

**Chippewas of Rama First Nation
Consolidated Financial Statements
For the year ended March 31, 2013**

CONFIDENTIAL

Contents

Management's Responsibility for the Consolidated Financial Statements	2
Independent Auditor's Report	3
Consolidated Financial Statements	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 32



Chippewas of RAMA
First Nation

5884 Rama Road, Suite 200
Rama, Ontario L3V 6H6

T 705.325.3611 F 705.325.0879

A Proud Progressive First Nation Community

Management's Responsibility for the Consolidated Financial Statements

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

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

On behalf of Chippewas of Rama First Nation:

CONFIDENTIAL

First Nation Manager

Chief Financial Officer



Tel: 705 325 1386
Fax: 705 325 6649
www.bdo.ca

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

Independent Auditor's Report

**To the Chief, Council and Members of the
Chippewas of Rama First Nation**

CONFIDENTIAL

We have audited the consolidated financial statements of Chippewas of Rama First Nation, which comprise the consolidated statement of financial position as at March 31, 2013, and the consolidated statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Chippewas of Rama First Nation as at March 31, 2013, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Orillia, Ontario
October 21, 2013

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Chippewas of Rama First Nation
Consolidated Statement of Financial Position

March 31

2013

(Note 3)
2012

Financial assets

Cash and cash equivalents (Note 4)	\$ 1,571,340	\$ 588,419
Restricted cash (Note 5)	755,883	613,436
Accounts receivable (Note 6)	3,232,702	2,770,663
Due from government (Note 7)	517,511	689,751
Loans receivable (Note 8)	659,254	823,556
Portfolio investments (Note 9)	83,761,697	88,408,419
Inventories for resale	705,135	671,977
Due from controlled entities (Note 10)	2,992,873	3,026,310
Investment in government business enterprises (Note 11)	6,079,050	3,565,085
	<u>100,275,445</u>	<u>101,157,616</u>

Liabilities

Accounts payable and accrued liabilities (Note 12)	5,076,447	7,166,798
Due to government (Note 13)	398,814	377,773
Deferred revenue (Note 14)	571,009	30,411,210
Long-term debt (Note 15)	16,666,123	19,424,336
Solid waste closure and post-closure liabilities (Note 16)	1,045,562	2,179,306
Trust deferred payouts - minor balances	24,459,295	22,301,561
	<u>48,217,250</u>	<u>81,860,984</u>

Net financial assets

52,058,195 19,296,632

Non-financial assets

Tangible capital assets (Note 18)	89,029,419	91,684,817
Prepaid expenses and inventories of supplies	143,506	187,039
	<u>89,172,925</u>	<u>91,871,856</u>

Accumulated surplus

\$141,231,120 \$111,168,488

Contingent liabilities (Note 19)

Contractual obligations (Note 20)



First Nation Manager

Chippewas of Rama First Nation
Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	(Note 24) Budget 2013	2013	(Note 3) 2012
Revenue			
Federal government transfers (Note 21)	\$ 6,635,516	\$ 6,543,632	\$ 6,338,991
Provincial government transfers (Note 21)	3,189,965	3,481,553	3,580,851
Casino Rama - rent and allocation (Note 22)	-	4,839,522	6,740,311
Net investment income from portfolio investments	2,260,000	1,877,207	1,981,020
First Nations Fund revenue (Note 14)	1,200,000	30,047,773	8,311,247
Rental income (Note 22)	3,492,414	3,999,093	3,423,047
User fees (Note 22)	8,271,131	7,551,242	8,689,784
Income from investment in government business enterprises (Note 11)	-	13,964	24,066
Sales from business enterprises (Note 22)	13,536,457	13,176,452	13,381,147
Rama fee (Note 22)	8,600,000	7,960,505	5,343,560
Land settlement revenue	-	10,000,000	-
Other	4,294,699	4,234,250	4,105,335
	51,480,182	93,525,193	61,919,359
Expenses (Schedule 1)			
General government	8,624,774	7,576,012	10,306,952
Health and social services	5,965,686	6,155,302	6,738,378
Education services	6,163,312	6,561,815	6,694,207
Economic development and business operations	13,066,099	13,479,252	13,493,754
Housing and social housing services	1,043,480	824,634	1,080,731
Lands and trust	176,543	12,956,558	7,777,059
Recreation	491,250	515,734	462,672
Special projects	221,419	147,313	260,579
Operations and maintenance	6,182,838	6,190,688	8,516,147
Fire and police	6,923,021	7,037,058	7,296,626
Water and waste water	1,511,901	2,018,195	2,089,212
	50,370,323	63,462,561	64,716,317
Annual surplus (deficit)	1,109,859	30,062,632	(2,796,958)
Accumulated surplus, beginning of year	111,168,488	111,168,488	113,780,947
Change in classification of Government Business Entities (Note 2)	-	-	184,499
Accumulated surplus, end of year	\$112,278,347	\$141,231,120	\$111,168,488
Segment Disclosure (Note 25)			

