrease (increase) in portfolio investments	(754,826)	1,456,319
Increase in due from controlled entities	(150,000)	(295,629)
Increase (decrease) in restricted cash	(6,604)	102,282
Increase in trust funds held by federal government	(7,428)	(4,873)
Increase in loans receivable	(94,167)	(138,115)
Proceeds on sale of government business enterprises	3,600,000	-
Cash provided by investing transactions	<u>2,586,975</u>	<u>1,119,984</u>

Financing transaction

Proceeds from issuance of long-term debt	1,137,977	1,299,963
Repayment of long-term debt	(1,051,615)	(899,029)
Increase (decrease) in deferred payouts - minors	(1,593,320)	1,237,003
Cash provided by (applied to) financing transactions	<u>(1,506,958)</u>	<u>1,637,937</u>

Increase in cash 593,769 432,858

Cash, beginning of year 2,870,998 2,438,140

Cash, end of year (Note 3) \$ 3,464,767 \$ 2,870,998

The accompanying notes are an integral part of these consolidated financial statements

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

1. Summary of Significant Accounting Policies

a) Nature of Organization

Chippewas of Rama First Nation (the "First Nation") provides government type services including education, health and social services, economic development, police, fire, public works, planning, lands and trust, recreation and other general government services.

The First Nation is exempt from income tax.

b) Basis of Accounting

The financial statements have been prepared using Canadian public sector accounting standards.

c) Reporting Entity

The reporting entity includes the First Nation and all entities that are controlled by the First Nation.

All controlled entities are consolidated in the First Nation's financial statements according to the First Nation's percentage ownership except for entities that meet the definition of a government business enterprise or a government business partnership, which are included in the financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Entities fully consolidated in the First Nation's financial statements include:

Chippewas of Rama Social Housing	- 100%
Waasa Gdi Naabmin (Looking Far Ahead) Trust	- 100%
Ojibway Bay Marina Ltd.	- 100%
455457 Ontario Inc. (o/a Ramcor Developments)	- 100%
1176290 Ontario Limited (o/a Biindigen Gift Shop)	- 100%
1291580 Ontario Inc. (o/a Rama Country Market and Gas Bar)	- 100%
Black River Wilderness Park Limited	- 100%

Under the modified equity method of accounting, only the First Nation's investment in the entity and the First Nation's portion of the entity's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the entity that are different from those of the First Nation and inter-organizational balances and transactions are not eliminated.

Entities consolidated under the modified equity method of accounting in the First Nation's financial statements include:

Rama Parking Inc.	- 100%
Casino Rama Inc.	- 100%
My Lucky Spot - Entertainment Centre Ltd.	- 80%

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

1. Summary of Significant Accounting Policies (continued)

d) Loans Receivable

Loans receivable are initially recorded at cost less any amount for valuation allowance. Valuation allowances are used to reflect collectability and risk of loss and to reflect loans receivable at the lower of cost and the net recoverable value. Changes in valuation allowance are recognized in expenses in the statement of operations. When the loss is known with sufficient precision and there is no realistic prospect of recovery the loan receivable is reduced by the amount of the loss. Interest income is accrued on loans receivable as earned to the extent it is deemed collectable.

e) Portfolio Investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

f) Inventories for Resale

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

g) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	10 to 25 years
Buildings and structures	10 to 30 years
Roads and bridges	20 to 50 years
Water and waste water systems	50 years
Automotive	3 to 15 years
Equipment	5 to 15 years
Solar panels	20 years
Computer systems	3 years

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

h) Inventories Held for Use

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

i) Landfill Closure and Post-Closure Accrual

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

1. Summary of Significant Accounting Policies (continued)

j) Pension Plan

The First Nation is an employer member of Manulife Financial, which has a defined contribution pension plan. The Pension Committee, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The First Nation records as pension expense the current service cost.

k) Government Transfers

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 transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

l) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

2. Prior Period Adjustment

A prior period adjustment of \$1,045,395 has been made and comparative amounts have been restated to correct an understatement of deferred revenue and overstatement of accumulated surplus. Previously, the First Nation was recording rent revenue received upon cash receipt, and not on a straight-line basis over the term of the lease. The impact of the prior period adjustment is as follows:

Increase in deferred revenue	<u>\$ 1,045,395</u>
Decrease in accumulated surplus, beginning of year	<u>\$ 1,045,395</u>
Decrease in accumulated surplus, end of year	<u>\$ 1,045,395</u>

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

3. Cash and cash equivalents

	2018	2017
Unrestricted:		
Operating	\$ 3,219,289	\$ 2,704,417
Social Housing	245,478	166,581
Total cash	<u>\$ 3,464,767</u>	<u>\$ 2,870,998</u>

4. Restricted Cash

	2018	2017
Restricted - Social Housing Reserves	<u>\$ 634,684</u>	<u>\$ 628,080</u>

Under the terms of the agreements with Canada Mortgage and Housing Corporation, Chippewas of Rama First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Reserve Fund.

