

**Chippewas of the Thames First Nation**

**Consolidated Financial Statements**

**March 31, 2017**

**Chippewas of the Thames First Nation  
Consolidated Financial Statements**

**March 31, 2017**

**Index**

Independent Auditors' Report

1. Consolidated Statement of Financial Position
2. Consolidated Statement of Changes in Net Assets (Debt)
3. Consolidated Statement of Revenue and Expenditures
5. Consolidated Statement of Cash Flows
5. Notes to the Consolidated Financial Statements
6. Auditors' Comments on Supplementary Financial Information
7. Supplementary Financial Information

## **INDEPENDENT AUDITOR'S REPORT**

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To the Members of Chippewas of the Thames First Nation

### *Report on the Financial Statements*

We have audited the accompanying consolidated financial statements of Chippewas of the Thames First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of revenues and expenditures, changes in net assets (debt) and cash flows for the year then ended.

### *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 accounting standards for public sector entities, 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 qualified audit opinion.

### *Basis for Qualified Opinion*

The Development Corporation is a wholly-owned subsidiary of the Chippewas of the Thames First Nation. The financial amounts of the Development Corporation were not available at the time of this report. As a result, the related assets, liabilities, and net assets as at March 31, 2017 have remained unchanged from the prior year ending balances and these figures have not been audited. The revenues and expenditures for the year ended March 31, 2017 have not been recorded in these consolidated financial statements as they are not available.

The Land Trust is controlled by the Chippewas of the Thames First Nation and was established to administer certain land claim settlement funds received by the Chippewas of the Thames First Nation from the Government of Canada. The financial amounts of the Land Trust were not available at the time of this report. As a result, the related assets, liabilities, and net assets as at March 31, 2017 and prior years have not been recorded in these consolidated financial statements. The revenues and expenditures for the year ended March 31, 2017 and the year ended March 31, 2016 have not been recorded in these consolidated financial statements as they are not available.

*James B. MacNeill CPA, CA    Jeremy A. Giles CPA, CA    Lissa Savage CPA, CA  
Robert F. Edmundson CPA, CA (Retired)*

# MACNEILL EDMUNDSON

PROFESSIONAL CORPORATION

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## INDEPENDENT AUDITOR'S REPORT (continued)

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### *Qualified Opinion*

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the existence, occurrence, accuracy and completeness of the assets, liabilities, net assets, revenue and expenditures referred to in the preceding paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Chippewas of the Thames First Nation as at March 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for public sector entities.

### *Other Matter*

The assets, liabilities, net assets, revenues and expenditures of the Development Corporation for the year ended March 31, 2016 have been included in these consolidated financial statements. These amounts have been audited by another accounting firm, refer to (note 17) for a summary of this information.

London, Ontario  
June 27, 2017

*MacNeill Edmundson*

PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Authorized to practice public accounting by  
The Chartered Professional Accountants of Ontario

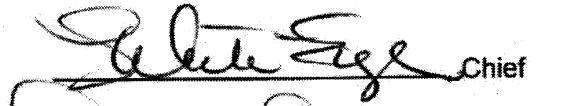
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**Chippewas of the Thames First Nation**  
**Consolidated Statement of Financial Position**

	Operating Fund (\$)	Capital Fund (\$)	Housing Fund (\$)	Trust Fund (\$)	OLG Fund (\$)	Total 2017 (\$)	Total 2016 (\$)
March 31							(restated)
<b>Financial Assets</b>							
Cash (note 2)	2,320,594		8,843,318	961	11,164,873	8,545,725	
Temporary investments (note 2)		832,663	106,719,843		107,552,506	100,256,055	
Accounts receivable (note 4)	1,475,458				1,475,458	1,043,963	
Funds held in trust			508,931		508,931	497,311	
Housing loans receivable (note 12)		769,960			769,960	924,169	
	<b>3,796,052</b>		<b>1,602,623</b>	<b>116,072,092</b>	<b>961</b>	<b>121,471,728</b>	<b>111,267,223</b>
<b>Liabilities</b>							
Bank indebtedness (note 3)						1,840,908	
Accounts payable and accrued	3,627,255		137,799		3,765,054	4,701,112	
Deferred revenue (note 7)	114,259	1,271,900			1,386,159	1,482,002	
Debt (note 6)		6,467,314			6,467,314	6,975,420	
	<b>3,741,514</b>	<b>7,739,214</b>	<b>137,799</b>		<b>11,618,527</b>	<b>14,999,442</b>	
<b>Net Financial Assets (Debt)</b>	<b>54,538</b>	<b>(7,739,214)</b>	<b>1,602,623</b>	<b>115,934,293</b>	<b>961</b>	<b>109,853,201</b>	<b>96,267,781</b>
<b>Non-financial assets</b>							
Capital assets (note 5)		24,834,919			24,834,919	25,845,710	
Intangible assets (note 17)		122,850			122,850	122,850	
Prepaid expenses	50,228				50,228	50,228	
	<b>50,228</b>	<b>24,957,769</b>			<b>25,007,997</b>	<b>26,018,788</b>	
<b>Accumulated surplus (deficit)</b>	<b>104,766</b>	<b>17,218,555</b>	<b>1,602,623</b>	<b>115,934,293</b>	<b>961</b>	<b>134,861,198</b>	<b>122,286,569</b>
Accumulated surplus / (deficit) is comprised of:							
Externally Restricted Funds (note 11)		300,000			300,000	300,000	
Internally Restricted Funds	17,218,555	1,302,623	115,934,293	961	134,456,432	126,739,497	
Unrestricted Funds	104,766				104,766	(4,752,928)	
	<b>104,766</b>	<b>17,218,555</b>	<b>1,602,623</b>	<b>115,934,293</b>	<b>961</b>	<b>134,861,198</b>	<b>122,286,569</b>

Approved on behalf of the Council:

  
Hele Sieg Chief  
  
Wolene Whitecalf Councillor

**Chippewas of the Thames First Nation**  
**Consolidated Statement of Changes in Net Assets (Debt)**

March 31	Operating Fund (\$)	Capital Fund (\$)	Housing Fund (\$)	Trust Fund (\$)	OLG Fund (\$)	Total 2017 (\$)	Total 2016 (\$) (restated)
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>12,574,628</b>					<b>12,574,628</b>	<b>(10,165,384)</b>
Acquisition of capital assets	(298,774)					(298,774)	(4,285,588)
Amortization of capital assets						1,309,566	1,402,666
Decrease (increase) of prepaid expenses						1,309,566	(11,756)
<b>Net Asset Transfers</b>							
Transfer of surplus (deficit)	(8,592,456)	(1,258,254)	(89,208)	9,337,851	602,067		
Transfer of long-term debt repayments	(508,106)	508,106					
Transfer of housing loan advances	(75,289)		75,289				
Transfer of housing loan repayments	67,657		(67,657)				
Other transfers	1,690,033	525,116	1,812	(1,510,418)	(706,543)		
<b>Change in Net Assets (Debt)</b>	<b>4,857,693</b>	<b>1,084,534</b>	<b>(79,764)</b>	<b>7,827,433</b>	<b>(104,476)</b>	<b>13,585,420</b>	<b>(13,060,062)</b>
<b>Net Assets (Debt), beginning of year (note 18)</b>	<b>(4,803,155)</b>	<b>(8,823,748)</b>	<b>1,682,387</b>	<b>108,106,860</b>	<b>105,437</b>	<b>96,267,781</b>	<b>109,327,843</b>
<b>Net Assets (Debt), end of year</b>	<b>54,538</b>	<b>(7,739,214)</b>	<b>1,602,623</b>	<b>115,934,293</b>	<b>961</b>	<b>109,853,201</b>	<b>96,267,781</b>

# Chippewas of the Thames First Nation

## Consolidated Statement of Revenue and Expenditures

Year ended March 31	Budget (\$)	2017 (\$)	2016 (\$) (restated)
<b>Revenue</b>			
Unrealized gains (losses) on investments	7,783,915	(6,798,140)	
Investment income	4,710,114	4,602,412	
Aboriginal Affairs and Northern Development Canada	4,155,299	4,679,445	4,193,911
Green Lane landfill revenue share (note 14)	2,047,472	4,312,560	
Stepping Stones	1,874,351	2,175,735	2,275,828
Southern First Nations Secretariat	1,485,222	1,922,633	1,849,975
Health Canada	1,172,569	1,509,974	1,454,626
Deferred revenue - prior year (note 7)	584,593	1,340,745	1,735,920
Ontario First Nations Limited Partnership	2,167,066	1,330,635	1,188,932
Province of Ontario	1,172,569	1,275,403	1,324,450
Other revenue (note 10)	1,172,569	1,013,184	
CMHC housing repair funding	296,420	592,155	219,143
Rent revenue	1,603,080	474,228	269,507
Band generated	194,175	417,562	318,005
Union of Ontario Indians	194,175	309,816	118,841
CMHC subsidy	194,175	273,122	261,027
Interest	194,175	33,474	85,610
Foreign exchange gain (loss)	194,175	18,382	
Deferred revenue - current year (note 7)	(1,386,159)	(1,482,002)	
	<b>15,580,247</b>	<b>33,255,741</b>	12,631,229
<b>Expenditures (notes 24 ,25)</b>			
Amortization of capital assets	2,099,001	1,309,566	1,402,666
Band support	3,211,632	2,410,593	
Big bear creek	3,082,658	2,830,493	
Capital projects	77,641	146,507	
Child welfare	137,500	227,874	154,109
Development Corporation (note 17)	544,248	515,263	281,564
Economic development	4,560,919	4,286,065	4,121,917
Education (note 8)	516,067	769,770	559,359
Employment and training	1,186,830	1,139,742	1,068,812
Health	1,070,569	995,886	1,121,602
Housing	254,893	237,307	136,165
Justice	278,450	119,916	196,045
Land and environment	(218,269)	(2,756,050)	
Point Edward (note 9)	899,479	930,625	948,002
Public works	3,650,916	3,749,077	3,713,953
Social services	325,000	246,360	351,519
	<b>15,523,872</b>	<b>20,681,113</b>	22,796,613
<b>Excess (Deficiency) of Revenue over Expenditures</b>			
	<b>56,375</b>	<b>12,574,628</b>	(10,165,384)

## Chippewas of the Thames First Nation

### Consolidated Statement of Cash Flows

Year ended March 31	2017 (\$)	2016 (\$) (restated)
<b>Cash Flows From (Used In) Operating Activities</b>		
Excess (deficiency) of revenue over expenditures	<b>12,574,628</b>	(10,165,384)
Adjustment for non-cash items:		
Amortization of capital assets	1,309,566	1,402,666
Impairment of long term loan		2,006,050
Development Corporation restatement		19,463
	<b>13,884,194</b>	(6,737,205)
Changes in non-cash working capital		
Accounts receivable	(431,495)	(64,466)
Prepaid expenses		(11,756)
Accounts payable and accrued expenses	(936,058)	3,634,848
Accounts payable prior period restatement (note 17)		(315,000)
Deferred revenue	(95,843)	(253,918)
	<b>(1,463,396)</b>	2,989,708
	<b>12,420,798</b>	(3,747,497)
<b>Cash Flows From (Used In) Financing Activities</b>		
Proceeds from long-term debt		1,801,564
Repayment of long-term debt	(508,106)	(76,382)
	<b>(508,106)</b>	1,725,182
<b>Cash Flows From (Used In) Investing Activities</b>		
Redemption (acquisition) of investments	(7,296,451)	7,602,006
Funds held in trust	(11,620)	(12,681)
Capital asset acquisitions	(298,774)	(4,285,588)
Housing loan reduction (increase)	154,209	266,173
	<b>(7,452,636)</b>	3,569,910
<b>Net Increase (Decrease) in Cash During Year</b>	<b>4,460,056</b>	1,547,595
<b>Cash, beginning of year</b>	<b>6,704,817</b>	5,157,222
<b>Cash, end of year</b>	<b>11,164,873</b>	6,704,817
<b>Cash Represented by:</b>		
Cash - Operating and OLG	2,321,555	304,215
Bank indebtedness		(1,840,908)
	<b>2,321,555</b>	(1,536,693)
Cash - Trust Fund	8,843,318	8,241,510
	<b>11,164,873</b>	6,704,817

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

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### 1. Accounting Policies

The Chippewas of the Thames First Nation uses the Canadian accounting standards for public sector entities as the basis for presentation in these consolidated financial statements. The consolidated financial statements of the First Nation includes the various departments reported in the supplementary financial information. These departments include five CMHC housing programs. A significant aspect of the reporting standards is to account for various assets, liabilities and operating accounts by specific funds. The definition of the funds used are as follows:

**Capital Fund** represents tangible assets, which have economic lives extending beyond the current accounting period reported at cost, less accumulated amortization.

**Trust Funds** represent the funds held in the Consolidated Revenue Fund of the Government of Canada, the Zhoonyaa Pension Fund and the Big Bear Creek Trust.

**Members Housing Fund** reports the assets receivable from members with respect to funds advanced to construct and maintain their dwelling units.

**OLG Fund** represents funds allocated from the Ontario First Nations Limited Partnership, plus investment income thereon, less qualified disbursements. Restrictions exist on the nature of disbursements from this fund.