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

CONFIDENTIAL

(Note 24)
Budget
2013

For the year ended March 31

2013

2012

Annual surplus (deficit)	\$ 1,109,859	\$ 30,062,632	\$ (2,796,958)
Acquisition of tangible capital assets	(1,092,153)	(1,793,215)	(3,119,112)
Amortization of tangible capital assets	-	3,993,909	3,925,451
Loss on disposal of tangible capital assets	-	94,456	863
Proceeds on disposal of tangible capital assets	-	360,248	5,500
Net book value of Other Government Organizations' tangible capital assets (Note 2)	-	-	(3,770,275)
Change in classification of Government Business Entities (Note 2)	-	-	184,499
	17,706	32,718,030	(5,570,032)
Use/consumption of prepaid expenses and inventory of supplies	-	43,533	(97,941)
Increase (decrease) in net financial assets	17,706	32,761,563	(5,667,973)
Net financial assets, beginning of year	19,296,632	19,296,632	24,964,605
Net financial assets, end of year	\$ 19,314,338	\$ 52,058,195	\$ 19,296,632

Chippewas of Rama First Nation
Consolidated Statement of Cash Flows

For the year ended March 31	2013	(Note 3) 2012
Operating transactions		
Annual surplus (deficit)	\$ 30,062,632	\$ (2,796,958)
Items not involving cash:		
Amortization of tangible capital assets	3,993,909	3,925,451
Loss on disposal of tangible capital assets	94,456	863
Trust distributions to members - deferred	2,157,734	(327,895)
Net book value of Other Government Organizations' tangible capital assets	-	(3,770,275)
Change in classification of Government Business Entities (Note 2)	-	184,499
Income from investments in government business enterprises	13,964	24,066
Changes in non-cash operating balances:		
Accounts receivable	(462,039)	581,313
Due from government	172,240	(119,642)
Loans receivable	164,302	8,539
Inventories for resale	(33,158)	(635,507)
Prepaid expenses and inventories of supplies	43,533	(97,941)
Accounts payable and accrued liabilities	(2,090,351)	2,207,315
Due to government	21,041	240,704
Deferred revenue	(29,840,201)	(7,300,765)
Solid waste closure and post-closure liabilities	(1,133,744)	208,144
Cash provided by operating transactions	<u>3,164,318</u>	<u>(7,668,089)</u>
Capital transactions		
Acquisition of tangible capital assets	(1,793,215)	(3,119,112)
Proceeds on disposal of tangible capital assets	<u>360,248</u>	<u>5,500</u>
Cash applied to capital transactions	<u>(1,432,967)</u>	<u>(3,113,612)</u>
Investing transactions		
Decrease in portfolio investments	4,632,758	10,116,019
Increase in investments in government business enterprises	(2,513,965)	(3,895,873)
Decrease in due from controlled entities	33,437	8,526,125
Transfer to Social Housing replacement reserve fund	(137,125)	(4,777)
Change in funds held in trust - AANDC	<u>(5,322)</u>	<u>(11,304)</u>
Cash provided by investing transactions	<u>2,009,783</u>	<u>14,730,190</u>
Financing transaction		
Repayment of long-term debt	<u>(2,758,213)</u>	<u>(3,767,205)</u>
Increase in cash	<u>982,921</u>	<u>181,284</u>
Cash and cash equivalents, beginning of year	<u>588,419</u>	<u>407,135</u>
Cash and cash equivalents, end of year (Note 4)	<u>\$ 1,571,340</u>	<u>\$ 588,419</u>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2013

1. Summary of Significant Accounting Policies

CONFIDENTIAL

a) Nature of Organization

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

The First Nation is exempt from income tax.

b) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

c) Reporting Entity

The First Nation reporting entity includes the Chippewas of Rama First Nation government and all related entities that are controlled by the First Nation.

d) Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation.

Organizations consolidated in the First Nation's financial statements include:

- Chippewas of Rama Social Housing
- Waasa Gdi Naabmin (Looking Far Ahead) Trust
- Ojibway Bay Marina Ltd.
- 455457 Ontario Inc. (o/a Ramcor Developments)
- 1176290 Ontario Limited (o/a Biindigen Gift Shop)
- 1291580 Ontario Inc. (o/a Rama Country Market and Gas Bar)
- Mnjikaning First Nation Limited Partnership

Organizations accounted for on a modified equity basis include:

- SEM Resort Limited Partnership - 33.33% interest
- Mnjikaning Holdings Limited Partnership
- Rama Parking Inc.
- Mnjikaning Chippewas General Partner Inc.
- Casino Rama Inc.
- 112449 Alberta Ltd.
- My Lucky Spot - Entertainment Centre Ltd.

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

1. Summary of Significant Accounting Policies (continued)

CONFIDENTIAL

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

f) Loans Receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on a regular basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

g) Portfolio Investments

Portfolio investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

h) Inventories for Resale

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

i) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

j) Tangible Capital Assets

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

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

1. Summary of Significant Accounting Policies (continued)

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

CONFIDENTIAL

k) Pension Plan

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

l) Funding Adjustments

Government funding and other grant revenue are subject to review of year end settlement forms and adjustments by the various governments and agencies. Adjustments to funding, if any, are recorded in the year in which they occur.

m) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

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

n) Solid Waste Landfills

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

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

1. Summary of Significant Accounting Policies (continued)

CONFIDENTIAL

o) Measurement Uncertainty

In preparing the consolidated financial statements for the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include the determination of the allowance for doubtful accounts and accrued liabilities, the estimated useful life of tangible capital assets and accrued solid waste closure and post closure liabilities. Actual results could differ from these estimates.