5. Trust Funds Held by Federal Government

	Balance March 31, 2017	2018 Additions	2018 Withdrawals	Balance March 31, 2018
Revenue	\$ 122,164	\$ 7,428	\$ -	\$ 129,592
Capital	48,114	-	-	48,114
	<u>\$ 170,278</u>	<u>\$ 7,428</u>	<u>\$ -</u>	<u>\$ 177,706</u>

The 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

6. Accounts Receivable

	2018	2017
Due from members:		
Social Housing	\$ 138,870	\$ 212,871
Rent and other	923,257	919,024
Due from others:		
Services	3,267,998	3,752,565
	4,330,125	4,884,460
Less impairment allowance	(687,620)	(825,208)
Total accounts receivable	\$ 3,642,505	\$ 4,059,252

7. Due from Government

	2018	2017
Federal government		
Indigenous and Northern Affairs Canada	\$ 370,259	\$ 1,487,097
Canada Mortgage and Housing Corporation	20,420	20,282
Ogemawahj Tribal Council	185,630	143,867
HST	160,986	478,850
Other	664,788	414,152
Provincial government	160,987	1,558,630
	\$ 1,563,070	\$ 4,102,878

8. Loans Receivable

	2018	2017
Community Financial Assistance Program loans	\$ 464,351	\$ 374,999
Mortgages to members, bearing interest from 5.2% to 7%, 11 (2017 - 12) mortgages, various monthly payments of \$7,325 in total, due from 2019 to 2038	556,411	566,817
	1,020,762	941,816
Less impairment allowance	(67,684)	(82,905)
	\$ 953,078	\$ 858,911

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

9. Portfolio Investments

	<u>2018</u>	<u>2017</u>
First Nation Fund		
Investments held by Scotiabank, market value of \$28,944,935 (2017 - \$29,599,890) (Note 16 & 20)	\$ 27,412,941	\$ 28,688,245
Accrued interest receivable	<u>72,202</u>	<u>85,708</u>
	<u>27,485,143</u>	<u>28,773,953</u>
 Restricted Assets of Waasa Gdi Naabmin (Looking Far Ahead) Trust		
Investments held by Scotiabank, market value of \$32,544,454 (2017 - \$40,009,775) (Note 16)	32,103,054	39,998,020
Accrued interest receivable	<u>1,584</u>	<u>958</u>
	<u>32,104,638</u>	<u>39,998,978</u>
 Other Investments		
Medcan Health, 30,000 class B common shares	300	300
Guaranteed Investment Certificates held as collateral (Note 16)	13,715,158	3,606,838
Diversified Canadian Growth Deposit Notes, due 2021 (Note 16)	3,200,000	3,200,000
Other investments	<u>-</u>	<u>170,344</u>
	<u>16,915,458</u>	<u>6,977,482</u>
 Total portfolio investments	<u>\$ 76,505,239</u>	<u>\$ 75,750,413</u>

Included in the Scotiabank portfolio investment of \$27,412,941 (2017 - \$28,688,245) is \$8,827,330 (2017 - \$9,955,152) in fixed income securities. These bear interest rates ranging from 0.75% to 11% (2017 - 0.25% to 6.67%) and maturity dates ranging from 2019 to 2047 (2017 - 2018 to 2046).

Included in the Scotiabank portfolio investment of \$32,103,054 (2017 - 39,998,020) is \$231,233 (2016 - \$17,499,495) in fixed income securities.

Chippewas of Rama First Nation **Notes to Consolidated Financial Statements**

March 31, 2018

10. Due from Controlled Entities

	<u>2018</u>	<u>2017</u>
SEM Resort Limited Partnership, bearing interest at 10%	\$ -	\$ 2,000,000
SEM Resort Limited Partnership, accrued interest	-	600,000
SEM Resort Limited Partnership, bearing interest at 10%, repayable in six equal monthly installments of \$90,160, in default	-	500,000
SEM Resort Limited Partnership	-	68,082
Casino Rama Inc.	2,500	2,500
Rama Parking Inc.	960,791	960,791
My Lucky Spot - Entertainment Centre Ltd.	<u>1,350,000</u>	<u>1,200,000</u>
	<u>2,313,291</u>	<u>5,331,373</u>
Less impairment allowance	-	<u>(3,168,082)</u>
	<u>\$ 2,313,291</u>	<u>\$ 2,163,291</u>

The advances to the above entities are non-interest bearing, unless otherwise stated, have no specific terms of repayment and are not due within one year, unless specifically noted above.

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

11. Investments in Government Business Enterprises

The First Nation's investments in government business enterprises consist of the following:

	2018	2017
My Lucky Spot - Entertainment Centre Ltd., at cost	\$ 6,400,000	\$ 6,400,000
Casino Rama Inc., at cost	1	1
Rama Parking Inc.	1	1
SEM Resort Limited Partnership, 33.33%, at cost	-	3,000,000
	<u>6,400,002</u>	<u>9,400,002</u>
Cumulative income (loss) from government business enterprises	<u>(3,821,746)</u>	<u>(1,885,841)</u>
	2,578,256	7,514,161
Less impairment allowance	<u>-</u>	<u>(867,652)</u>
	<u>\$ 2,578,256</u>	<u>\$ 6,646,509</u>

The following table presents condensed supplementary financial information for these commercial enterprises as at March 31, 2018.

