

**Chippewas of the Thames First Nation**

**Consolidated Financial Statements**

**March 31, 2018**

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

**March 31, 2018**

**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, 2018, 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, 2018 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, 2018 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, 2018 and prior years have not been recorded in these consolidated financial statements. The revenues and expenditures for the year ended March 31, 2018 and the year ended March 31, 2017 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, 2018 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, 2017 have been included in these consolidated financial statements. These amounts have been audited by another accounting firm, refer to (note 18) for a summary of this information.

London, Ontario  
August 13, 2018

*MacNeill Edmundson*

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

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

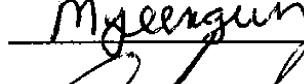
82 WELLINGTON STREET, LONDON, ONTARIO N6B 2K3   TEL 519.660.6060   FAX 519.672.6416   WEB [www.meb.on.ca](http://www.meb.on.ca)

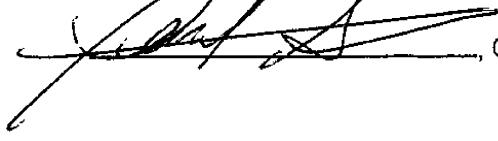
# Chippewas of the Thames First Nation

## Consolidated Statement of Financial Position

March 31	Operating Fund (\$)	Capital Fund (\$)	Housing Fund (\$)	Trust Fund (\$)	OLG Fund (\$)	Total 2018 (\$)	Total 2017 (\$)
							(restated)
<b>Financial Assets</b>							
Cash (note 2)	3,209,931		6,350,271	51,272	9,611,474	11,264,424	
Temporary investments (note 2)		825,518	109,254,323		110,079,841	107,552,506	
Accounts receivable (note 4)	1,098,510				1,098,510	1,193,064	
Funds held in trust			522,131		522,131	508,931	
Housing loans receivable (note 13)		1,055,766			1,055,766	1,402,158	
	<b>4,308,441</b>	<b>1,881,284</b>	<b>116,126,725</b>	<b>51,272</b>	<b>122,367,722</b>	<b>121,921,083</b>	
<b>Liabilities</b>							
Bank indebtedness (note 3)			137,799		1,505,139	1,673,914	
Accounts payable and accrued	1,367,340				433,297	433,297	
Obligation under capital lease		433,297			2,313,537	1,386,159	
Deferred revenue (note 9)	1,207,536	1,106,001			8,211,862	8,478,382	
Debt (note 8)		8,211,862					
	<b>2,574,876</b>	<b>9,751,160</b>	<b>137,799</b>		<b>12,463,835</b>	<b>11,538,455</b>	
<b>Net Financial Assets (Debt)</b>	<b>1,733,565</b>	<b>(9,751,160)</b>	<b>1,881,284</b>	<b>115,988,926</b>	<b>51,272</b>	<b>109,903,887</b>	<b>110,382,628</b>
<b>Non-financial assets</b>							
Capital assets (note 5)		25,282,040			25,282,040	24,734,516	
Assets under capital lease (note 6)		478,389			478,389		
Intangible assets (note 18)		116,707			116,707	116,707	
Prepaid expenses	59,651				59,651	59,651	
	<b>59,651</b>	<b>25,877,136</b>			<b>25,936,787</b>	<b>24,910,874</b>	
<b>Accumulated surplus (deficit)</b>	<b>1,793,216</b>	<b>16,125,976</b>	<b>1,881,284</b>	<b>115,988,926</b>	<b>51,272</b>	<b>135,840,674</b>	<b>135,293,502</b>
Accumulated surplus / (deficit) is comprised of:							
Externally Restricted Funds (note 12)		270,000		270,000	300,000		
Internally Restricted Funds		16,125,976	1,611,284	115,988,926	51,272	133,777,458	135,088,630
Unrestricted Funds	1,793,216					1,793,216	(95,128)
	<b>1,793,216</b>	<b>16,125,976</b>	<b>1,881,284</b>	<b>115,988,926</b>	<b>51,272</b>	<b>135,840,674</b>	<b>135,293,502</b>

Approved on behalf of the Council:

  
\_\_\_\_\_, Chief

  
\_\_\_\_\_, 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 2018 (\$)	Total 2017 (\$) (restated)
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>547,176</b>					<b>547,176</b>	12,374,735
Acquisition of capital assets	(2,339,187)					(2,339,187)	(298,774)
(Gain) / loss on disposal of capital assets		(69,191)				(69,191)	
Proceeds on disposal of capital assets		102,641				102,641	
Amortization of capital assets and assets under capital lease		1,279,820				1,279,820	1,416,112
Decrease (increase) of prepaid expenses							(9,423)
<b>Net Asset Transfers</b>							
Transfer of surplus (deficit)	(758,464)	(1,212,658)	(220,659)	1,544,163	647,618		
Transfer of long-term debt repayments	(470,520)	470,520					
Transfer of housing loan advances		(6,974)	6,974				
Transfer of housing loan repayments		118,429	(118,429)				
Other transfers	4,797,887	(2,689,627)	(21,423)	(1,489,530)	(597,307)		
<b>Change in Net Assets (Debt)</b>	<b>1,888,347</b>	<b>(2,118,495)</b>	<b>(353,537)</b>	<b>54,633</b>	<b>50,311</b>	<b>(478,741)</b>	13,482,650
<b>Net Financial Assets (Debt), beginning of year (note 19)</b>	<b>(154,782)</b>	<b>(7,632,665)</b>	<b>2,234,821</b>	<b>115,934,293</b>		<b>961</b>	110,382,628
<b>Net Financial Assets (Debt), end of year</b>	<b>1,733,565</b>	<b>(9,751,160)</b>	<b>1,881,284</b>	<b>115,988,926</b>		<b>51,272</b>	109,903,887
							110,382,628