2. Change in Classification of Government Business Entities

During 2012, it was determined that Ojibway Bay Marina, 455457 Ontario Inc. (o/a Ramcor Developments), 1176290 Ontario Limited (o/a Biindigen Gift Shop), 1291580 Ontario Inc. (o/a Rama Country Market and Gas Bar), and Mnjikaning First Nation Limited Partnership, no longer meet the definition of a Government Business Entity ("GBE").

Due to changes in operational reporting during 2012, ongoing management fees and increased management support of these businesses, the First Nation management reviewed the mandates of these business entities. First Nation management has concluded that they are involved in the business entities which rely on funds from the First Nation, therefore, these entities ceased to be classified as GBEs.

As a result, these entities are classified as an Other Government Organization ("OGO"), and become a governmental unit which are fully consolidated. This change in accounting treatment is applied prospectively. Previously, these entities were consolidated using the modified equity basis of accounting.

Upon conversion of these entities to Canadian public sector accounting standards there were adjustments to opening accumulated deficit in Ojibway Bay Marina, 455457 Ontario Inc. (o/a Ramcor Developments), and 1176290 Ontario Limited (o/a Biindigen Gift Shop) totaling an amount of \$184,499.

3. Comparative Amounts

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

4. Cash and Cash Equivalents

	2013	(Note 3) 2012
Internally restricted:		
Capital improvement contract holdbacks	\$ 361,190	\$ 12,775
Unrestricted:		
Operating	1,110,800	501,226
Social Housing	99,350	74,418
	<u>1,210,150</u>	<u>575,644</u>
Total cash and cash equivalents	<u>\$ 1,571,340</u>	<u>\$ 588,419</u>

5. Restricted Cash

	2013	(Note 3) 2012
Restricted - Social Housing Reserves	\$ 607,415	\$ 470,290
Held in trust - AANDC	148,468	143,146
	<u>\$ 755,883</u>	<u>\$ 613,436</u>

6. Accounts Receivable

	2013	(Note 3) 2012
Due from members:		
Social Housing	\$ 168,710	\$ 164,072
Due from others:		
Services - non members	3,606,866	3,158,871
	<u>3,775,576</u>	<u>3,322,943</u>
Less allowance for doubtful accounts	<u>(542,874)</u>	<u>(552,280)</u>
Total accounts receivable	<u>\$ 3,232,702</u>	<u>\$ 2,770,663</u>

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

7. Due from Government

	2013	(Note 3) 2012
Federal government		
Aboriginal Affairs and Northern Development Canada	\$ 15,635	\$ 49,493
Health Canada	30,626	31,778
Canada Mortgage and Housing Corporation	27,728	21,709
OTC	143,984	193,810
HST	148,498	162,559
Other	96,819	86,658
Provincial government	54,221	143,744
	\$ 517,511	\$ 689,751

CONFIDENTIAL

8. Loans Receivable

	2013	(Note 3) 2012
Community Financial Assistance Program loans	\$ 244,039	\$ 275,114
Mortgages to members, bearing interest at 7%, 13 mortgages (15 in 2012), various monthly payments of \$4,330 in total, due from 2013 to 2038	512,692	615,970
	756,731	891,084
Less valuation allowance	(97,477)	(67,528)
	\$ 659,254	\$ 823,556

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

9. Portfolio Investments

	(Note 3)
	2013 2012
First Nation's Fund	
Investments held by Standard Life Investments and Scotiabank, market value of \$27,707,672 (2012 - \$31,395,556)	\$ 24,231,122 \$ 29,687,820
Accrued interest receivable	31,191 47,674
	<u>24,262,313 29,735,494</u>
Restricted Assets of Waasa Gdi Naabmin (Looking Far Ahead) Trust	
Investments held by Scotiabank, market value of \$53,149,958 (2012 - \$57,688,040)	51,803,483 57,780,436
Accrued interest receivable	277,963 335,489
Due to Rama First Nation - general fund	- (4,000)
	<u>52,081,446 58,111,925</u>
Other Investments	
Medcan Health, NIL (2012 - 561) preference shares	- 561,000
Medcan Health, 30,000 (2012 - NIL) class B common shares	300 -
Medcan Group Inc. promissory note	1,017,638 -
My Lucky Spot - Entertainment Centre Ltd., cash held as collateral (Note 11)	6,400,000 -
	<u>7,417,938 561,000</u>
Total portfolio investments	<u>\$ 83,761,697 \$ 88,408,419</u>

The income from the First Nation's Fund portfolio investments for the year was \$198,090 (2012 - \$793,296). These amounts are included in transfer from restricted funds on the statement of operations. The First Nation's fund investments are subject to foreign exchange risk due to a portion being invested in foreign securities of \$12,000,487 (2012 - \$14,808,660). A portion is invested in fixed income securities of \$6,885,251 (2012 - \$7,366,335).