	My Lucky Spot - Entertainment Centre Ltd.	Other	2018 Total	2017 Total
Cash	\$ 187,292	\$ 56,890	\$ 244,182	\$ 2,788,352
Accounts receivable	95,196	-	95,196	2,792,620
Inventory	25,540	-	25,540	243,000
Prepaid expenses	88,044	5,092	93,136	258,705
Tangible capital assets	1,844,688	979,994	2,824,682	13,650,397
Other assets	3,428,750	1	3,428,751	12,306,006
Total assets	<u>\$ 5,669,510</u>	<u>\$ 1,041,977</u>	<u>\$ 6,711,487</u>	<u>\$ 32,039,080</u>
Accounts payable	\$ 190,460	\$ 3,741	\$ 194,201	\$ 3,707,748
Long-term debt	2,742,371	960,791	3,703,162	3,777,130
Other liabilities	7,700,000	2,501	7,702,501	13,467,906
Total liabilities	10,632,831	967,033	11,599,864	20,952,784
Equity	<u>(4,963,321)</u>	<u>74,944</u>	<u>(4,888,377)</u>	<u>11,086,296</u>
Total liabilities and equity	<u>\$ 5,669,510</u>	<u>\$ 1,041,977</u>	<u>\$ 6,711,487</u>	<u>\$ 32,039,080</u>
Revenue	\$ 3,074,496	\$ 27,650	\$ 3,102,146	\$ 15,020,894
Expenses	3,657,107	29,814	3,686,921	15,520,755
Net income (loss)	<u>\$ (582,611)</u>	<u>\$ (2,164)</u>	<u>\$ (584,775)</u>	<u>\$ (499,861)</u>
Chippewas of Rama First Nation's share of net income (loss)	<u>\$ (466,089)</u>	<u>\$ (2,164)</u>	<u>\$ (468,253)</u>	<u>\$ (351,065)</u>

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

11. Investment in Government Business Enterprises (continued)

My Lucky Spot - Entertainment Centre Ltd.

As at March 31, 2014, the First Nation acquired 6,400,000 participating preference shares at \$1.00 per share in My Lucky Spot - Entertainment Centre Ltd. This represents 100% of the issued preference shares and 80.00% of the voting shares of the company. My Lucky Spot - Entertainment Centre Ltd. is in the process of acquiring, renovating and operating existing bingo centres and electronic gaming centres.

The fiscal year end of My Lucky Spot - Entertainment Centre Ltd. is December 31. As the year end for My Lucky Spot - Entertainment Centre Ltd. does not coincide with the year end of the First Nation, and it is not possible to use financial statements that do coincide, the financial statements used under the modified equity method will be for the year ended December 31. Therefore, December 31, 2017 amounts have been picked up using the modified equity basis of accounting in these financial statements. The First Nation's interest in My Lucky Spot - Entertainment Centre Ltd. is 80.00%.

The long-term debt payable by My Lucky Spot - Entertainment Centre Ltd. consists of two promissory notes due to parties external to the reporting entity.

Principal repayments on aggregate long-term debt over the next five years are as follows:

	Debt due to other organizations within the reporting entity	Debt due to parties external to the reporting entity	Total
2018	\$ -	\$ 130,792	\$ 130,792
2019	-	81,730	81,730
2020	-	85,911	85,911
2021	-	90,306	90,306
2022	-	94,927	94,927
Thereafter	-	2,258,705	2,258,705
	\$ -	\$ 2,742,371	\$ 2,742,371

Additionally, My Lucky Spot - Entertainment Centre Ltd. has leased premises under a long-term lease agreement maturing 2022, which includes an optional renewal clause to extend the lease term. Future minimum operating lease payments for the next five years are as follows:

Year	Amount
2018	\$ 420,000
2019	420,000
2020	420,000
2021	420,000
2022	420,000

Other

The other category includes Casino Rama Inc. and Rama Parking Inc. Rama Parking Inc. represents the majority of this category and holds parking lots.

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

12. Accounts Payable and Accrued Liabilities

	2018	2017
Trade payables	\$ 1,734,602	\$ 890,793
Accrued salaries and benefits payable	3,314,169	3,125,786
Other accrued liabilities	1,759,311	1,734,455
	<u>\$ 6,808,082</u>	<u>\$ 5,751,034</u>

13. Deferred Payouts - Minors

Under the Waasa Gdi Naabmin (Looking Far Ahead) Trust agreement amounts owed to minor beneficiaries are held in trust until the band member reaches 18 years of age. As a result, this allocated amount is set up as a liability.

14. Due to Government

	2018	2017
Federal government, non interest bearing, due within one year	\$ 242,007	\$ 357,049
Provincial government, non interest bearing, due within one year	183	146,902
	<u>\$ 242,190</u>	<u>\$ 503,951</u>

15. Deferred Revenue

	(Restated - Note 2) Balance March 31, 2017	2018 Funding Received	2018 Revenue Recognized	Balance March 31, 2018
Government:				
Federal - other	\$ 1,745,318	\$ 3,995	\$ 101,867	\$ 1,647,446
Provincial - other	1,428,571	28,687	-	1,457,258
	<u>3,173,889</u>	<u>32,682</u>	<u>101,867</u>	<u>3,104,704</u>
Other:				
Unearned fees	428,145	285,905	369,102	344,948
Casino Rama ground rent	1,045,395	-	1,045,395	-
Other	64,371	49,052	59,376	54,047
	<u>1,537,911</u>	<u>334,957</u>	<u>1,473,873</u>	<u>398,995</u>
	<u>\$ 4,711,800</u>	<u>\$ 367,639</u>	<u>\$ 1,575,740</u>	<u>\$ 3,503,699</u>