**Operating Fund** is used to account for all other resources not accounted for in another fund.

The other significant accounting policies used by the First Nation are as follows:

#### (a) Temporary Investments

Temporary investments are considered held for trading financial instruments and as such are reported at their market value. The change in market value is reported on the statement of changes in net assets (debt) within the appropriate fund.

#### (b) Loans Receivable from Band Members/Members' Housing Reserve

Expenditures for house construction and renovations and sanitation facilities, to limits approved by Band Council, are funded by accountable contributions from the Government of Canada, Department of Aboriginal Affairs and Northern Development Canada (AANDC) and by repayment of these amounts by Band members. Agreements between the Band and Band members specify the percentage of these expenditures to be repaid by the Band member. Such amounts repayable are reported on the statement of financial position as loans receivable from Band members and as the members housing reserve. The payments are recorded as a reduction in the loan receivable and as a transfer from the Housing Fund to the Operating Fund.

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

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### 1. Accounting Policies (Continued)

#### (c) Capital and Intangible Assets

Capital assets consist of property, plant and equipment. These assets are stated at cost in the capital fund. Amortization is recorded as a reduction of the capital fund at the following annual rates:

Building	40 Years Straight Line
Water and sewage lines	25 Years Straight Line
Upgrades to water and sewage lines	10 Years Straight Line
Roads and bridges	15 Years Straight Line
Furniture and equipment	5 Years Straight Line
Solar equipment	20 Years Straight Line
Vehicles	5 Years Straight Line
Computer equipment	3 Years Straight Line
Monument and exhibit	Indefinite Life

Intangible assets are initially recorded at cost and subsequently measured at cost less accumulated amortization. Amortization is provided as follows:

Contract rights	20 Years Straight Line
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#### (d) Deferred Revenue

Revenue that relates to expenditures of future accounting periods has been deferred.

#### (e) Funds Held in Trust by the Government of Canada

Revenue from the Capital funds held in trust by the Government of Canada are reported as assets on the statement of financial position. Interest and other income earned are recorded as revenue and disbursements are recorded as expenditures of the trust fund.

#### (f) Financial Instruments

The council's financial instruments consist of cash or bank indebtedness, temporary investments, accounts receivable, and accounts payable and accrued liabilities and long-term debt. With the exception of the outstanding prime based long-term debt, it is council's opinion that the council is not exposed to significant interest or credit risks arising from these instruments. The carrying value of the financial instruments is equal to their fair value, unless otherwise noted.

#### (g) Revenue Recognition

The Chippewas of the Thames First Nation follows the deferral method of recognizing revenue. Under the deferral method, restricted contributions for expenses of one or more future periods are deferred and recognized as revenue in the same period as the related expenses are recognized. Unrestricted contributions or restricted contributions for expenses incurred in the current period are recognized as revenue in the current period. The recognition criteria for government transfers are also followed for entitlements, cost sharing agreements and grants, where the funding agreements with the various government bodies are used to determine which criteria to follow.

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 1. Accounting Policies (Continued)

#### (h) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

### 2. Cash and Temporary Investments

	2017 (\$)	2016 (\$) <i>(restated)</i>
<b>Cash</b>		
Big Bear Creek Trust - PCD	280,102	271,870
Big Bear Creek Trust - ISF	1,605,221	91,458
Big Bear Creek Trust - Community Development	1,175,087	4
Big Bear Creek Trust - Investment account	<u>5,782,908</u>	<u>7,878,178</u>
 Big Bear Creek - Total	 8,843,318	8,241,510
Housing	408,007	198,778
OLG	961	105,437
Operating	<u>1,912,587</u>	
 <b>Temporary Investments</b>	 <u>11,164,873</u>	 8,545,725
 Big Bear Creek Trust - BMO Harris Private Banking	 106,192,254	98,788,330
Housing - BMO Harris Private Banking	832,663	758,218
Zhoonyaa Pension - BMO Nesbitt Burns	<u>527,589</u>	<u>709,507</u>
 <b>107,552,506</b>	 <b>100,256,055</b>	

In December 2016, \$235,000 was withdrawn from the Zhoonyaa Pension to help cover payroll costs. This amount has not yet been repaid from operating accounts to the Zhoonya Pension.

### 3. Bank Indebtedness

The First Nation is authorized for an overdraft limit of \$1,500,000 (2016 - \$1,500,000) which is unsecured. Interest is paid monthly at the bank's prime lending rate.

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 4. Accounts Receivable

Accounts receivable consist of the following balances:

	2017 (\$)	2016 (\$) (restated)
AANDC	323,093	214,364
Province of Ontario	214,883	220,307
Southern First Nations Secretariat	202,212	105,620
GST/HST	179,680	3,362
Housing rent	98,678	14,518
Green Lane landfill revenue share	40,146	
Water payments from Band members	31,651	9,343
Other	31,307	50,275
Union of Ontario Indians	23,790	3,790
Stepping Stones	45,826	21,792
Health Canada		116,400
Development corporation - GST/HST	257,340	257,340
Development corporation - trade receivables	26,852	26,852
	<b>1,475,458</b>	1,043,963

### 5. Capital Assets

	Cost (\$)	Accumulated Amortization (\$)	2017 Net (\$)	2016 Net (\$) (restated)
Land	1		1	1
Buildings	30,231,573	11,036,354	19,195,219	19,802,309
Furniture and equipment	3,143,776	3,040,866	102,910	190,282
Upgrades to water & sewage lines	8,571,968	7,260,092	1,311,876	1,581,639
Water and sewage lines	219,265		219,265	219,265
Vehicles	1,201,640	1,101,481	100,159	128,906
Roads and bridges	3,222,296	1,579,969	1,642,327	1,649,847
Computer equipment	365,604	362,048	3,556	13,855
Monument and exhibit	251,537		251,537	251,537
Solar equipment	2,059,558	51,489	2,008,069	2,008,069
	<b>49,267,218</b>	<b>24,432,299</b>	<b>24,834,919</b>	<b>25,845,710</b>

The following costs have not been subject to amortization as the related asset is not yet ready for use: water and sewage line costs of \$219,265.