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

9. Portfolio Investments (continued)

The income from Waasa Trust's portfolio investments for the year was \$1,677,207 (2012 - \$1,981,020) with this amount being included in the statement of operations. These investments are subject to foreign exchange risk as a portion is invested in foreign securities of \$10,745,347 (2012 - \$13,453,987). A portion is invested in fixed income securities of \$29,389,849 (2012 - \$30,067,374). Fixed income securities have interest rates ranging from 2.1% to 11.0% and maturity dates ranging from 2014 to 2040.

On August 31, 2012, Medcan Group Inc. redeemed the preferred shares of Medcan Health and issued promissory notes. These notes accrue interest at an effective annual rate of 4.6% until May 31, 2013 and 10% thereafter. Interest is payable on a quarterly basis. The principal amount of the promissory note amount is due August 31, 2016.

10. Due from Controlled Entities

	2013	(Note 3) 2012
SEM Resort Limited Partnership, 10% interest	\$ 2,000,000	\$ 2,000,000
SEM Resort Limited Partnership	2,772	11,026
Casino Rama Inc.	1,750	1,500
Mnjikaning Chippewas General Partner Inc.	27,560	24,240
Rama Office Interiors	-	(1,247)
Rama Parking Inc.	960,791	990,791
	<u>\$ 2,992,873</u>	<u>\$ 3,026,310</u>

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

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

11. Investments in Government Business Enterprises

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

	2013	(Note 3) 2012
My Lucky Spot - Entertainment Centre Ltd., at cost	\$ 2,500,000	\$ -
Casino Rama Inc., at cost	1	1
Mnjikaning Chippewas General Partner Inc., at cost	1	1
SEM Resort Limited Partnership, 33.33%, at cost	3,000,000	3,000,000
	<u>5,500,002</u>	<u>3,000,002</u>
Income earned from government business enterprises	579,048	565,083
	<u>\$ 6,079,050</u>	<u>\$ 3,565,085</u>

The following table presents condensed supplementary financial information for these commercial enterprises as at March 31, 2013, except for My Lucky Spot - Entertainment Centre Ltd., which is at January 10, 2013, the date of acquisition.

	SEM Group	My Lucky Spot - Entertainment Centre Ltd.	Other	2013 Total	(Note 3) 2012 Total
Cash	\$ 2,751,463	\$ 4,276	\$ 27,553	\$ 2,783,292	\$ 3,649,641
Accounts receivable	1,635,557	6,927	7,110	1,649,594	1,433,495
Inventory	212,774	-	-	212,774	229,901
Prepaid expenses	39,704	-	-	39,704	211,841
Tangible capital assets	11,055,102	-	984,955	12,040,057	12,016,327
Other assets	6,804,398	55,000	2	6,859,400	6,803,503
Total assets	<u>\$ 22,498,998</u>	<u>\$ 66,203</u>	<u>\$ 1,019,620</u>	<u>\$ 23,584,821</u>	<u>\$ 24,344,708</u>
Accounts payable	\$ 1,780,962	\$ 13,689	\$ 10,045	\$ 1,804,696	\$ 1,877,886
Long-term debt	-	75,000	960,791	1,035,791	990,791
Other liabilities	6,237,113	70,000	29,309	6,336,422	6,989,802
Total liabilities	8,018,075	158,689	1,000,145	9,176,909	9,858,479
Equity	14,480,923	(92,486)	19,475	14,407,912	14,486,229
Total liabilities and equity	<u>\$ 22,498,998</u>	<u>\$ 66,203</u>	<u>\$ 1,019,620</u>	<u>\$ 23,584,821</u>	<u>\$ 24,344,708</u>
Revenue	\$ 13,288,871	\$ -	\$ 38,856	\$ 13,327,727	\$ 13,139,100
Expenses	13,283,622	-	30,141	13,313,763	13,115,034
Net income	<u>\$ 5,249</u>	<u>\$ -</u>	<u>\$ 8,715</u>	<u>\$ 13,964</u>	<u>\$ 24,066</u>

SEM Group

The SEM Group of companies includes the holding company (112449 Alberta Ltd.), the limited partner (Mnjikaning Holdings Limited Partnership), and SEM Resort Limited Partnership. SEM Resort Limited Partnership is engaged in the operation of a full-service hotel, dining facilities, 18-hole golf course, casino gaming facility, and the operation of automated teller machines ("ATM") collectively known as the St. Eugene Golf Resort and Casino. The First Nation's interest in SEM Resort Limited Partnership is 33.33%.

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

11. Investment in Government Business Enterprises (continued)

My Lucky Spot - Entertainment Centre Ltd.

On January 10, 2013, the First Nation acquired 2,500,000 participating preferred shares at \$1.00 per share in My Lucky Spot - Entertainment Centre Ltd. This represents 100% of the issued preferred shares and 60.98% of the voting shares of the company. My Lucky Spot - Entertainment Centre Ltd. is in the process of acquiring, renovating and operating existing bingo centres and electronic gaming centres.