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

16. Long-term Debt

	<u>2018</u>	<u>2017</u>
Loan payable to Morningstar, interest at 6%, repayable in monthly blended payments of \$24,109, due 2020	\$ 457,775	\$ -
Non-revolving demand promissory note for Tim Horton's renovations, interest at prime plus 1% payable monthly, due 2022	586,667	746,667
Non-revolving demand promissory note for investment in My Lucky Spot - Entertainment Centre Ltd., interest at prime plus 0.25% payable monthly, due September 2021	6,400,000	6,400,000
Non-revolving demand promissory note for the acquisition of solar panels, interest at prime plus 0.25% payable monthly, due March 2018, extended until March 2019	2,330,839	2,508,993
Non-revolving demand promissory note for the construction of the Public Works building, interest at prime plus 0.25% payable monthly, due March 2018, extended until March 2019	3,870,000	4,085,000
Mortgages payable - Social Housing, 1.08% to 2.35%, payable monthly in blended payments of \$42,728 secured by the First Nation and ministerial guarantee, due 2018 to 2023	6,848,138	6,666,397
	<u>\$ 20,493,419</u>	<u>\$ 20,407,057</u>

Anticipated annual principal repayments over the next five years are due as follows:

Year	Amount
2019	\$ 14,728,121
2020	730,810
2021	1,593,830
2022	1,023,829
2023	2,416,829
	<u>\$ 20,493,419</u>

	<u>2018</u>	<u>2017</u>
Interest expense for the year on long-term debt	\$ 552,874	\$ 506,304

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

16. Long-term Debt (continued)

The First Nation has a non-revolving demand promissory note with an authorized amount of \$6,400,000 for assistance with financing the investment in My Lucky Spot - Entertainment Centre Ltd. Advances are repayable in full on or before September 30, 2021. This demand loan is secured by a guaranteed investment certificate and diversified Canadian growth deposit notes (Note 9).

Under the same credit facility, the First Nation has additional non-revolving demand promissory notes with an authorized amount of \$2,479,301 and \$3,870,000 for assistance in financing the purchase and installation of solar panels and the construction of the Public Works building respectively (Note 20). Advances are repayable in full on or before March 1, 2018, unless the bank agrees to extend the credit. If the bank agrees to extend the credit related to the Public Works building, the loan shall be repaid by an annual amount of \$215,000 or such higher amount as the bank may determine. The solar panel loan is repayable in equal monthly installments of principal of \$14,846 plus interest with a final payment of the balance of principal and interest then outstanding due March 1, 2019. These two demand loans are secured by the First Nation Fund portfolio investments held in Scotiabank and a guaranteed investment certificate (Note 9).

Under the same credit facility, the First Nation has a revolving demand promissory note with an authorized amount of \$1,500,000 for assistance in financing the renovations of the Tim Hortons locations and all other capital equipment. Each advance is repayable in 59 monthly installments with a final payment of the balance of principal and interest on the 60th month.

In addition, to the above long-term debt, the First Nation has an operating line of credit with an authorized amount of \$1,150,000 which bears interest at prime plus 0.5% payable monthly. Within this amount, the First Nation guarantees lines of credit totaling \$150,000 for other government organizations included in these consolidation financial statements. The remaining amount of the line of credit limit is secured by the operating credit line agreement.

The First Nation also has a non-revolving promissory note with an authorized amount of \$11,580,000 for capital infrastructure refinancing, repayable over 30 years. This loan is secured by a Secured Revenue Trust Account (SRTA) for Rama Fee proceeds from Casino Rama. This credit facility has not been drawn on as of March 31, 2018.

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

17. Solid Waste Closure and Post-Closure Liabilities

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the First Nation's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$1,601,967 (2017 - \$1,496,343) and reflects a discount rate of 3.5% (2017 - 3.5%). The estimated total expenditures for landfill closure costs are approximately \$537,000 with annual post-closure care costs of approximately \$60,000.

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. The estimated remaining landfill life is 10 years. There are no specific assets designated for these post-closure costs, though management believes that the current accumulated surplus will be sufficiently maintained to meet this liability. The estimated length of time needed for post-closure care is 50 years.

18. Pension Plan

The First Nation makes contributions to the Manulife Financial pension plan. This plan is a defined contribution plan. The First Nation matches employee contributions up to a maximum of 8% of the employees compensation. Employees have the choice of contributing either 5% or 8% of their compensation to the plan. The retirement benefit for each employee is the amount that can be provided at retirement based on the accumulated contributions made on that individual's behalf and investment earnings on those contributions.

During the year, the First Nation contributed \$1,321,917 (2017 - \$1,303,738) to the defined contribution pension plan and is included in employee benefits in the statement of financial activities. There were no significant changes to the plan during the year.