# Chippewas of the Thames First Nation

## Consolidated Statement of Revenue and Expenditures

Year ended March 31	Budget (\$)	2018 (\$)	2017 (\$) (restated)
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada	4,244,029	5,863,975	4,679,445
Investment income	102,500	4,562,617	4,710,114
Southern First Nations Secretariat	1,752,840	2,202,031	1,922,633
Stepping Stones	1,924,769	2,146,655	2,175,735
Province of Ontario	1,626,224	1,912,189	1,330,635
Other revenue (note 11)	2,038,029	1,781,263	1,606,589
Health Canada	1,522,716	1,689,825	1,509,974
CMHC housing repair funding		1,442,383	592,155
Ontario First Nations Limited Partnership	1,417,771	1,360,666	1,340,745
Green Lane landfill revenue share (note 15)	590,950	452,609	4,312,560
Rent revenue	305,520	398,202	474,228
Union of Ontario Indians	254,717	373,636	309,816
Band generated	1,000,864	343,031	417,562
Unrealized gains (losses) on investments		210,551	7,783,915
CMHC subsidy		271,986	273,122
Gain (loss) on disposal of capital assets		69,191	
Interest		54,061	33,474
Foreign exchange gain (loss)		(22,685)	18,382
Deferred revenue - prior year (note 9)	195,987	1,386,159	1,482,002
Deferred revenue - current year (note 9)		(2,313,537)	(1,386,159)
	<b>16,976,916</b>	<b>24,184,808</b>	<b>33,586,927</b>
<b>Expenditures (notes 24, 25)</b>			
Amortization of capital assets		1,226,666	1,416,112
Amortization of assets under capital lease		53,154	
Band support	2,550,939	3,200,001	3,211,631
Big Bear Creek		3,183,464	3,082,657
Capital projects		194,304	77,641
Child welfare	299,643	291,813	227,875
Development Corporation (note 18)		79,818	245,373
Economic development	614,473	357,481	358,682
Education	4,249,782	4,669,340	4,546,804
Employment and training	437,673	1,098,014	769,770
Health	1,227,510	1,322,109	1,139,741
Housing	770,949	1,340,106	995,884
Justice	554,601	523,962	237,306
Land and environment	710,752	497,686	194,921
Point Edward (note 10)			(218,269)
Public works	1,081,265	1,132,682	930,625
Social services	3,926,660	4,048,962	3,749,078
Tobacco self regulation pilot project	499,350	418,070	246,361
	<b>16,923,597</b>	<b>23,637,632</b>	<b>21,212,192</b>
<b>Excess (Deficiency) of Revenue over Expenditures</b>			
	<b>53,319</b>	<b>547,176</b>	<b>12,374,735</b>

# Chippewas of the Thames First Nation

## Consolidated Statement of Cash Flows

Year ended March 31	2018 (\$)	2017 (\$) (restated)
<b>Cash Flows From (Used In) Operating Activities</b>		
Excess (deficiency) of revenue over expenditures	547,176	12,374,735
Adjustment for non-cash items:		
Amortization of capital assets and assets under capital lease	1,279,820	1,416,112
(Gain) / loss on disposal of capital assets	<u>(69,191)</u>	
	<u>1,757,805</u>	13,790,847
Changes in non-cash working capital		
Accounts receivable	94,554	(149,101)
Prepaid expenses		(9,423)
Accounts payable and accrued expenses	<u>(168,775)</u>	(3,027,199)
Deferred revenue	<u>927,378</u>	(95,843)
	<u>853,157</u>	(3,281,566)
	<u>2,610,962</u>	10,509,281
<b>Cash Flows From (Used In) Financing Activities</b>		
Net advances (repayment) of long-term debt	<u>166,777</u>	1,502,962
	<u>166,777</u>	1,502,962
<b>Cash Flows From (Used In) Investing Activities</b>		
Redemption (acquisition) of investments	(2,527,335)	(7,296,451)
Proceeds on disposal of capital assets	102,641	
Funds held in trust	(13,200)	(11,620)
Capital asset acquisitions	<u>(2,339,187)</u>	(298,774)
Housing loan reduction (increase)	<u>346,392</u>	154,209
	<u>(4,430,689)</u>	(7,452,636)
<b>Net Increase (Decrease) in Cash During Year</b>	<b>(1,652,950)</b>	4,559,607
<b>Cash, beginning of year</b>	<b>11,264,424</b>	6,704,817
<b>Cash, end of year</b>	<b>9,611,474</b>	11,264,424
<b>Cash Represented by:</b>		
Cash - Operating and OLG	3,261,203	2,421,106
Bank indebtedness		
	<u>3,261,203</u>	2,421,106
Cash - Trust Fund	<u>6,350,271</u>	8,843,318
	<u>9,611,474</u>	11,264,424

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

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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, 2018

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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.

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

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### 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.