The fiscal year end of My Lucky Spot - Entertainment Centre Ltd. is December 31. As the year end for My Lucky Spot - Entertainment Centre Ltd. does not coincide with the year end of the First Nation, and it is not possible to use financial statements that do coincide, the financial statements used under the modified equity method will be for the year ended December 31. Therefore, no amounts have been picked up using the modified equity basis of accounting in these financial statements as the First Nation acquired control of this corporation after December 31, 2012.

Under the terms of the Subscription Agreement dated January 10, 2013 with My Lucky Spot - Entertainment Centre Ltd., the First Nation has agreed to purchase an additional 3,900,000 participating preference shares to be issued by My Lucky Spot - Entertainment Centre Ltd. in the principal amount of \$3,900,000 subsequent to year end (Note 23 a)) for a total investment in My Lucky Spot - Entertainment Centre Ltd. of \$6,400,000 (Note 9).

Other

The other category includes Mnjikaning Chippewas General Partner Inc., Casino Rama Inc. and Rama Parking Inc. Rama Parking Inc. represents the majority of this category and holds the parking lots rented out by Casino Rama.

12. Accounts Payable and Accrued Liabilities

		(Note 3)
	2013	2012
Trade payables	\$ 1,037,930	\$ 1,758,440
Accrued salaries and benefits payable	2,462,377	3,842,301
Other accrued liabilities	1,576,140	1,566,057
	<u>\$ 5,076,447</u>	<u>\$ 7,166,798</u>

13. Due to Government

		(Note 3)
	2013	2012
Federal government, non interest bearing, due within one year	\$ 307,759	\$ 334,270
Provincial government, non interest bearing, due within one year	91,055	43,503
	<u>\$ 398,814</u>	<u>\$ 377,773</u>

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

14. Deferred Revenue

CONFIDENTIAL

	(Note 3) Balance March 31, 2012	2013 Funding Received	2013 Revenue Recognized	Balance March 31, 2013
Federal Government:				
Other projects	\$ 39,853	\$ 102,400	\$ 2,762	\$ 139,491
Other:				
Unearned fees	414,941	312,177	308,819	418,299
First Nations Fund (Note a)	29,951,616	96,157	30,047,773	-
Other	4,800	11,019	2,600	13,219
	<u>30,371,357</u>	<u>419,353</u>	<u>30,359,192</u>	<u>431,518</u>
	<u>\$ 30,411,210</u>	<u>\$ 521,753</u>	<u>\$ 30,361,954</u>	<u>\$ 571,009</u>

Note a)

Commencing in June 2000, the First Nation received through the Mnjikaning First Nation Limited Partnership monthly cash distributions from the Ontario Lottery and Gaming Corporation in respect of the net revenues (as defined) generated by the operations of the Casino Rama complex in Rama, Ontario pursuant to the Casino Rama Revenue Agreement dated June 9, 2000. Under the terms of that agreement, the partnership is entitled to an amount equal to 35% of the net revenues.

The First Nation's share of net revenues was suspended in July 2001 and was the subject of a legal dispute that was unsuccessful.

The revenue had been deferred as it is restricted as to the nature of disbursement. As the funds are used for the required purposes the revenue will be brought into current income.

The previous restrictions on disbursement of funds include that the funds shall be used for:

- i) the purposes of creating a competitive advantage for the Casino Rama Complex as a destination resort; and developments, facilities and services to promote a greater and broader range of visitors to the Complex.
- ii) facilitating, promoting and enhancing economic, community and cultural development in the Rama First Nation area and surrounding area; creating developments, facilities and services to provide health, education, training and other similar services for members of Rama First Nation; and maintaining, developing and improving the infrastructure of Rama First Nation, to support and advance community development, health, education, economic development and cultural development of Rama First Nation.

The Casino Rama Revenue Agreement referred to above has expired. As a result these funds are no longer restricted and have been brought into income in the current year and are shown as a transfer from restricted funds on the statement of operations.

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

15. Long-term Debt

	<u>2013</u>	<u>2012</u>
Demand bank loan, secured by credit facility, interest at prime plus 1%	\$ 6,000,000	\$ 8,000,000
Demand bank loan, secured by credit facility, interest at prime plus 2%	3,000,000	4,500,000
Mortgages payable - Social Housing, 1.53% to 3.09%, payable monthly in blended payments of \$41,996 secured by the First Nation and ministerial guarantee due 2013 to 2018	<u>7,666,123</u>	<u>6,924,336</u>
	<u>\$ 16,666,123</u>	<u>\$ 19,424,336</u>

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

Year	Amount
2014	\$ 10,234,194
2015	329,936
2016	1,864,946
2017	717,694
2018	1,907,350
Thereafter	<u>1,612,003</u>
	<u>\$ 16,666,123</u>

	<u>2013</u>	<u>2012</u>
Interest expense for the year on long-term debt	\$ 654,155	\$ 867,938

The First Nation has entered into an agreement with the bank for a revolving term credit in the amount of \$6,000,000 and a non-revolving demand promissory note in the amount of \$3,000,000. The loans will be secured by collateral mortgages in the amount of \$8,065,000 providing a first fixed charge over five properties, an unconditional and unlimited guarantee of the Waasa Gdi Naabmin (Looking Far Ahead) Trust and hypothecation of the investment portfolio of the trust. Advances were repayable in full on or before August 31, 2013. Subsequent to year end, a new Commitment Letter was signed with the bank to extend the arrangements to August 31, 2014. The loans shall be reduced and repaid by annual amounts of \$3,500,000 or such higher amount as the Bank may determine, each August 31. The credit may be extended for successive periods at the sole discretion of the Bank.