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

**March 31, 2017**

### 6. Long-Term Debt

		2017 (\$)	2016 (\$)
Prime +0.5%	Antler River commercial complex loan repayable in monthly installments of \$9,715 plus interest, due on demand or by August 31, 2031. The commercial complex and farm land are held as security (carrying value of \$4,098,306), as well as a General Security Agreement.	1,807,012	1,923,594
Prime	Jubilee Road reconstruction - demand loan repayable in monthly installments of \$11,667 including interest, secured by the assignment of OFNLP distributions.	1,201,667	1,341,667
1.92%	CMHC Phase IV - Housing mortgage repayable in monthly installments of \$5,946 including interest, due April 1, 2019.	1,285,323	1,331,664
1.62%	CMHC Phase III - Seniors Complex mortgage repayable in monthly installments of \$8,344 including interest, due for renewal on March 1, 2018.	557,101	647,463
2.95%	CMHC Phase I - Housing mortgage repayable in monthly installments of \$6,246 including interest, due for renewal on May 1, 2021.	539,093	590,875
1.31%	CMHC Phase II - Housing mortgage repayable in monthly installments of \$2,618 including interest, due for renewal on December 1, 2021.	287,503	314,615
1.17%	CMHC Phase V - Housing mortgage repayable in monthly installments of \$1,922 including interest, due for renewal on January 1, 2021.	480,021	497,390
Prime +1.5%	Development Corporation - demand loan secured by collateral mortgage on farm land and a general security agreement.	240,000	240,000
0%	Vehicle financed with Ford Credit, payable in monthly installments of \$759, due on January 6, 2021, secured by the vehicle with a carrying value of \$34,159.	34,160	43,269
0%	Vehicle financed with Ford Credit, payable in monthly installments of \$787, due on January 6, 2021, secured by the vehicle with a carrying value of \$35,434.	35,434	44,883
Total		<b>6,467,314</b>	6,975,420
Less: current portion		<b>3,972,107</b>	4,583,139
Long term portion		<b>2,495,207</b>	2,392,281

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## Chippewas of the Thames First Nation

### Notes to the Consolidated Financial Statements

**March 31, 2017**

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#### 6. Long-Term Debt (Continued)

Principal repayments due on the long-term debt in each of the next five fiscal years are as follows:

	(\$)
2018	<b>3,972,107</b>
2019	169,546
2020	1,314,109
2021	530,296
2022	<b>481,256</b>
	<b>6,467,314</b>

The CMHC loans are secured by Ministerial Loan Guarantees from AANDC. Loans due on demand have been classified as current and as due in the next fiscal year.

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#### 7. Deferred Revenue

	2017 (\$)	2016 (\$)
AANDC - interim water treatment upgrade	1,271,900	1,437,799
CMHC - RRAP funding	98,000	
SOHAC - Vehicle funding	16,259	32,517
Southern First Nations - Solvent Abuse Program		11,686
	<b>1,386,159</b>	<b>1,482,002</b>

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#### 8. Related party transactions

Refer to Annex B for the schedule of salaries, honoraria, travel expenses and other remuneration of elected or appointed officials.

Education expenditures include \$180,268 (2016 - \$167,880) in student transportation costs that are paid to a former Chief of the First Nation who is under contract to provide elementary school busing services from September 2014 through August 2019. The contract was awarded through a request for proposal bidding process established by Council. The expenses are measured at the exchange amount which is the amount agreed on by both parties.

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#### 9. Point Edward expenditures

Point Edward expenditures in the prior year included \$750,000 in estimated legal fees related to a lawsuit that ended in the prior year. As of the prior year audit report date, the legal fees had not been finalized. The fees were finalized in the current year in the amount of \$531,731 which resulted in a legal fee recovery of \$218,269.

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 10. Other revenue

Other revenue consist of the following:

	2017 (\$)	2016 (\$) (restated)
Rentals	250,133	125,913
Grants	268,464	197,117
Chippewas of Kettle & Stoney Point FN Student Success	175,000	177,000
Harmonized Sales Tax recovered (a)	174,343	
Water payments	66,685	75,502
Summer student programs	59,023	53,515
Hydro locatees	50,542	50,542
Supreme Court legal fund	49,262	
Cigarette quota	49,065	51,729
Munsee Delaware Fire agreement	40,800	61,200
Thunderbird Trust	40,050	
First Nation Lands Management	17,000	49,500
Right to Play	11,154	23,300
Miscellaneous	8,385	1,901
Munsee Delaware tuition payments	7,899	27,381
Daycare	7,598	9,712
Development corporation - solar revenue		108,872
	<b>1,275,403</b>	<b>1,013,184</b>

(a) Harmonized Sales Tax (HST) recovered mainly relates to amounts paid on travel expenditures in addition to amounts paid on goods and services during the current and prior year.

### 11. Contingent Liability

The Chippewas of the Thames First Nation Housing Fund is the guarantor of certain housing loans under the Housing Loan Program at the Bank of Montreal. The total amount of the loans outstanding at March 31, 2017, is \$594,612 (2016 - \$626,582). The Chippewas of the Thames First Nation have also agreed to repay these mortgages when their principal balance is paid down to \$30,000. The amount of the contingent liability (\$300,000) has been classified as an externally restricted net asset of the housing fund to indicate the net assets required to repay these mortgages.

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 12. Housing loans receivable

Each year the members housing reserve is reviewed and adjusted to the estimated collectible portion of loans. During the year there was an increase in the allowance of \$185,224 (2016 - \$303,532 increase).

	2017 (\$)	2016 (\$)
Housing loans receivable	3,233,307	3,202,292
Allowance on housing loans	<u>(2,463,347)</u>	<u>(2,278,123)</u>
Housing loans considered collectible	<u>769,960</u>	<u>924,169</u>

### 13. Pension Plan

The First Nation participates in a defined contribution pension plan. Employees can contribute from 3% to 7.7% of their gross pay to the plan and the contributions are fully matched by the First Nation. During the year, contributions of \$162,211 (2016 - \$129,242) were made into the plan and recorded as expenditures.

### 14. Green Lane landfill revenue share

During the year, the results of an agreement made with the City of Toronto that provides a 40% revenue share of the tonnage royalties from the Green Lane landfill were realized. The revenue recorded in the year relates to royalties earned from 2006 through March 2017 which were previously held in trust by a law firm. As the First Nations' revenue share percentage was not agreed on until the current year, the prior year figures have not been restated related to the royalties earned in prior years.

The Green Lane funds have been used as follows:

	2017 (\$)	2016 (\$)
<b>Receipts</b>		
Landfill revenue share receipts	<u>4,294,895</u>	
Available to spend	<u>4,294,895</u>	
<b>Disbursements</b>		
Repayments to Housing phases	144,474	
Transfers to cover operating bank overdrafts	336,121	
Operating repayment to BBC Trust	<u>168,000</u>	
Total disbursements	<u>648,595</u>	
Unused funds	<u>3,646,300</u>	

Green Lane receipts do not include the accounts receivable at year end of \$40,146. The Green Lane cash is included in the operating accounts.

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## **Chippewas of the Thames First Nation**

### **Notes to the Consolidated Financial Statements**

**March 31, 2017**

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#### **15. Financial Instruments**

The First Nation's financial instruments consist of cash, temporary investments, accounts receivable, housing loans receivable, long term loans, accounts payable and debt. The carrying value of the financial instruments approximates their fair value, unless otherwise stated. The following analysis provides information about the First Nation's risk exposure.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation is exposed to liquidity risk through its accounts payable and debt.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The First Nation is exposed to interest rate risk through its bank overdraft and debt which incur interest at the bank's prime lending rate or a floating rate based on prime.