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### 2. Cash and Temporary Investments

	2018 (\$)	2017 (\$) (restated)
<b>Cash</b>		
Big Bear Creek Trust - PCD	<b>208,504</b>	280,102
Big Bear Creek Trust - ISF	<b>1,604,351</b>	1,605,221
Big Bear Creek Trust - Community Development	<b>1,067,476</b>	1,175,087
Big Bear Creek Trust - Investment account	<b>3,469,941</b>	5,782,908
Big Bear Creek - Total	<b>6,350,272</b>	8,843,318
Housing	<b>492,380</b>	408,007
OLG	<b>51,272</b>	961
Operating	<b>2,717,550</b>	2,012,138
	<b>9,611,474</b>	11,264,424
 <b>Temporary Investments</b>		
Big Bear Creek Trust - BMO Harris Private Banking	<b>108,719,431</b>	106,192,254
Housing - BMO Harris Private Banking	<b>825,518</b>	832,663
Zhoonyaa Pension - BMO Nesbitt Burns	<b>534,892</b>	527,589
	<b>110,079,841</b>	107,552,506

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. These funds are intended to be repaid in the summer of 2018.

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### 3. Bank Indebtedness

The First Nation is authorized for an overdraft limit of \$1,500,000 (2017 - \$1,500,00) which is unsecured. Interest is paid monthly at the bank's prime lending rate.

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

### 4. Accounts Receivable

Accounts receivable consist of the following balances:

	2018 (\$)	2017 (\$) (restated)
CMHC - RRAP and Retrofit	330,555	
Province of Ontario	306,725	214,883
Water payments from Band members	287,567	245,658
Water payments - allowance for doubtful accounts	(257,252)	(214,007)
Housing rent	100,299	98,678
Housing rent - allowance for doubtful accounts	(82,043)	
GST/HST recoverable	110,540	179,680
AANDC	77,670	323,093
Green Lane landfill revenue share	68,519	40,146
Stepping Stones	52,859	45,826
Southern First Nations Secretariat	51,724	202,212
Union of Ontario Indians	32,315	23,790
Other	17,234	31,307
Development corporation - trade receivables	1,798	1,798
	<b>1,098,510</b>	<b>1,193,064</b>

### 5. Capital Assets

	Cost (\$)	Accumulated Amortization (\$)	2018 Net (\$)	2017 Net (\$) (restated)
Land	1		1	1
Buildings	31,491,399	11,767,000	19,724,399	19,195,219
Furniture and equipment	3,432,845	3,157,238	275,607	102,910
Upgrades to water & sewage lines	8,571,968	7,430,517	1,141,451	1,311,876
Water and sewage lines	219,265		219,265	219,265
Vehicles	1,389,957	1,148,094	241,863	100,159
Roads and bridges	3,222,296	1,702,045	1,520,251	1,642,327
Computer equipment	365,604	365,604		3,556
Monument and exhibit	251,537		251,537	251,537
Solar equipment	2,059,558	151,892	1,907,666	1,907,666
	<b>51,004,430</b>	<b>25,722,390</b>	<b>25,282,040</b>	<b>24,734,516</b>

The following costs have not been subject to amortization as the related asset is not yet ready for use: buildings of \$383,541; water and sewage line costs of \$219,265.

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## Chippewas of the Thames First Nation

### Notes to the Consolidated Financial Statements

March 31, 2018

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#### 6. Assets under capital lease

	Cost (\$)	Accumulated Amortization (\$)	2018 Net (\$)	2017 Net (\$)
Dump truck and garbage truck	531,543	53,154	478,389	

The assets under capital lease are amortized over the lease term of 60 months.

Lease payments required in the next five years are as follows:

	(\$)
2019	113,634
2020	113,634
2021	113,634
2022	113,634
2023	56,817
	<hr/>
	511,353

The lease is secured by the assets indicated above.

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#### 7. Tri-Township Arena

The First Nation has entered into an agreement for the maintenance, control and operation of the arena and the sharing ratio for the profits and or losses with respect to such maintenance and operation of the arena. The agreement stipulates that the First Nation's share is 15%, whereby, the First Nation must contribute 15% of the funds required for the maintenance, operation and any capital improvements to the arena, while they are a party to the agreement.

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

**March 31, 2018**

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### 8. Long-Term Debt

		2018 (\$)	2017 (\$)
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 \$3,979,205), as well as a General Security Agreement.	<b>1,699,452</b>	1,807,012
Prime	Jubilee Road reconstruction - demand loan repayable in monthly installments of \$11,667 including interest, secured by the assignment of OFNLP distributions.	<b>1,061,667</b>	1,201,667
1.92%	CMHC Phase IV - Housing mortgage repayable in monthly installments of \$5,946 including interest, due April 1, 2019.	<b>1,238,146</b>	1,285,323
2.39%	CMHC Phase III - Seniors Complex mortgage repayable in monthly installments of \$8,500 including interest, due for renewal on January 1, 2023.	<b>465,291</b>	557,101
2.95%	CMHC Phase I - Housing mortgage repayable in monthly installments of \$6,246 including interest, due for renewal on October 21, 2024.	<b>478,956</b>	539,093
1.31%	CMHC Phase II - Housing mortgage repayable in monthly installments of \$2,618 including interest, due for renewal on December 1, 2021.	<b>259,671</b>	287,503
1.17%	CMHC Phase V - Housing mortgage repayable in monthly installments of \$1,922 including interest, due for renewal on January 1, 2021.	<b>462,179</b>	480,021
n/a%	CMHC Phase VI - Housing mortgage with terms to be determined upon substantial completion of homes.	<b>204,000</b>	
Prime +1.5%	Development Corporation - demand loan secured by collateral mortgage on farm land and a general security agreement.	<b>2,169,944</b>	2,169,944
0%	Development Corporation - Sentinel Solar loan repayable in installments of \$15,000, due April 2022.	<b>81,124</b>	81,124
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 \$25,050.	<b>25,810</b>	34,160
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 \$25,985.	<b>26,773</b>	35,434
0%	Vehicle financed with Scotiabank, payable in monthly installments of \$749, due on May 30, 2020, secured by the vehicle with a carrying value of \$52,181.	<b>38,849</b>	