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

16. Solid Waste Closure and Post-Closure Liabilities

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of ground water and leachates, and ongoing environmental monitoring, site inspection and maintenance. The present value of the First Nation's estimated future liability for this expense is recognized as the landfill site's capacity is used. The liability and annual expense is calculated based on the ratio of utilization to total capacity of the landfill site and the discounted estimated cash flows associated with closure and post-closure activities. The reported liability as at year end was \$1,045,562 (2012 - \$2,179,306) and reflects a discount rate of 4.2% (2012 - 4.8%).

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. The landfill was expected to reach its capacity during 2012 however, its useful life has been increased by an estimate of 11 years due to an extension of the terms performed in 2013. The total undiscounted estimated future costs for closure and post-closure care are \$1,045,562 (2012 - \$2,179,306) leaving an amount to be recognized as income of \$1,133,744 (2012 - expense of \$208,144). There are no specific assets designated for these post-closure costs, though management believes that the current accumulated surplus will be sufficiently maintained to meet this liability. The estimated length of time needed for post-closure care is 50 years.

CONFIDENTIAL

17. Post Retirement Benefits

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

During the year, the First Nation contributed \$1,154,611 (2012 - \$1,245,989) to the defined contribution pension plan and is included in employee benefits in the statement of financial activities. There were no significant changes to the plan during the year.

1. The first step is to identify the problem. This involves understanding the symptoms and the context in which they are occurring.

2. Next, you need to gather information. This can be done through interviews, observations, and research.

3. Once you have gathered information, you need to analyze it. This involves looking for patterns and identifying the root cause of the problem.

4. After analyzing the information, you need to develop a solution. This involves brainstorming ideas and evaluating them.

5. Finally, you need to implement the solution. This involves putting the solution into practice and monitoring its effectiveness.

18. Tangible Capital Assets

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from service) is \$NIL (2012 - \$2,153,278).

Chippewas of Rama First Nation Notes to Consolidated Financial Statements

March 31, 2013

CONFIDENTIAL

19. Contingent Liabilities

- a) The First Nation has guaranteed the mortgages of certain members in the amount of approximately \$4,169,220 (2012 - \$4,515,600). The outstanding balance of the mortgages amounted to \$2,573,840 (2012 - \$2,423,591) at year end.
- b) Where differences exist between the agency's net approved expenses and their actual net expenses, the resolution of these variances will be negotiated between the agency and the First Nation. Any resultant adjustments will be recognized in the year in which the changes are confirmed by the agency.
- c) Various lawsuits have been filed or are pending against the First Nation for incidents which arose in the ordinary course of business. In the opinion of management, the outcome of the lawsuits, now pending, is not determinable. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.
- d) The First Nation has entered into a collateral security agreement with a Canadian chartered bank that has agreed to finance on-reserve housing loans for individual band members of Rama. The First Nation has guaranteed the payment and performance by the borrowers of the obligations up to the amount of \$11,524,836 which the First Nation has set aside as restricted assets into a separate collateral account and has given the bank a security interest in that account. Of this amount, the First Nation, has set aside \$3,000,000 to assist in financing the purchase and installation of solar panels (Note 23 b)), and \$4,300,000 to assist in financing the construction of the Public Works Compound (Note 23 c)). In addition, the outstanding balance of the mortgages at year end amounted to \$3,258,843 (2012 - \$3,061,828).
- e) The First Nation has provided a guarantee of \$5,000,000 on two Bank of Nova Scotia bank notes for the SEM Resort Limited Partnership with Samson First Nation. These bank notes are further secured by postponement agreements in the amount of \$2,000,000 from Mnjikaning Holdings Limited Partnership and Samson Holdings Limited Partnership. As at March 31, 2013 the outstanding amount of these bank notes from SEM Resort Limited Partnership was \$1,574,573 (2012 - \$2,340,670). The first bank note in the amount of \$574,573 is repayable at \$63,377 monthly including interest of prime plus 1.5% and matures December 2013. The second bank note in the amount of \$1,000,000, with payments of interest only at prime plus 0.25% is secured by cash of \$1,000,000 and matures December 2013.