Chippewas of Rama First Nation **Notes to Consolidated Financial Statements**

March 31, 2018

19. Tangible Capital Assets

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Disposals	Total 2018	Total 2017
Land	\$ 31,732,791	\$ -	\$ 31,732,791	\$ -	\$ -	\$ -	\$ 31,732,791	\$ 31,732,791
Land Improvements	1,878,318	521,152	2,399,470	750,084	93,796	-	1,555,590	1,128,234
Buildings and Structures	81,319,393	2,106,684	83,426,077	38,614,913	2,636,365	(94,085)	42,174,799	42,704,480
Roads and Bridges	4,633,854	77,214	4,711,068	1,645,068	119,367	-	2,946,633	2,988,786
Water and Waste Water Systems	7,929,011	68,319	8,000,330	3,018,299	159,263	-	4,819,768	4,910,712
Automotive	10,119,040	553,952	10,672,992	7,887,132	638,187	(175,376)	2,134,053	2,231,908
Equipment	7,907,230	748,563	8,655,793	5,656,394	467,404	(11,978)	2,531,627	2,250,836
Solar Panels	3,112,741	-	3,112,741	380,995	155,637	-	2,576,109	2,731,746
Computer Systems	923,503	42,565	966,068	784,328	82,035	-	99,705	139,175
Total	\$149,555,881	\$ 4,118,449	\$153,674,330	\$ 58,737,213	\$ 4,352,054	\$ (281,439)	\$ 90,514,988	\$ 90,818,668

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from service) is \$1,319,554 (2017 - \$68,689).

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

20. Contingent Liabilities

- a) The First Nation has guaranteed the mortgages of certain members in the amount of approximately \$4,602,087 (2017 - \$4,596,691). The outstanding balance of the mortgages amounted to \$1,965,796 (2017 - \$2,063,598) at year end.
- b) Where differences exist between the agency's net approved expenses and their actual net expenses, the resolution of these variances will be negotiated between the agency and the First Nation. Any resultant adjustments will be recognized in the year in which the changes are confirmed by the agency.
- c) The First Nation has entered into a collateral security agreement with a Canadian chartered bank that has agreed to finance on-reserve housing loans for individual band members of Rama. The First Nation has guaranteed the payment and performance by the borrowers of the obligations up to the amount of \$12,194,409 (Note 9) which the First Nation has set aside as restricted assets into a separate collateral account and has given the bank a security interest in that account. Of this amount, the First Nation, has set aside \$2,479,301 to assist in financing the purchase and installation of solar panels, and \$3,870,000 to assist in financing the construction of the Public Works building (Note 16). In addition, the outstanding balance of the mortgages at year end amounted to \$3,203,877 (2017 - \$3,582,245).
- d) The First Nation has committed to a standby letter of credit in the amount of \$10,000,000 with Scotiabank. This letter of credit was not utilized and has been released subsequent to the year end.

21. Contractual Obligations

	2019	2020	2021	2022	2023 and thereafter	Total
Operating leases	\$ 110,883	\$ 88,209	\$ 44,757	\$ 14,564	\$ 10,287	\$ 268,700
Construction contracts	344,492	-	-	-	-	344,492
	\$ 455,375	\$ 88,209	\$ 44,757	\$ 14,564	\$ 10,287	\$ 613,192

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2018

22. Government Transfers

	<u>2018</u>	<u>2017</u>
Federal government transfers		
Operating:		
Indigenous and Northern Affairs Canada:		
Block contribution	\$ 4,320,725	\$ 4,280,555
Fixed contribution	1,171,443	871,129
Set contribution	66,600	371,135
Health Canada	944,537	915,783
Canada Mortgage and Housing Corporation	241,949	243,790
Other	1,497,176	695,403
Total federal government transfers	<u>8,242,430</u>	<u>7,377,795</u>
Provincial government transfers		
Operating	<u>5,061,979</u>	<u>4,665,906</u>
Total government transfers	<u>\$ 13,304,409</u>	<u>\$ 12,043,701</u>

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

23. Budget

The Financial Plan (Budget) adopted by Chief and Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Chief and Council with adjustments as follows:

	<u>2018</u>
Financial Plan (Budget) surplus (deficit) for the year	
Chippewas of Rama First Nation	\$ 135,419
Chippewas of Rama Social Housing	110,471
Ojibway Bay Marina Ltd.	44,121
455457 Ontario Inc. (o/a Ramcor Developments)	263,555
1176290 Ontario Limited (o/a Blindigen Gift Shop)	32,093
1291580 Ontario Inc. (o/a Rama Country Market and Gas Bar)	85,304
Black River Wilderness Park Limited	<u>(3,987)</u>
Total Financial Plan (Budget) deficit for the year	666,976
Add: Capital expenditures	<u>901,131</u>
Budget deficit per statement of operations	<u>\$ 1,568,107</u>

24. Coldwater Treaty

	<u>2018</u>
Coldwater Treaty revenue	<u>\$ 180,000</u>
Expenses:	
Artwall	134,003
Paintings	<u>50,000</u>
	<u>184,003</u>
Net deficit	<u>\$ (4,003)</u>

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

25. Segmented Information

The First Nation is a diversified government institution that provides a wide range of services to its members such as education, health and social services, economic development, housing, police, fire, public works, planning, lands and trust, recreation and other general government services. Distinguishable functional segments have been separately disclosed in the segmented information.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts are allocated on a reasonable basis. Therefore certain allocation methodologies are employed in the preparation of segmented financial information, including transfers that have been apportioned based on a percentage of budgeted expenses.