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## Chippewas of the Thames First Nation

### Notes to the Consolidated Financial Statements

March 31, 2018

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

Total	8,211,862	8,478,382
Less: current portion	<u>5,224,658</u>	<u>5,917,051</u>
Long term portion	<u>2,987,204</u>	<u>2,561,331</u>

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

	(\$)
2019	5,224,658
2020	1,442,287
2021	644,872
2022	369,628
2023	<u>320,293</u>
	<u>8,001,738</u>

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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#### 9. Deferred Revenue

	2018 (\$)	2017 (\$)
AANDC - interim water treatment upgrade	1,106,001	1,271,900
CMHC - housing repair funding	1,023,540	98,000
AANDC - Special Education unspent funding	101,720	
London Community Foundation - Vehicle funding	49,931	
CELA Initiative - Source Water Protection grant	32,345	
SOHAC - Vehicle funding	<u>16,259</u>	
	<u>2,313,537</u>	1,386,159

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## Chippewas of the Thames First Nation

### Notes to the Consolidated Financial Statements

March 31, 2018

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#### 10. Point Edward expenditures

Point Edward expenditures in fiscal 2016 included \$750,000 in estimated legal fees related to a lawsuit that ended in fiscal 2016. As of the fiscal 2016 audit report date, the legal fees had not been finalized. The fees were finalized in the prior year in the amount of \$531,731 which resulted in a prior year legal fee recovery of \$218,269.

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#### 11. Other revenue

Other revenue consist of the following:

	2018 (\$)	2017 (\$) (restated)
Grants	523,545	268,464
Rentals	282,606	250,133
Chippewas of Kettle & Stoney Point FN Student Success	177,000	175,000
Hydro locatees and negotiations	150,541	50,542
Harmonized Sales Tax recovered	107,083	174,343
House insurance proceeds	102,647	
Water payments	80,300	66,685
Cigarette quota	62,125	49,065
Munsee Delaware Fire agreement	61,200	40,800
Land Claims Trust - legal reimbursement	50,000	
Thunderbird Trust	45,518	40,050
Supreme Court legal fund	33,690	49,262
Summer student programs	30,000	59,023
Daycare	26,038	7,598
Munsee Delaware tuition payments	24,625	7,899
Miscellaneous	24,345	8,385
First Nation Lands Management		17,000
Right to Play		11,154
Development corporation - solar revenue		331,186
	<b>1,781,263</b>	<b>1,606,589</b>

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#### 12. 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, 2018, is \$539,822 (2017 - \$594,612). 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 (\$270,000) has been classified as an externally restricted net asset of the housing fund to indicate the net assets required to repay these mortgages.

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

### 13. 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 to the allowance of \$213,514 (2017 - \$185,224 increase).

	2018 (\$)	2017 (\$)
Housing loans receivable	3,100,429	3,233,307
Allowance on housing loans	<u>(2,044,663)</u>	<u>(1,831,149)</u>
Housing loans considered collectible	<u>1,055,766</u>	<u>1,402,158</u>

### 14. 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 \$195,788 (2017 - \$162,211) were made into the plan and recorded as expenditures.

### 15. Green Lane landfill revenue share

During the 2017 fiscal year, an agreement was finalized with the City of Toronto that provides a 40% revenue share of the tonnage royalties from the Green Lane landfill.

The Green Lane funds have been used as follows:

	2018 (\$)	2017 (\$)
<b>Receipts</b>		
Landfill revenue share receipts	424,235	4,294,895
Interest	<u>24,755</u>	
Total receipts	<b>448,990</b>	4,294,895
<b>Disbursements</b>		
Repayments to Housing phases	125,000	144,474
Transfers to cover operating bank overdrafts	1,214,000	336,121
Operating repayment to BBC Trust		168,000
Payment of legal fees	<u>315,000</u>	
Total disbursements	<b>1,654,000</b>	648,595
Excess (deficiency) of receipts over disbursements	<b>(1,205,010)</b>	3,646,300
Unused funds, beginning of year	<u>3,646,300</u>	
Unused funds, end of year	<b>2,441,290</b>	3,646,300

Landfill revenue share receipts for the 2017 year include royalties earned from 2006 through March 2017. Green Lane receipts do not include the accounts receivable at year end of \$68,519 (2017 - \$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, 2018**

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#### **16. 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, 2018

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#### 17. 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:

	2018 (\$)	2017 (\$)
<b>Per Capital Distributions</b>		
Calendar year payments	347,088	417,787
Less: calendar year return of unused	(7,996)	(12,995)
Less: January to March of prior fiscal year	(112,657)	(94,973)
Add: January to March of current fiscal year	<u>145,462</u>	112,657
	371,897	422,476
<b>Income Stabilization Fund payments</b>		
Calendar year payments	2,100,553	1,985,421
Less: calendar year return of unused	(77,977)	(133,542)
Less: January to March of prior fiscal year	(462,642)	(400,005)
Add: January to March of current fiscal year	<u>454,293</u>	462,642
	2,014,227	1,914,516

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## Chippewas of the Thames First Nation