Credit risk arises from the possibility that a counterparty to a contract fails to perform according to the terms and conditions of the contract. The First Nation is exposed to credit risk through its accounts receivable, housing loans receivable and long-term loans.

Currency risk arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The First Nation is exposed to foreign currency risk on cash and investments held in U.S. dollars. The First Nation does not use derivative instruments to reduce its exposure to foreign currency risk.

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

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### 16. Big Bear Creek Land Claim

On January 28, 2013 the First Nation reached a settlement agreement with the Government of Canada for the Big Bear Creek land claim. The members of the First Nation implemented the Trust described in the Settlement Agreement by a ratification vote which was held on March 23, 2013.

The funds are held in trust for the First Nation and are to be used as follows:

- 1) to fund a \$7,500 capital distribution to each qualifying member;
- 2) to create an income stabilization fund for elders;
- 3) to create an education savings plan for members under the age of nineteen;
- 4) to create a community development fund;
- 5) to enable the First Nation to acquire additional reserve lands.

The following is a summary of payments to members and community development spending:

	2017 (\$)	2016 (\$)
<b>Per Capital Distributions</b>		
Calendar year payments	417,787	324,888
Less: calendar year return of unused	(12,995)	(31,971)
Less: January to March of prior fiscal year	(94,973)	(56,554)
Add: January to March of current fiscal year	<u>112,657</u>	94,973
	422,476	331,336
<b>Income Stabilization Fund payments</b>		
Calendar year payments	1,985,421	2,467,419
Less: calendar year return of unused	(133,542)	(839,510)
Less: January to March of prior fiscal year	(400,005)	(286,928)
Add: January to March of current fiscal year	<u>462,642</u>	400,005
	1,914,516	1,740,986

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

**March 31, 2017**

### 16. Big Bear Creek Land Claim (Continued)

	2017 (\$)	2016 (\$)
<b>Community Development</b>		
Calendar year - transfer from BBC	1,226,466	1,834,634
Less: calendar year return of unused	(122,647)	(183,463)
Less: transfers January to March of prior fiscal year		
Add: transfers January to March of current fiscal year	1,173,775	
Interest earned	2,846	
Available to spend	2,280,440	1,651,171
The community development funds were spent as follows:		
Higher education	235,290	
Administrative Capacity Development	211,032	250,011
Justice Program	184,153	105,426
Education (Life Long Learning)	155,031	
Band Representative program	115,555	154,108
Environment and Lands	81,054	90,512
Social Services Director	80,000	84,125
Community Emergency Assistance	77,151	39,717
Street light replacement	30,000	
Binoojiinyag	28,285	29,494
Education salary top up	18,000	
Elite	8,733	
Heritage/Culture and language	8,156	70,719
Lands research program		196,045
Development Corporation		94,663
CCP Coordinator		59,895
Total spending	1,232,440	1,174,715
Unused funds for the year	1,048,000	476,456
Unused funds from prior year	476,456	
Accumulated unused funds	1,524,456	

During the prior year it was determined that funds were transferred from the Big Bear Creek account to the First Nation operating account in error. The amount owed to from the operating account to the Trust was \$193,967 as of December 2016. This is calculated as \$362,467 of transfers to the operating account plus \$112,500 of duplicate or ineligible PCD payments less \$281,000 in unpaid legal fees.

\$168,000 was repaid to the Big Bear Creek account in March 2017 and the remaining \$25,967 in June 2017.

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 17. Development Corporation

The Chippewas of the Thames Development Corporation ("Development Corporation") was incorporated under the laws of Canada on October 28, 1996 and is a for-profit corporation committed to the effective and profitable management of the business and investment opportunities of the First Nation for the benefit of the community members, potential investors and the First Nation. The Development Corporation is a wholly-owned subsidiary of the First Nation. Under the Income Tax Act, Canada, the Corporation is liable for taxes on income.

The assets, liabilities, net assets, revenues and expenditures of the Development Corporation for the year ended March 31, 2017 are not yet available. The assets and liabilities have been unchanged from the prior year ending balances and have not been audited.

The assets, liabilities, net assets, revenues and expenditures of the Development Corporation for the prior year were audited by another accounting firm and have been included in these consolidated financial statements. The following is a summary of the Development Corporation amounts which have been recorded in the operating fund:

	2017 (\$)	2016 (\$)
<b>Assets</b>		
Cash	20,302	20,302
Accounts receivable	284,192	284,192
Prepaid expenses	11,756	11,756
Capital assets - solar equipment	2,008,069	2,008,069
Intangible assets - contract rights	122,850	122,850
<b>Total</b>	<b>2,447,169</b>	2,447,169
<b>Liabilities and Net Assets (Debt)</b>		
Accounts payable and accrued	2,415,037	2,415,037
Debt - demand loan	240,000	240,000
Net assets (debt)	(207,868)	(207,868)
<b>Total</b>	<b>2,447,169</b>	2,447,169
<b>Revenues:</b>		
Other revenue - solar		108,872
<b>Expenditures:</b>		
Expenditures other than amortization (note 25)		281,564
Amortization of capital assets		54,639
<b>Total expenditures</b>		336,203
<b>Excess (deficiency) of revenues over expenditures</b>		(227,331)

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

**March 31, 2017**

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### **18. Prior Period Restatement**

During the current year audit, the following was discovered which has resulted in the restating of prior year figures:

a) certain activity was previously recorded as a direct increase or decrease to net assets which should have been recorded as revenue or expense according to the accounting standards.

This has resulted in the recording of investment income of \$4,602,412 and change in unrealized loss on investments of \$6,798,140 as revenue items; and recording investment fees (Big Bear Creek expenditure) of \$591,817. It has also resulted in recording the Big Bear Creek ISF payments (\$1,740,986), Big Bear Creek PCD payments (\$331,336) and the members mortgage repayments (\$30,000) as expenses.