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.

The nature of the segments and the activities they encompass are as follows:

General Government

The general government department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of Chief and Council.

Health and Social Services

The health department provides a diverse bundle of services directed towards the well-being of members including such activities as long-term care, medical transportation, pre-natal care, nursing, health representation, traditional healing, family violence and many other smaller programs designed to enhance the health of members. The social services department is responsible for administering social assistance payments as well as providing services directed towards members.

Education

The education department provides services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study and early childhood education. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

Economic Development and Business Enterprises

The economic development department is responsible for promoting economic growth within the First Nation. Band operated enterprises are activities conducted by the First Nation with the objective of promoting economic self-sufficiency. These operations include but are not limited to the retail mall, country market, gas station, marina and gift shop.

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

25. Segmented Information (continued)

Housing and Social Housing

Social housing is responsible for administering and providing affordable housing within the First Nation, including unit allocations, rental assessments, collections and maintenance and repairs.

Lands and Trust

Lands and trust includes rental of the land and trust distributions.

Recreation and Culture

The First Nation provides a wide array of recreation services, including youth leadership programs, sport programs and clubs, and various special events.

Special Projects

The First Nation provides a wide array of other services included in special projects.

Operations and Maintenance

The operations and maintenance department provides public services that contribute to community development and sustainability through the provision of operating services such as roads and community buildings maintenance.

Fire and Police

Fire services is responsible for providing fire suppression service, fire prevention programs, and training and education related to prevention, detection or extinguishment of fires. Police services responsibility is to ensure the safety of the lives and property of citizens, preserve the peace and good order, prevent crimes from occurring, detect offenders and enforce the law.

Water and Waste Water

The water and waste water departments provide public services that contribute to community development and sustainability through the provision of water and sanitation services.

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

25. Segmented Information (continued)

	General Government			Health and Social Services			Education			Economic Development and Business Enterprises		
	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017
Revenue												
Federal government transfers	\$ 600,128	\$ 616,207	\$ 883,196	\$ 1,243,726	\$ 1,366,271	\$ 1,323,402	\$ 3,035,231	\$ 3,546,972	\$ 3,376,721	\$ 160,935	\$ 678,255	\$ 190,646
Provincial government transfers	-	7,271	4,983	4,064,344	4,401,023	3,942,358	18,700	107,311	84,822	-	-	-
Rental income	3,064,596	3,617,353	3,039,466	203,300	196,165	195,813	-	-	-	-	-	-
Investment income	1,000,000	711,191	3,546,929	-	-	-	-	-	-	-	-	-
Income (loss) from enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Casino Rama ground rent	-	-	-	-	-	-	-	-	-	100,000	(488,253)	(351,065)
User fees	63,840	68,900	66,069	-	-	-	-	-	-	-	-	-
Sales from business enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Casino Rama fees	7,446,000	8,072,201	7,905,650	-	-	-	-	-	-	11,160,800	11,933,373	11,411,846
Coldwater Treaty (Note 24)	-	-	-	-	-	-	-	-	-	-	-	-
Other	3,155,517	1,133,737	810,569	514,076	1,018,644	774,051	581,500	592,759	625,572	687,329	691,103	763,546
	15,330,081	14,226,860	16,256,862	6,025,446	6,982,103	6,235,624	3,635,431	4,247,042	4,087,115	12,109,064	12,834,478	12,014,973
Expenses												
Salaries and wages	4,574,213	4,470,356	4,055,065	4,251,595	4,340,669	4,101,202	3,429,828	3,670,189	3,536,196	2,213,069	2,210,449	2,109,361
Materials, services and other	720,925	685,953	2,977,692	1,537,984	1,666,656	1,649,322	2,630,106	2,330,008	2,334,090	7,951,511	10,400,268	8,587,073
Repairs and maintenance	35,420	23,440	29,476	412,989	443,653	427,083	248,248	276,574	319,650	379,468	444,971	568,202
Contracted services, professional fees	823,165	871,884	1,587,393	54,870	65,681	54,770	10,500	8,600	8,967	240,780	112,295	71,776
Utilities, insurance	55,243	48,763	46,453	89,891	93,435	100,610	85,286	93,825	112,195	276,380	312,006	292,003
Rental	281,088	230,353	166,205	81,357	76,969	75,178	44,874	48,262	69,337	560,228	176,539	561,621
Gifts, donations, grants	122,000	193,185	184,053	61,382	60,667	67,326	77,000	50,815	54,695	-	-	-
Amortization	-	603,378	334,227	-	229,783	215,182	-	303,409	291,544	306,000	423,745	530,830
Loss (gain) on disposal of tangible capital assets	-	4,967	79,939	-	-	-	-	-	-	-	368	-
Interest expense	216,800	231,271	212,585	-	-	-	-	-	-	41,640	81,605	52,275
Trust capital distributions	-	-	-	-	-	-	-	-	-	-	-	-
Coldwater Treaty (Note 24)	-	-	-	-	-	-	-	-	-	-	-	-
	6,828,854	7,363,550	9,673,088	6,490,068	6,977,513	6,690,673	6,525,842	6,781,682	6,726,674	11,969,076	14,162,246	12,773,141
Net surplus (deficit)	\$ 8,501,227	\$ 6,863,310	\$ 6,583,774	\$ (464,622)	\$ 4,590	\$ (455,049)	\$ (2,890,411)	\$ (2,534,640)	\$ (2,639,559)	\$ 139,988	\$ (1,327,768)	\$ (758,168)