### Notes to the Consolidated Financial Statements

March 31, 2018

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

	2018 (\$)	2017 (\$)
<b>Community Development</b>		
Calendar year - transfer from BBC		1,226,466
Less: calendar year return of unused		(122,647)
Less: transfers January to March of prior fiscal year		1,173,775
Add: transfers January to March of current fiscal year		2,846
Interest earned		
Available to spend		2,280,440
 The community development funds were spent as follows:		
Higher education	235,290	
Administrative Capacity Development	211,032	
Justice Program	184,153	
Education (Life Long Learning)	155,031	
Band Representative program	115,555	
Environment and Lands	81,054	
Social Services Director	80,000	
Community Emergency Assistance	77,151	
Street light replacement	30,000	
Binoojiinyag	28,285	
Education salary top up	18,000	
Elite	8,733	
Heritage/Culture and language	8,156	
Lands research program		
Development Corporation		
CCP Coordinator		
 Total spending	1,232,440	
 Unused funds for the year	1,048,000	
Unused funds from prior year	476,456	
 Accumulated unused funds	<b>1,524,456</b>	1,524,456

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

### 18. 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, 2018 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:

	<b>2018</b> (\$)	<b>2017</b> (\$)
<b>Assets</b>		
Cash	119,853	119,853
Accounts receivable	1,798	1,798
Prepaid expenses	21,179	21,179
Capital assets - solar equipment	1,907,666	1,907,666
Intangible assets - contract rights	116,707	116,707
<b>Total</b>	<b>2,167,203</b>	2,167,203
<b>Liabilities and Net Assets (Debt)</b>		
Accounts payable and accrued	63,159	63,159
Debt	2,251,068	2,251,068
Net assets (debt)	(207,868)	(207,868)
<b>Total</b>	<b>2,106,359</b>	2,106,359
<b>Revenues:</b>		
Other revenue - solar		331,186
<b>Expenditures:</b>		
Expenditures other than amortization (note 25)	79,818	245,373
Amortization of capital assets		106,546
<b>Total expenditures*</b>	<b>79,818</b>	351,919
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(79,818)</b>	(20,733)

\*2018 expenditures consists of payroll and honorariums paid by the First Nation

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

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### **19. Prior Period Restatement**

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

a) certain secondary school student fees related to the prior year were not expensed in that years financial statements. This has resulted in a \$260,738 increase to prior year Education expenditures and accounts payable and a corresponding decrease to the excess of revenue over expenditures and to net assets of the operating fund.

b) the prior period housing loans receivable has increased by \$632,198 (decrease to the allowance on doubtful loans) as a result of an increase in expected future payments related to life insurance held on certain members who have housing loans. This has resulted in a corresponding increase to prior period net assets of the housing fund.

c) the prior period has been restated to include prior year activity of the Development Corporation which was not available as of the time of the prior year audit report. This has resulted in an increase to the excess of revenue over expenditures by \$60,844, an increase to cash of \$99,551, decrease to accounts receivable of \$282,394, increase to prepaid expenses of \$9,423, decrease to capital assets of \$100,403, decrease to intangible assets of \$6,143, decrease to accounts payable of \$2,351,878, increase to debt of \$2,011,068 and increase to the operating fund of \$60,844 . Refer to (note 18) for a detailed summary of the Development Corporation amounts.

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### **20. 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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### **21. 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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### **22. 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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### **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, 2018**

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### 24. Expenditures by object

Expenditures presented by object are as follows:

	2018 (\$)	2017 (\$) (restated)
Salaries and benefits	7,037,310	5,965,336
Education services	2,133,307	2,451,780
Social benefits	2,122,807	1,949,628
Big Bear Creek Income Stabilization Fund payments	2,014,227	1,914,516
Repairs and maintenance	1,416,168	1,292,809
Amortization of capital assets	1,226,666	1,416,112
Professional fees	1,056,047	508,015
Training and development	1,030,351	793,877
Investment fees	617,471	593,437
Honoraria	492,214	380,335
Programming	475,136	303,807
School transportation	470,339	443,460
General office and supplies	468,521	480,113
Travel	386,453	312,567
Bad debts	374,391	163,653
Big Bear Creek Per Capita Distributions	371,897	422,476
Utilities and rent	363,726	433,692
Communications	307,851	248,363
Insurance	293,123	280,166
Other	221,868	127,238
Social events	194,243	177,154
Interest on long term debt	134,592	130,846
Vehicle fuel and maintenance	119,893	95,003
Interest and bank charges	87,126	176,247
Food supplies	85,819	104,882
Amortization of assets under capital lease	53,154	
Equipment rental	32,025	30,446
Members' mortgage repayments	30,000	
Cultural	16,733	16,087
Grants, donations and incentives	4,174	147
	<b>23,637,632</b>	<b>21,212,192</b>

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

### 25. Expenditures by object for each department

Expenditures shown in the following schedules do not include amortization of capital assets of \$1,279,820 (2017 - \$1,416,112).

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

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Band support</b>			
Salary & wages	800,151	<b>965,999</b>	771,016
Professional fees	55,000	<b>364,816</b>	445,182
Honorarium	262,834	<b>277,372</b>	215,385
Insurance	208,000	<b>226,675</b>	214,200
Office expense	184,608	<b>205,578</b>	153,508
Repairs & Maintenance	226,500	<b>169,846</b>	483,311
Communications	65,250	<b>161,682</b>	106,874
Programming	75,930	<b>153,302</b>	115,774
Benefits	141,394	<b>105,500</b>	108,129
Training & Development	16,300	<b>82,011</b>	122,504
Funerals & Burials	60,000	<b>99,851</b>	68,052
Interest & bank charges	331,572	<b>82,351</b>	122,619
Other		<b>80,339</b>	90,921
Chief and council travel	16,500	<b>79,586</b>	57,105
Travel & meals		<b>76,870</b>	56,110
Utilities	88,100	<b>50,560</b>	60,229
Vehicle	3,700	<b>12,481</b>	3,795
Food	3,000	<b>1,978</b>	695
Rent		<b>1,243</b>	400
Advertising & promotion	3,000	<b>1,161</b>	15,310
Casual/Temp Labour	9,100	<b>800</b>	512
 Expenditures	2,550,939	<b>3,200,001</b>	3,211,631
 Department revenue		<b>1,749,032</b>	1,508,632
Allocated own source revenue		<b>731,344</b>	1,064,278
 Total revenue		<b>2,480,376</b>	2,572,910
 Surplus (Deficit)		<b>(719,625)</b>	(638,721)

Expenditures shown above do not include \$254,268 of unfunded capital asset purchases.