The impact of these presentation changes has resulted in a decrease to revenues of \$2,195,728, an increase to expenditures of \$2,694,139 and a net increase to the deficiency of revenue over expenditures by \$4,889,867.

b) in fiscal year 2010, the First Nation took on the Land Claims Trusts' outstanding obligation of construction costs for the Antler River Commercial Complex due to financial difficulties in the Land Claims Trust. Subsequent to fiscal 2010, the First Nation incurred the remaining costs required to complete the construction of the building. As the building was effectively transferred to the First Nation in fiscal 2010, the prior year has been restated to reflect the cost and accumulated amortization transferred from the Trust to the First Nation. This has resulted in an increase to prior year capital assets and net assets of \$705,167 along with an increase to prior year amortization of capital assets and deficiency of revenues over expenditures of \$19,588.

c) legal fees related to the Big Bear Creek lawsuit that were incurred in fiscal 2012 and prior had been under negotiation in prior years. During the current year, the legal fees were finalized at \$315,000. As an estimate of these fees should have been accrued for in prior year financial statements, a prior period restatement has been made to reduce the opening operating fund balance and increase the prior year accounts payable and accrued liabilities by the \$315,000.

d) the prior period has been restated to include the assets, liabilities, net assets, revenues and expenditures of the Development Corporation as these amounts have become available. This has resulted in an increase to the deficiency of revenue over expenditures by \$227,331 along with an increase to the capital fund and corresponding decrease to the operating fund of \$2,185,558 related to capital asset and intangible asset additions. Refer to (note 17) for a detailed summary of the Development Corporation amounts.

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### **19. Commitments**

In July 2015 the First Nation guaranteed a demand loan for the Development Corporation with a draw limit of \$2,200,000, bearing interest at prime +1.5% and repayable over 15 years. The funds were used to erect four solar farms for the purpose of selling solar energy.

The Development Corporation has entered into lease agreements with four landlords to install roof top solar equipment. The lease term is for nineteen years and six months, ending February 18, 2035. Lease payments totaling \$30,650 are to be paid annually during the term of these agreements.

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### **20. Budget**

The budgeted figures on the statement of revenue and expenditures and in the expenditures by object were approved by the Chief and Council. The figures have not been audited.

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# **Chippewas of the Thames First Nation**

## **Notes to the Consolidated Financial Statements**

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**March 31, 2017**

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### **21. Ongoing lawsuits**

The First Nation is involved in various lawsuits that are ongoing as of the audit report date. These lawsuits may result in a gain or loss in a future period, however the results are not determinable at this time.

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### **22. Supreme Court legal fees**

The First Nation incurred \$240,279 (2016 - nil) in legal fees related to case that has been taken to the Supreme Court.

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### **23. Comparative Figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

**March 31, 2017**

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### **24. Expenditures by object**

Expenditures presented by object are as follows:

	<b>2017</b>	<b>2016</b>
	(\$)	(\$)
Salaries and benefits	<b>5,965,336</b>	5,715,761
Education services	<b>2,191,042</b>	1,841,748
Social benefits	<b>1,949,628</b>	1,996,476
Big Bear Creek Income Stabilization Fund payments	<b>1,914,516</b>	1,740,986
Amortization of capital assets	<b>1,309,566</b>	1,402,666
Repairs and maintenance	<b>1,292,809</b>	1,006,152
Training and development	<b>793,877</b>	597,095
General office and supplies	<b>598,903</b>	442,793
Investment fees	<b>593,437</b>	591,817
School transportation	<b>443,460</b>	457,868
Big Bear Creek Per Capita Distributions	<b>422,476</b>	331,336
Utilities and rent	<b>397,921</b>	373,677
Honoraria	<b>380,335</b>	450,547
Programming	<b>303,807</b>	258,796
Insurance	<b>280,166</b>	251,755
Communications	<b>248,363</b>	236,080
Travel	<b>312,567</b>	317,359
Consulting fees	<b>272,043</b>	228,291
Social events	<b>177,154</b>	70,575
Bad debts	<b>163,653</b>	356,732
Interest on long term debt	<b>130,846</b>	141,619
Interest and bank charges	<b>128,865</b>	268,725
Audit fees	<b>108,962</b>	74,861
Food supplies	<b>104,882</b>	109,822
Vehicle fuel and maintenance	<b>95,003</b>	93,208
Legal fees	<b>54,818</b>	1,240,544
Equipment rental	<b>30,446</b>	41,817
Cultural	<b>16,087</b>	28,367
Grants, donations and incentives	<b>145</b>	1,337
Impairment of loans		2,006,050
Impairment of HST receivable		91,753
Members' mortgage repayments		30,000
	<b>20,681,113</b>	<b>22,796,613</b>

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 25. Expenditures by object for each department

Expenditures shown in the following schedules do not include amortization of capital assets of \$1,309,566 (2016 - \$1,402,666).

Expenditures presented by object for each department (excluding any amortization of capital assets) are as follows:

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Band support</b>			
Salary & wages	866,859	<b>771,017</b>	658,070
Repairs & Maintenance	69,110	<b>483,311</b>	195,384
Professional fees	98,300	<b>445,182</b>	236,947
Honorarium	187,000	<b>215,385</b>	230,087
Insurance	242,124	<b>214,200</b>	184,789
Office expense	85,730	<b>153,508</b>	116,014
Interest & bank charges	20,000	<b>122,619</b>	82,929
Training & Development	126,500	<b>122,504</b>	1,478
Benefits	122,241	<b>108,129</b>	135,576
Other	15,000	<b>90,921</b>	35,819
Communications	33,700	<b>106,874</b>	92,031
Programming	70,000	<b>115,774</b>	123,121
Funerals & Burials	60,528	<b>68,052</b>	24,952
Utilities	48,000	<b>60,229</b>	41,755
Chief and council travel	28,500	<b>57,105</b>	84,654
Travel & meals	12,409	<b>56,110</b>	40,938
Advertising & promotion	3,000	<b>15,310</b>	3,935
Vehicle	3,500	<b>3,795</b>	10,282
Food	500	<b>695</b>	1,723
Casual/Temp Labour	4,000	<b>512</b>	18,356
Rent	2,000	<b>400</b>	
Impairment of loan or receivable			<b>91,753</b>
Expenditures	2,099,001	<b>3,211,632</b>	2,410,593
Revenue		<b>1,508,632</b>	1,097,781
Surplus (Deficit)		<b>(1,703,000)</b>	(1,312,812)

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 25. Expenditures by object (continued)

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Big Bear Creek</b>			
Income stabilization fund distributions	1,914,516	1,740,986	
Investment fees	593,437	591,817	
Per capital distributions	422,476	331,336	
Salary & wages	66,289	58,158	
Honorarium	24,288	33,400	
Office	20,065	21,634	
Professional fees	10,535	15,834	
Insurance	7,850	7,592	
Training & development	7,645	10,975	
Communications	5,682	11,996	
Travel	5,215	6,714	
Interest & bank charges	4,660	51	
<b>Expenditures</b>	<b>3,082,658</b>	2,830,493	
<b>Revenue</b>		<b>12,440,201</b>	(2,164,301)
<b>Surplus (Deficit)</b>		<b>9,357,543</b>	(4,994,794)

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Capital projects</b>			
Interest on long term debt	59,712	66,600	
Repairs & maintenance	9,643	72,907	
Salary & wages	6,532	6,994	
Professional fees	1,655		
Benefits	99	6	
<b>Expenditures</b>	<b>77,641</b>	146,507	
<b>Revenue</b>		<b>561,113</b>	573,233
<b>Surplus (Deficit)</b>		<b>483,472</b>	426,726