20. Contractual Obligations

	2014	2015	2016	2017	2018 and thereafter	Total
Computer equipment leases	\$ 180,955	\$ 55,726	\$ 42,261	\$ 36,916	\$ 22,282	\$ 338,140
Construction contracts	69,136	-	-	-	-	69,136
	<u>\$ 250,091</u>	<u>\$ 55,726</u>	<u>\$ 42,261</u>	<u>\$ 36,916</u>	<u>\$ 22,282</u>	<u>\$ 407,276</u>

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

21. Government Transfers

CONFIDENTIAL

	2013	(Note 3) 2012
Federal government transfers for operating:		
Aboriginal Affairs and Northern Development Canada:		
Block contribution	\$ 3,940,500	\$ 3,791,708
Fixed contribution	80,621	100,481
Set contribution	718,325	660,679
Health Canada	855,254	866,004
Canada Mortgage and Housing Corporation	271,952	285,001
Other	676,980	635,118
Total federal government transfers	6,543,632	6,338,991
Provincial government transfers for operating	3,481,553	3,580,851
Total government transfers	\$ 10,025,185	\$ 9,919,842

22. Related Party Transactions

The First Nation has assisted in the development and construction of Casino Rama (the "Complex"). Title to the assets of the Complex is held through Casino Rama Inc. which is owned 100% by the First Nation. Beneficial ownership remains with the First Nation because the Complex is located on first nation land. The cost to develop and construct the Complex was incurred by Complex operations, and therefore, the assets related to the Complex are included in the Casino Rama financial statements.

The First Nation is entitled to a share in the income of the Complex but does not control it.

The related party transactions with the Complex are as follows:

- a) The lands used for the Complex are leased from Her Majesty the Queen in Right of Canada by Casino Rama Inc. under a 25-year Ground Lease. Rent payable under this Ground Lease is \$3.5 million annually, adjusted for inflation, and is paid out of the gross revenue of the Complex to the First Nation in accordance with instructions from Indian and Northern Affairs Canada as representative for Her Majesty the Queen in Right of Canada. During the year, \$4,839,522 (2012 - \$4,763,485) is included in the Casino Rama - rent and allocation revenue in the statement of operations.
- b) Prior to August 1, 2011, under the terms of the Agreement, the First Nation received an annual fee of \$4,500,000, adjusted for inflation (the "Rama Allocation"), relating to development and ongoing operating services. Interest on any unpaid Rama Allocation was calculated at bank prime rate plus 1% per annum, compounded monthly. During the year, \$NIL (2012 - \$1,976,826) of Rama Allocation was recorded and is included in the Casino Rama - rent and allocation revenue in the statement of operations.

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

CONFIDENTIAL

22. Related Party Transactions (continued)

Commencing August 1, 2011 and pursuant to the Post 2011 Contract, the First Nation is entitled to receive an annual fee (the "Rama Fee"), which replaces the Rama Allocation, for each successive 12-month period in an amount equal to the greater of 1.9% of the Gross Revenue of the Complex, as defined, or \$5,500,000. During the year, \$7,960,505 (2012 - \$5,343,560) was recorded as the Rama Fee in the statement of operations.

At March 31, 2013, \$673,677 (2012 - \$675,675) was due from Casino Rama relating to these agreements.

- c) Under the terms of a lease renewal ending July 2014, the First Nation has recorded rental income of \$738,191 (2012 - \$724,240) for the rental of office space and is included in sales from business enterprises in the statement of operations.
- d) Under the terms of a lease effective June 2003 and ending March 2021, the First Nation is entitled to an annual rental of \$313,000, adjusted for inflation, relating to the rental of warehouse space. During the year, \$372,485 (2012 - \$367,192) was recorded as sales from business enterprises in the statement of operations.
- e) The terms of various agreements provide for the designation and leasing of Additional Parking Lands, as defined, by the First Nation to the Complex with an annual rent receivable of approximately \$1.7 million adjusted for inflation. While the designation and leases are not yet complete, the lands are permitted and currently in use by the Complex. During the year, \$2,161,465 (2012 - \$2,123,754) was recorded as rental income in the statement of operations.
- f) Pursuant to the terms of the Post-2011 Contract, the Complex entered into a license agreement effective May 31, 2012. The license agreement expires on July 31, 2031 but is subject to early termination or the exercise of extension options by OLG, in accordance with the Post-2011 Contract. The complex is required to pay an annual rent of \$500,000 adjusted for inflation relating to the rental of land for an employee parking lot. During the year, \$416,667 (2012 - \$NIL) was recorded as rental income in the statement of operations.
- g) The terms of a Fire Protection Agreement between the Operator, OLG and the First Nation require the Complex to reimburse the First Nation an annual amount equal to 75% of the Fire Department's annual operating budget, including amortization of capital expenditures as defined in the Fire Protection Agreement, for the period from April 1, 2000 through July 31, 2031. The terms of a Police Services Agreement between the Operator, OLG and First Nation require the Complex to reimburse the First Nation an amount equal to the annual operating budget for the cost of Police Services for the Complex for the period August 1, 2011 to July 31, 2031. Both the Fire Protection Agreement and the Police Services Agreement are subject to earlier termination or the exercise by OLG of two successive options to extend for periods of 10 years and then 5 years, respectively.

In addition, the First Nation receives payments from the Complex principally for snow removal, water and waste water services. During the year, \$7,028,345 (2012 - \$8,066,255) was recorded as snow removal, water and waste water services, fire and policing services revenue and is included in user fees revenue in the statement of operations.