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

### 25. Expenditures by object (continued)

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Big Bear Creek</b>			
Income stabilization fund distributions	2,014,227	1,914,516	
Investment fees	617,471	593,437	
Per capital distributions	371,897	422,476	
Salary & wages	89,886	66,288	
Office	24,940	20,065	
Honorarium	19,837	24,288	
Training & development	14,229	7,645	
Professional fees	9,250	10,535	
Insurance	8,164	7,850	
Communications	7,882	5,682	
Travel	5,519	5,215	
Interest & bank charges	162	4,660	
<b>Expenditures</b>	<b>3,183,464</b>	3,082,657	
Department revenue	4,727,629	12,440,201	
Allocated own source revenue	<u>(944,539)</u>		
<b>Total revenue</b>	<b>3,783,090</b>	12,440,201	
<b>Surplus (Deficit)</b>	<b>599,626</b>	9,357,544	

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Capital projects</b>			
Interest on long term debt	74,243	59,712	
Repairs & maintenance	65,500	9,643	
Professional fees	44,489	1,655	
Salary & wages	10,072	6,532	
Benefits	99		
<b>Expenditures</b>	<b>194,304</b>	77,641	
<b>Revenue</b>	<b>663,005</b>	561,113	
<b>Surplus (Deficit)</b>	<b>468,701</b>	483,472	

Expenditures shown above do not include \$503,241 of unfunded capital asset purchases.

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

### 25. Expenditures by object (continued)

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Child welfare</b>			
Salary & wages	162,461	<b>146,058</b>	87,507
Programming	51,769	<b>50,812</b>	56,482
Travel & meals	20,280	<b>27,909</b>	14,795
Other	30,000	<b>21,011</b>	
Honorarium	6,500	<b>16,050</b>	10,546
Benefits	18,433	<b>10,999</b>	3,532
Repairs & maintenance		<b>4,550</b>	32,281
Communications	4,600	<b>5,837</b>	8,661
Professional fees		<b>5,617</b>	4,323
Training & development	4,000	<b>2,090</b>	818
Office	1,600	<b>880</b>	8,430
Advertising & promotion			500
<b>Expenditures</b>	<b>299,643</b>	<b>291,813</b>	227,875
<b>Revenue</b>		<b>672,598</b>	156,977
<b>Surplus (Deficit)</b>		<b>380,785</b>	(70,898)
	Budget (\$)	2018 (\$)	2017 (\$)
<b>Development corporation</b>			
Salary & wages		<b>70,046</b>	62,693
Benefits		<b>9,772</b>	8,347
Professional fees			72,192
Interest & bank charges			47,385
Rent			29,458
Honorarium			10,537
Office			8,448
Utilities			6,313
<b>Expenditures</b>		<b>79,818</b>	245,373
<b>Department revenue</b>			331,186
<b>Allocated own source revenue</b>		<b>112,400</b>	94,800
<b>Total revenue</b>		<b>112,400</b>	425,986
<b>Surplus (Deficit)</b>		<b>32,582</b>	180,613

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

### 25. Expenditures by object (continued)

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Economic development</b>			
Salary & wages	209,502	<b>130,734</b>	172,338
Professional fees	103,600	<b>74,314</b>	40,223
Repairs & maintenance	38,000	<b>37,638</b>	4,554
Programming		<b>37,190</b>	29,643
Travel & meals	14,198	<b>18,607</b>	51,555
Benefits	35,618	<b>15,176</b>	12,816
Office	32,650	<b>11,781</b>	35,846
Training & development	12,125	<b>13,805</b>	(4,152)
Honorarium	15,000	<b>5,369</b>	900
Vehicle	1,200	<b>5,326</b>	
Communications	7,200	<b>3,489</b>	6,894
Other		<b>2,630</b>	1,137
Casual/Temp labour	75,472	<b>355</b>	4,800
Interest & bank charges	1,500	<b>767</b>	80
Advertising & promotion	3,852	<b>300</b>	739
Utilities	36,450		1,309
Admin fees	20,106		
Insurance	5,000		
Rent	3,000		
 Expenditures	 614,473	 <b>357,481</b>	 358,682
 Department revenue		 <b>377,042</b>	 347,866
Allocated own source revenue		 <b>85,000</b>	 —
 Total revenue		 <b>462,042</b>	 347,866
 Surplus (Deficit)		 <b>104,561</b>	 (10,816)

Expenditures shown above do not include \$14,469 of unfunded capital asset purchases.