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 25. Expenditures by object (continued)

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Child welfare</b>			
Salary & wages	92,100	<b>87,506</b>	89,097
Programming	9,000	<b>56,482</b>	1,596
Repairs & maintenance		<b>32,281</b>	9,440
Travel & meals	16,955	<b>14,795</b>	14,258
Honorarium	6,000	<b>10,546</b>	13,673
Communications	2,500	<b>8,661</b>	8,354
Office	2,000	<b>8,430</b>	8,376
Professional fees		<b>4,323</b>	940
Benefits	7,945	<b>3,532</b>	5,744
Training & development	1,000	<b>818</b>	2,591
Advertising & promotion		<b>500</b>	
Vehicle		<b>40</b>	
<b>Expenditures</b>	<b>137,500</b>	<b>227,874</b>	154,109
<b>Revenue</b>		<b>156,977</b>	10,000
<b>Surplus (Deficit)</b>		<b>(70,897)</b>	<b>(144,109)</b>
	Budget (\$)	2017 (\$)	2016 (\$)
<b>Development corporation</b>			
Interest & bank charges		184,685	
Professional fees		54,059	
Office		20,943	
Rent		18,894	
Utilities		2,983	
<b>Expenditures</b>		<b>281,564</b>	
<b>Revenue</b>		<b>108,872</b>	
<b>Surplus (Deficit)</b>		<b>(172,692)</b>	

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 25. Expenditures by object (continued)

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Economic development</b>			
Salary & wages	255,271	<b>302,470</b>	256,095
Professional fees	16,215	<b>40,223</b>	211,693
Travel & meals	8,000	<b>51,063</b>	24,778
Office	6,108	<b>41,834</b>	12,110
Programming	6,500	<b>29,643</b>	
Benefits	25,057	<b>21,791</b>	15,192
Honorarium	7,000	<b>11,437</b>	10,993
Communications	8,150	<b>8,135</b>	19,071
Casual/Temp labour		<b>4,800</b>	24,260
Repairs & maintenance	12,000	<b>4,554</b>	993
Utilities	6,500	<b>1,309</b>	
Other	1,499	<b>1,137</b>	2,571
Advertising & promotion	1,000	<b>739</b>	6,352
Interest & bank charges		<b>80</b>	
Training & development	6,000	<b>(3,952)</b>	12,979
Food			170
Admin fees	9,500		
Interest on long term debt	175,448		
 Expenditures	 544,248	 <b>515,263</b>	 597,257
 Revenue	 	 <b>347,866</b>	 234,500
 Surplus (Deficit)	 	 <b>(167,397)</b>	 (362,757)

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 25. Expenditures by object (continued)

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Education</b>			
Salary & wages	1,038,404	<b>1,112,935</b>	1,126,860
Tuition payments	1,140,686	<b>1,087,712</b>	1,034,810
Programming	956,631	<b>933,507</b>	672,382
Student transportation	463,757	<b>429,012</b>	449,695
Resources & materials	158,720	<b>138,264</b>	102,431
Office	62,825	<b>102,559</b>	89,952
Benefits	175,951	<b>98,671</b>	141,247
Utilities	80,000	<b>76,236</b>	92,475
Honorarium	78,684	<b>77,660</b>	79,271
Repairs & maintenance	112,549	<b>56,193</b>	141,696
Casual/Temp labour	65,244	<b>48,976</b>	63,598
Training & development	103,320	<b>38,989</b>	39,817
Travel & meals	32,000	<b>34,987</b>	20,731
Food	14,949	<b>21,641</b>	21,878
Communications	14,020	<b>14,940</b>	20,852
Rent		<b>9,044</b>	8,645
Other	6,000	<b>3,631</b>	4,032
Interest & bank charges		<b>2,016</b>	
Professional fees	5,000	<b>(908)</b>	11,545
Admin fees	13,107		
Vehicle	39,072		
<b>Expenditures</b>	<b>4,560,919</b>	<b>4,286,065</b>	4,121,917
<b>Revenue</b>		<b>4,268,139</b>	3,981,975
<b>Surplus (Deficit)</b>		<b>(17,926)</b>	<b>(139,942)</b>

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Employment and training</b>			
Training & development	256,370	<b>341,644</b>	230,543
Salary & wages	165,000	<b>308,105</b>	216,118
Office	12,500	<b>44,752</b>	15,828
Food	20,000	<b>27,292</b>	27,918
Travel & meals	10,500	<b>19,189</b>	20,628
Programming	21,597	<b>14,626</b>	27,871
Benefits	8,100	<b>8,556</b>	6,028
Repairs & maintenance	20,000	<b>3,994</b>	9,741
Communications	2,000	<b>1,432</b>	1,921
Honorarium		<b>180</b>	33
Casual/Temp labour			2,730
<b>Expenditures</b>	<b>516,067</b>	<b>769,770</b>	559,359
<b>Revenue</b>		<b>790,292</b>	(593,183)
<b>Surplus (Deficit)</b>		<b>20,522</b>	<b>(1,152,542)</b>

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 25. Expenditures by object (continued)

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Health</b>			
Salary & wages	615,814	<b>609,167</b>	573,764
Training & development	186,223	<b>284,540</b>	265,546
Benefits	72,986	<b>63,066</b>	51,654
Programming	149,351	<b>55,064</b>	65,754
Office	25,614	<b>38,507</b>	37,149
Repairs & maintenance	21,250	<b>35,209</b>	7,075
Communications	5,000	<b>18,724</b>	4,948
Utilities	6,682	<b>15,539</b>	10,176
Travel & meals	30,000	<b>12,902</b>	32,721
Food	10,000	<b>4,552</b>	10,158
Other		<b>2,472</b>	7,617
Professional fees	2,500		2,250
Admin fees	60,606		
Honorarium	804		
<b>Expenditures</b>	1,186,830	<b>1,139,742</b>	1,068,812
<b>Revenue</b>		<b>1,445,440</b>	1,219,311
<b>Surplus (Deficit)</b>		<b>305,698</b>	<b>150,499</b>