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

25. Segmented Information (continued)

	Housing and Social Housing			Lands and Trust			Recreation and Culture			Special Projects		
	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017
Revenue												
Federal government transfers	\$ 439,423	\$ 544,817	\$ 451,355	\$ 87,244	\$ 114,580	\$ 87,000	\$ -	\$ 5,411	\$ 12,996	\$ 34,700	\$ 113,479	\$ 34,523
Provincial government transfers	-	-	-	-	-	-	-	-	-	-	-	-
Rental income	687,100	690,236	699,142	547,899	14,830	546,484	-	135	-	185,757	206,664	239,055
Investment income	-	-	-	-	161,941	-	-	-	-	-	-	-
Income (loss) from enterprises	-	-	-	-	1,782,769	4,478,672	-	-	-	-	-	-
Casino Rama ground rent	-	-	-	-	-	-	-	-	-	-	-	-
User fees	-	-	-	-	-	-	-	-	-	-	-	-
Sales from business enterprises	-	-	-	-	5,150,783	5,077,891	-	236,023	212,775	9,600	9,600	9,600
Casino Rama fees	-	-	-	-	-	-	-	-	-	-	-	-
Coldwater Treaty (Note 24)	-	-	-	-	-	-	-	-	-	-	-	-
Other	48,825	27,665	30,244	-	180,000	6,124	-	-	-	-	-	-
	1,175,348	1,262,718	1,180,741	635,143	7,408,939	10,196,171	378,750	386,959	381,622	244,757	335,516	315,197
Expenses												
Salaries and wages	116,095	126,281	125,394	112,333	118,146	194,991	352,832	338,494	343,026	187,168	155,020	172,968
Materials, services and other	133,940	243,992	107,654	420,358	183,101	408,331	304,424	252,329	310,933	159,098	180,231	178,663
Repairs and maintenance	130,100	195,204	115,352	-	-	2,855	21,600	25,111	22,202	4,000	1,098	2,308
Contracted services, professional fees	14,800	16,500	16,000	7,000	2,800	2,155	5,000	2,282	2,320	8,000	12,378	15,561
Utilities, insurance	87,166	85,439	85,189	-	-	1,493	2,400	1,752	2,390	4,000	449	3,484
Rental	1,392	1,398	1,281	1,400	1,398	1,398	3,500	4,546	4,506	2,808	2,795	2,096
Gifts, donations, grants	-	-	-	-	-	-	-	-	-	-	-	-
Amortization	411,945	546,842	527,052	-	-	-	-	20,302	17,263	-	1,065	992
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	92,609	96,995	106,325	-	-	-	-	-	-	-	-	-
Trust capital distributions	-	-	-	-	-	-	-	-	-	-	-	-
Coldwater Treaty (Note 24)	-	-	-	-	7,680,056	8,551,810	-	-	-	-	-	-
	-	-	-	-	184,003	-	-	-	-	-	-	-
	988,047	1,312,651	1,084,247	541,091	8,169,504	9,163,033	689,756	644,816	702,640	365,074	353,036	376,072
Net surplus (deficit)	\$ 187,301	\$ (49,933)	\$ 96,494	\$ 94,052	\$ (760,565)	\$ 1,033,138	\$ (311,006)	\$ (257,857)	\$ (321,018)	\$ (120,317)	\$ (17,520)	\$ (60,875)