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

### 25. Expenditures by object (continued)

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Education</b>			
Salary & wages	976,885	<b>1,093,943</b>	1,112,935
Tuition payments	1,041,165	<b>1,156,553</b>	1,348,451
Programming	727,665	<b>855,251</b>	933,507
Student transportation	427,158	<b>461,333</b>	429,012
Benefits	173,300	<b>182,518</b>	98,671
Casual/Temp labour	52,300	<b>153,211</b>	48,976
Office	100,973	<b>141,321</b>	102,559
Repairs & maintenance	159,446	<b>136,016</b>	56,193
Honorarium	78,684	<b>104,499</b>	77,660
Training & development	187,995	<b>99,998</b>	38,989
Utilities	89,250	<b>99,918</b>	76,236
Resources & materials	113,420	<b>92,478</b>	138,264
Food	31,598	<b>31,707</b>	21,641
Communications	14,020	<b>21,748</b>	14,940
Travel & meals	13,500	<b>17,939</b>	34,987
Interest & bank charges		<b>7,381</b>	2,016
Professional fees	5,000	<b>5,410</b>	(908)
Rent		<b>4,505</b>	9,044
Vehicle		<b>3,308</b>	
Other	51,464	<b>303</b>	3,631
Admin fees	5,959		
<b>Expenditures</b>	<b>4,249,782</b>	<b>4,669,340</b>	4,546,804
Department revenue		<b>4,686,254</b>	4,268,139
Allocated own source revenue		<b>319,824</b>	227,500
<b>Total revenue</b>		<b>5,006,078</b>	4,495,639
<b>Surplus (Deficit)</b>		<b>336,738</b>	(51,165)

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

**March 31, 2018**

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

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Employment and training</b>			
Salary & wages	92,042	<b>484,795</b>	308,105
Training & development	209,123	<b>383,256</b>	341,644
Repairs & maintenance	2,500	<b>116,779</b>	3,994
Office	17,000	<b>29,149</b>	44,752
Travel & meals	3,000	<b>23,462</b>	19,189
Programming		<b>19,044</b>	14,626
Benefits	9,600	<b>17,319</b>	8,556
Food	5,000	<b>14,873</b>	27,292
Communications	900	<b>5,171</b>	1,432
Honorarium	8,000	<b>3,488</b>	180
Casual/Temp labour		<b>525</b>	
Other		<b>153</b>	
Advertising & promotion	4,000		
Utilities	6,075		
Vehicle	2,000		
Professional fees	20,000		
Admin fees	58,433		
<b>Expenditures</b>	<b>437,673</b>	<b>1,098,014</b>	769,770
<b>Revenue</b>		<b>848,118</b>	790,292
<b>Surplus (Deficit)</b>		<b>(249,896)</b>	20,522

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

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

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Health</b>			
Salary & wages	603,200	<b>653,664</b>	609,166
Training & development	63,582	<b>401,481</b>	284,540
Benefits	133,356	<b>59,547</b>	63,066
Programming	214,459	<b>53,246</b>	55,064
Other	1,617	<b>50,059</b>	2,472
Communications	16,000	<b>28,439</b>	18,724
Repairs & maintenance	41,113	<b>24,747</b>	35,209
Travel & meals	9,570	<b>22,203</b>	12,902
Utilities	16,562	<b>10,916</b>	15,539
Office	26,980	<b>8,142</b>	38,507
Food	18,952	<b>7,665</b>	4,552
Professional fees	5,000	<b>2,000</b>	
Admin fees	59,119		
Vehicle	6,000		
Rent	12,000		
 Expenditures	 1,227,510	 <b>1,322,109</b>	1,139,741
 Revenue	 	 <b>1,589,455</b>	1,445,440
 Surplus (Deficit)	 	 <b>267,346</b>	305,699

Expenditures shown above do not include \$16,492 of unfunded capital asset purchases.

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# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

### 25. Expenditures by object (continued)

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Housing</b>			
Repairs & maintenance	101,506	<b>489,996</b>	407,107
Bad debts	331,145	163,653	
Salary & wages	159,680	<b>184,337</b>	157,022
Utilities	85,404	<b>62,685</b>	68,853
Interest on long term debt	301,441	<b>56,136</b>	70,907
Insurance	63,896	<b>51,965</b>	53,058
Programming		<b>50,130</b>	15,694
Member mortgage repayments		<b>30,000</b>	
Other		<b>22,451</b>	4,920
Benefits	6,472	<b>15,889</b>	9,624
Professional fees	13,500	<b>13,960</b>	15,335
Travel & meals	3,350	<b>8,921</b>	13,199
Office	24,100	<b>8,825</b>	1,329
Casual/Temp labour		<b>7,177</b>	3,141
Communications		<b>5,090</b>	6,459
Vehicle	1,350	<b>643</b>	950
Training & development	1,000	<b>381</b>	3,224
Interest & bank charges	250	<b>375</b>	1,409
Admin fees	9,000		
Expenditures	770,949	<b>1,340,106</b>	995,884
Revenue		<b>1,346,126</b>	1,386,584
Surplus (Deficit)		<b>6,020</b>	390,700

Expenditures shown above do not include \$14,638 of unfunded capital asset purchases.

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

**March 31, 2018**

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

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Justice</b>			
Salary & wages	305,000	<b>250,766</b>	124,768
Programming	101,865	<b>112,194</b>	5,427
Training & development	41,336	<b>56,898</b>	37,953
Travel & meals	29,800	<b>40,051</b>	21,533
Repairs & maintenance	10,000	<b>25,138</b>	2,030
Honorarium	23,600	<b>13,067</b>	2,040
Benefits	21,000	<b>11,016</b>	6,185
Rent	14,000	<b>6,000</b>	
Office	4,000	<b>4,419</b>	1,583
Advertising & promotion	4,000	<b>3,267</b>	5,188
Communications		<b>1,018</b>	2,098
Other		<b>120</b>	
Food		<b>8</b>	218
Professional fees			28,250
Utilities			33
 <b>Expenditures</b>	 554,601	 <b>523,962</b>	 237,306
 <b>Department revenue</b>		 <b>230,469</b>	 36,097
 Allocated own source revenue		 <b>301,125</b>	 36,097
 <b>Total revenue</b>	 <b>531,594</b>		 36,097
 <b>Surplus (Deficit)</b>	 <b>7,632</b>	 (201,209)	