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Housing</b>			
Repairs & maintenance	410,199	<b>407,108</b>	366,603
Office	5,584	<b>164,982</b>	330,751
Salary & wages	185,629	<b>157,023</b>	141,190
Interest on long term debt	282,414	<b>70,907</b>	75,019
Utilities	40,900	<b>68,853</b>	59,115
Insurance	53,928	<b>53,058</b>	54,635
Programming	15,000	<b>15,694</b>	13,988
Professional fees	13,450	<b>15,335</b>	16,940
Travel & meals	7,500	<b>13,199</b>	12,588
Benefits	14,904	<b>9,624</b>	6,196
Communications	3,326	<b>6,459</b>	4,374
Other	19,000	<b>4,920</b>	41
Training & development		<b>3,224</b>	4,924
Casual/Temp labour		<b>3,141</b>	539
Interest & bank charges	100	<b>1,409</b>	1,501
Vehicle	11,635	<b>950</b>	673
Member mortgage repayments			30,000
Honorarium	7,000		2,525
<b>Expenditures</b>	1,070,569	<b>995,886</b>	1,121,602
<b>Revenue</b>		<b>1,386,584</b>	896,424
<b>Surplus (Deficit)</b>		<b>390,698</b>	<b>(225,178)</b>

**Chippewas of the Thames First Nation**  
**Notes to the Consolidated Financial Statements**

**March 31, 2017**

**25. Expenditures by object (continued)**

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Justice</b>			
Salary & wages	136,347	<b>124,769</b>	90,250
Training & development	58,296	<b>37,953</b>	3,711
Professional fees	17,250	<b>28,250</b>	11,000
Travel & meals	10,800	<b>21,533</b>	13,530
Benefits	20,000	<b>6,185</b>	2,420
Programming		<b>5,427</b>	5,854
Advertising & promotion		<b>5,188</b>	
Communications		<b>2,098</b>	2,312
Honorarium		<b>2,040</b>	
Repairs & maintenance	5,700	<b>2,030</b>	3,059
Office	5,000	<b>1,583</b>	3,925
Food		<b>218</b>	104
Utilities		<b>33</b>	
Admin fees	1,500		
<b>Expenditures</b>	<b>254,893</b>	<b>237,307</b>	136,165
<b>Revenue</b>		<b>36,097</b>	21,655
<b>Surplus (Deficit)</b>		<b>(201,210)</b>	(114,510)

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 25. Expenditures by object (continued)

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Land and environment</b>			
Salary & wages	137,000	<b>78,312</b>	55,341
Professional fees	95,000	<b>16,990</b>	126,594
Office	10,000	<b>10,391</b>	1,171
Travel & meals	7,500	<b>9,567</b>	9,654
Benefits	14,450	<b>3,634</b>	1,010
Communications	2,000	<b>752</b>	1,392
Repairs & maintenance		<b>270</b>	883
Training & development	12,500		
 Expenditures	 278,450	 <b>119,916</b>	196,045
 Revenue			
 Surplus (Deficit)		 <b>(119,916)</b>	 (196,045)

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Point Edward</b>			
Impairment of loan or receivable		2,006,050	
Legal fees - point edward		<b>(218,269)</b>	750,000
 Expenditures		 <b>(218,269)</b>	2,756,050
 Revenue			
 Surplus (Deficit)		 <b>218,269</b>	 (2,756,050)

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 25. Expenditures by object (continued)

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Public works</b>			
Salary & wages	379,393	<b>370,459</b>	398,613
Repairs & maintenance	254,190	<b>228,058</b>	194,230
Utilities	80,950	<b>127,595</b>	102,018
Vehicle	50,479	<b>88,431</b>	81,499
Communications	19,876	<b>33,760</b>	39,466
Honorarium	35,000	<b>32,711</b>	36,455
Benefits	34,504	<b>28,888</b>	28,676
Training & development	35,587	<b>8,895</b>	9,912
Insurance	5,000	<b>5,057</b>	4,739
Food		<b>3,554</b>	3,816
Other		<b>1,941</b>	2,245
Office	1,000	<b>772</b>	35,757
Travel & meals	2,500	<b>504</b>	1,113
Casual/Temp labour	1,000		1,220
Programming			8,243
<b>Expenditures</b>	<b>899,479</b>	<b>930,625</b>	948,002
Revenue		<b>799,065</b>	816,411
<b>Surplus (Deficit)</b>		<b>(131,560)</b>	(131,591)

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Social services</b>			
Programming	1,848,291	<b>2,004,516</b>	2,064,220
Salary & wages	1,302,434	<b>1,336,306</b>	1,266,543
Benefits	130,692	<b>102,357</b>	78,234
One time funding	49,605	<b>48,204</b>	45,539
Food	79,699	<b>46,930</b>	44,055
Travel & meals	17,109	<b>41,602</b>	30,056
Repairs & maintenance	26,198	<b>41,280</b>	33,998
Office	32,685	<b>33,874</b>	36,881
Utilities	31,000	<b>28,504</b>	27,253
Communications	20,851	<b>26,774</b>	26,394
Training & development	7,995	<b>16,024</b>	10,931
Other	15,188	<b>15,814</b>	15,427
Honorarium	1,500	<b>5,387</b>	28,558
Vehicle	2,500	<b>1,826</b>	715
Advertising & promotion	2,000	<b>1,373</b>	621
Interest & bank charges	1,200	<b>(1,694)</b>	(445)
Funerals & burials			924
Casual/Temp labour			4,049
Rent	27,000		
Admin fees	54,969		
<b>Expenditures</b>	<b>3,650,916</b>	<b>3,749,077</b>	3,713,953
Revenue		<b>3,606,526</b>	3,675,666
<b>Surplus (Deficit)</b>		<b>(142,551)</b>	(38,287)

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

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### 25. Expenditures by object (continued)

	Budget (\$)	2017 (\$)	2016 (\$)
<b>Tobacco self regulation pilot project</b>			
Salary & wages	130,000	<b>115,578</b>	191,935
Professional fees	122,500	<b>92,508</b>	105,895
Communications	3,000	<b>14,071</b>	2,968
Travel & meals	21,000	<b>8,599</b>	13,286
Benefits		<b>6,910</b>	
Office	4,000	<b>5,064</b>	1,740
Programming		<b>2,930</b>	20,029
Honorarium		<b>700</b>	15,552
Admin fees	32,500		
Training & development	12,000		
Repairs & maintenance			<b>114</b>
<b>Expenditures</b>	<b>325,000</b>	<b>246,360</b>	351,519
<b>Revenue</b>		<b>233,023</b>	378,750
<b>Surplus (Deficit)</b>		<b>(13,337)</b>	<b>27,231</b>

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## Auditors' Comments on Supplementary Financial Information

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To the Members of the Chippewas of the Thames First Nation

The supplementary financial information, presented hereinafter, is derived from the accounting records tested by us as part of our auditing procedures followed in our examination of the audited consolidated financial statements of the Chippewas of the Thames First Nation as at March 31, 2017 which we reported on as of June 27, 2017. Our testing of the supplementary financial information in relation to the financial statements taken as a whole does not permit our expression of an audit opinion on this information.

*MacNeill Edmundson*

London, Ontario  
June 27, 2017

PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Authorized to practice public accounting by  
the Chartered Professional Accountants of Ontario