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

25. Segmented Information (continued)

	Operations and Maintenance			Fire and Police			Water and Waste Water			Totals Before Adjustments		
	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017
Revenue												
Federal government transfers	\$ 923,153	\$ 940,830	\$ 707,591	\$ 349,671	\$ 310,978	\$ 310,365	\$ 4,630	\$ 4,630	\$ -	\$ 6,878,841	\$ 8,242,430	\$ 7,377,795
Provincial government transfers	22,848	23,898	23,631	366,603	300,847	371,057	-	-	-	4,658,252	5,061,979	4,665,906
Rental income	423,503	406,297	363,327	-	-	-	-	-	-	4,926,398	5,071,992	4,844,232
Investment income	-	-	-	-	-	-	-	-	-	1,000,000	2,493,960	8,025,601
Income (loss) from enterprises	-	-	-	-	-	-	-	-	-	-	(468,253)	(351,065)
Casino Rama ground rent	-	-	-	-	-	-	-	-	-	-	-	-
User fees	1,732,697	1,570,604	1,979,715	5,822,267	5,765,674	5,712,636	1,366,728	1,212,083	1,231,178	9,242,282	8,862,884	9,211,973
Sales from business enterprises	-	-	-	-	-	-	-	-	-	-	5,150,783	5,077,891
Casino Rama fees	-	-	-	-	-	-	-	-	-	-	11,160,800	11,933,373
Coldwater Treaty (Note 24)	-	-	-	-	-	-	-	-	-	7,446,000	8,072,201	7,905,650
Other	1,216,135	1,190,140	1,152,549	42,707	15,918	40,257	10,520	2,713	1,905	6,402,909	4,827,878	4,392,687
	4,318,336	4,131,769	4,226,813	6,581,248	6,393,417	6,434,315	1,381,878	1,219,426	1,233,083	51,815,482	59,429,227	62,562,516
Expenses												
Salaries and wages	3,103,367	1,855,867	1,699,736	6,423,440	6,325,690	6,403,283	747,833	775,026	754,930	25,511,773	24,386,187	23,496,152
Materials, services and other	1,536,813	2,899,402	2,923,014	462,600	419,158	394,430	364,601	280,538	300,632	16,222,360	19,541,636	20,171,834
Repairs and maintenance	1,651,769	1,328,352	1,456,286	298,574	229,454	266,862	242,065	177,334	219,942	3,424,233	3,145,191	3,430,218
Contracted services, professional fees	164,598	69,758	61,078	22,900	11,254	14,394	67,140	23,519	23,518	1,418,753	1,196,951	1,857,932
Utilities, insurance	329,061	359,141	359,123	154,843	161,600	160,785	176,556	211,426	204,329	1,260,826	1,367,836	1,368,054
Rental	36,779	37,584	34,266	55,158	34,563	34,494	7,270	7,187	7,187	1,075,854	621,594	957,569
Gifts, donations, grants	-	-	-	4,200	1,830	2,872	-	-	-	264,582	306,497	308,946
Amortization	-	1,096,012	1,075,467	-	505,350	513,997	-	622,168	617,007	717,945	4,352,054	4,123,561
Loss (gain) on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	5,335	79,939
Trust capital distributions	-	-	-	-	-	-	-	-	-	351,049	409,871	371,185
Coldwater Treaty (Note 24)	-	-	-	-	-	-	-	-	-	-	7,680,056	8,551,810
	6,822,387	7,646,116	7,608,970	7,421,715	7,688,899	7,791,117	1,605,465	2,097,198	2,127,545	50,247,375	63,197,211	64,717,200
Net surplus (deficit)	\$ (2,504,051)	\$ (3,514,347)	\$ (3,382,157)	\$ (840,467)	\$ (1,295,482)	\$ (1,356,802)	\$ (223,587)	\$ (877,772)	\$ (894,462)	\$ 1,568,107	\$ (3,767,984)	\$ (2,154,684)

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2018

25. Segmented Information (continued)

	Consolidation Adjustments			Consolidated Totals		
	Budget 2018	2018	2017	Budget 2018	2018	2017
Revenue						
Federal government transfers	\$ -	\$ -	\$ -	\$ 6,878,841	\$ 8,242,430	\$ 7,377,795
Provincial government transfers	-	-	-	4,658,252	5,061,979	4,665,906
Rental income	512,724	211,010	585,681	4,413,674	4,860,982	4,258,551
Investment income	-	-	-	1,000,000	2,493,960	8,025,601
Income (loss) from enterprises	-	-	-	100,000	(468,253)	(351,065)
Casino Rama ground rent	-	-	-	-	-	-
User fees	1,545,697	1,480,715	1,914,802	7,696,585	5,150,783	5,077,891
Sales from business enterprises	-	249,540	231,466	11,160,800	11,683,833	11,180,380
Casino Rama fees	-	-	-	7,446,000	8,072,201	7,905,650
Coldwater Treaty (Note 24)	-	-	-	-	180,000	-
Other	926,844	642,547	953,262	5,476,065	4,185,331	3,439,425
	<u>2,985,265</u>	<u>2,583,812</u>	<u>3,685,211</u>	<u>48,830,217</u>	<u>56,845,415</u>	<u>58,877,305</u>
Expenses						
Salaries and wages	70,380	(269,386)	(309,940)	25,441,393	24,655,573	23,806,092
Materials, services and other	727,972	771,961	1,057,915	15,494,388	18,769,675	19,113,919
Repairs and maintenance	1,495,923	1,739,267	2,207,732	1,928,310	1,405,924	1,222,486
Contracted services, professional fees	-	-	338	1,418,753	1,196,951	1,857,594
Utilities, insurance	7,011	6,393	10,332	1,253,815	1,361,443	1,357,722
Rental	661,802	315,636	697,368	414,052	305,958	260,201
Gifts, donations, grants	22,177	19,941	21,466	242,405	286,556	287,480
Amortization	-	-	-	717,945	4,352,054	4,123,561
Loss (gain) on disposal of tangible capital assets	-	-	-	-	5,335	79,939
Interest expense	-	-	-	351,049	409,871	371,185
Trust capital distributions	-	-	-	-	-	-
Coldwater Treaty (Note 24)	-	-	-	-	7,680,056	8,551,810
	<u>2,985,265</u>	<u>2,583,812</u>	<u>3,685,211</u>	<u>47,262,110</u>	<u>60,613,399</u>	<u>61,031,989</u>
Net surplus (deficit)	\$ -	\$ -	\$ -	\$ 1,568,107	\$ (3,767,984)	\$ (2,154,684)