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

### 25. Expenditures by object (continued)

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Land and environment</b>			
Professional fees	320,000	252,377	16,990
Salary & wages	292,018	192,152	145,753
Benefits	19,805	13,272	4,261
Repairs & maintenance	8,936	12,344	270
Office	700	10,838	16,379
Travel & meals	28,270	8,574	9,075
Training & development	4,948	4,438	200
Other		1,933	
Communications		996	1,993
Casual/Temp labour		762	
Utilities	6,075		
Programming	30,000		
<b>Expenditures</b>	<b>710,752</b>	<b>497,686</b>	194,921
<b>Department revenue</b>			
Allocated own source revenue		505,950	278,450
<b>Total revenue</b>		<b>505,950</b>	<b>278,450</b>
<b>Surplus (Deficit)</b>		<b>8,264</b>	<b>83,529</b>

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Point Edward</b>			
Legal fees - point edward		(218,269)	
<b>Expenditures</b>		<b>(218,269)</b>	
Revenue			
<b>Surplus (Deficit)</b>		<b>218,269</b>	

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

### 25. Expenditures by object (continued)

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Public works</b>			
Salary & wages	501,314	<b>433,804</b>	370,459
Repairs & maintenance	215,393	<b>260,054</b>	228,058
Utilities	87,267	<b>99,576</b>	127,595
Vehicle	68,000	<b>95,014</b>	88,431
Professional fees	7,500	<b>44,826</b>	
Bad debts		<b>43,246</b>	
Communications	20,800	<b>39,016</b>	33,760
Benefits	49,512	<b>38,155</b>	28,888
Honorarium		<b>31,580</b>	32,711
Training & development	56,100	<b>14,621</b>	8,895
Programming		<b>14,400</b>	
Insurance	6,000	<b>6,319</b>	5,057
Travel & meals	6,500	<b>3,615</b>	504
Food	3,500	<b>3,558</b>	3,554
Office	20,479	<b>3,437</b>	772
Other		<b>1,461</b>	1,941
Casual/Temp labour	23,500		
Advertising & promotion		<b>1,400</b>	
Interest & bank charges		<b>8,000</b>	
Admin fees	6,000		
 Expenditures	 1,081,265	 <b>1,132,682</b>	 930,625
 Department revenue		 <b>947,991</b>	 799,065
Allocated own source revenue		 <b>200,000</b>	 679,116
 Total revenue		 <b>1,147,991</b>	 1,478,181
 Surplus (Deficit)		 <b>15,309</b>	 547,556

Expenditures shown above do not include \$29,800 of unfunded capital asset purchases.

# Chippewas of the Thames First Nation

## Notes to the Consolidated Financial Statements

March 31, 2018

### 25. Expenditures by object (continued)

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Social services</b>			
Programming	1,865,659	<b>2,168,647</b>	2,004,517
Salary & wages	1,408,507	<b>1,391,144</b>	1,336,306
Benefits	183,082	<b>134,069</b>	102,357
Training & development	81,697	<b>66,826</b>	16,024
Travel & meals	70,716	<b>47,997</b>	41,602
Office	32,001	<b>46,000</b>	33,874
Repairs & maintenance	38,300	<b>45,118</b>	41,280
Professional fees	10,000	<b>37,750</b>	
Communications	21,100	<b>29,488</b>	26,774
Other	15,322	<b>22,698</b>	15,814
Food	64,700	<b>21,704</b>	46,930
Utilities	64,420	<b>20,238</b>	28,504
Honorarium	1,000	<b>9,542</b>	5,387
Advertising & promotion		<b>3,815</b>	1,373
Vehicle	2,000	<b>3,121</b>	1,826
Funerals & burials		<b>500</b>	
Interest & bank charges	1,200	<b>305</b>	(1,694)
One time funding			48,204
Rent	7,000		
Admin fees	59,956		
 Expenditures	3,926,660	<b>4,048,962</b>	3,749,078
 Department revenue		<b>4,015,341</b>	3,606,526
Allocated own source revenue	<b>502,171</b>		415,496
 Total revenue	<b>4,517,512</b>		4,022,022
 Surplus (Deficit)		<b>468,550</b>	272,944

Expenditures shown above do not include \$60,900 of unfunded capital asset purchases.

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

**March 31, 2018**

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

	Budget (\$)	2018 (\$)	2017 (\$)
<b>Tobacco self regulation pilot project</b>			
Professional fees	230,000	<b>201,239</b>	92,508
Salary & wages	165,000	<b>104,243</b>	115,579
Casual/Temp labour		<b>47,233</b>	
Travel & meals	16,500	<b>16,086</b>	8,599
Programming	33,300	<b>14,533</b>	2,930
Benefits	10,650	<b>12,372</b>	6,910
Honorarium		<b>11,560</b>	700
Repairs & maintenance	10,000	<b>9,994</b>	
Office		<b>2,816</b>	5,064
Communications	6,000	<b>(2,006)</b>	14,071
Training & development	5,400		
Advertising & promotion	15,000		
Rent	7,500		
 Expenditures	 499,350	 <b>418,070</b>	 246,361
 Revenue	 	 <b>518,474</b>	 233,023
 Surplus (Deficit)	 	 <b>100,404</b>	 (13,338)

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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, 2018 which we reported on as of August 13, 2018. 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*

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

London, Ontario  
August 13, 2018