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

22. Related Party Transactions (continued)

The above transactions are summarized as follows:

	2013	(Note 3) 2012
Casino Rama - rent (a)	\$ 4,839,522	\$ 4,763,485
Casino Rama - allocation (b)	-	1,976,826
	<u>\$ 4,839,522</u>	<u>\$ 6,740,311</u>

These are reported as Casino Rama - rent and allocation revenue in the statement of operations.

	2013	(Note 3) 2012
Rama fee (b)	\$ 7,960,506	\$ 5,343,560

This is reported as Rama fee revenue in the statement of operations.

	2013	(Note 3) 2012
Rental of office space (c)	\$ 738,191	\$ 724,240
Rental of warehouse space (d)	372,486	367,192
	<u>\$ 1,110,676</u>	<u>\$ 1,091,432</u>

These are included in sales from business enterprises in the statement of operations.

	2013	(Note 3) 2012
Leasing of parking lands (e)	\$ 2,161,465	\$ 2,123,754
Rental of parking lot (f)	416,667	-
	<u>\$ 2,578,132</u>	<u>\$ 2,123,754</u>

These are included in rental income in the statement of operations.

	2013	(Note 3) 2012
User fees (g)	\$ 7,028,345	\$ 8,066,255

These are included in user fees in the statement of operations.

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

23. Subsequent Events

- a) Subsequent to year end, 455457 Ontario Inc. (o/a Ramcor Developments) advanced an additional \$3,400,000 to My Lucky Spot - Entertainment Centre Ltd. in exchange for 3,400,000 participating preference shares.
- b) Subsequent to year end, the First Nation has entered into an agreement with Ontario Energy Matrix for the supply and installation of new photovoltaic panel systems to various residential roofs at a contract price of \$784,000.
- c) The First Nation is currently in negotiations for the construction of a new Public Works Compound. The estimated cost of the building is \$3,500,000.

24. Budget

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

CONFIDENTIAL

2013

Financial Plan (Budget) surplus for the year	
The Chippewas of Rama First Nation	\$ (293,791)
Chippewas of Rama Social Housing	1,934
Ojibway Bay Marina Ltd.	28,858
455457 Ontario Inc. (o/a Ramcor Developments)	288,091
1176290 Ontario Limited (o/a Blindigen Gift Shop)	(40,344)
1291580 Ontario Inc. (o/a Rama Country Market and Gas Bar)	32,958
	<hr/>
Total Financial Plan (Budget) surplus for the year	17,706
Add: Capital expenditures	1,092,153
	<hr/>
Budget surplus per statement of operations	\$ 1,109,859

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

March 31, 2013

CONFIDENTIAL

25. Segmented Information

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

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

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

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

General Government

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

Health and Social Services

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

Education

The education department provides services to elementary and secondary students primarily by entering into service contracts with provincially funded area school boards, as well as native language study. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending the learning centre to obtain grade 12 equivalency and students who are attending post-secondary institutions.

Economic Development and Business Enterprises

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

Housing and Social Housing

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

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

25. Segmented Information (continued)

Lands and Trust

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

Recreation

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

Special Projects

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

Operations and Maintenance

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

Fire and Police

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

Water and Waste Water

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

CONFIDENTIAL

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

CONFIDENTIAL

March 31, 2013

25. Segmented Information (continued)

Revenue	General Government		Health and Social Services		Education		Economic Development and Business Enterprises	
	Budget 2013	(Note 3) 2012	Budget 2013	(Note 3) 2012	Budget 2013	(Note 3) 2012	Budget 2013	2012
Federal government transfers	\$ 537,421	\$ 565,120	\$ 1,283,538	\$ 1,288,985	\$ 2,648,961	\$ 2,525,848	\$ 102,000	\$ 175,118
Provincial government transfers	-	-	2,887,789	3,133,719	1,800	14,719	-	-
First Nations Fund Rental	1,200,000	(2,001,993)	-	2,789,832	-	2,227,548	-	(22,240)
Investment income	2,299,404	2,357,196	215,715	213,936	-	-	-	-
Income from enterprises	-	-	-	-	-	-	-	-
Casino Rama - rent and allocation	-	-	-	-	-	-	-	13,964
User fees	-	-	-	-	-	-	-	-
Sales from business enterprises	-	9,000	-	-	-	-	-	-
Rama fee	-	-	-	-	-	-	-	-
Land settlement revenue	8,600,000	7,960,505	-	-	-	-	13,536,457	13,176,452
Other	-	-	-	-	-	-	-	-
	2,043,058	1,517,596	622,210	518,080	-	-	-	-
	14,679,883	7,758,359	4,931,645	8,014,824	3,119,577	5,105,716	13,879,612	13,645,384
Expenses	5,745,058	7,192,307	3,846,433	4,016,988	2,819,397	3,004,112	2,019,343	1,952,533
Salaries and wages	1,026,748	764,910	1,468,031	1,864,899	2,830,796	2,808,949	10,279,921	10,422,565
Materials, services and other	16,424	107,682	389,800	355,660	253,004	319,936	239,618	220,837
Repairs and maintenance	641,731	506,281	51,962	37,690	34,425	9,007	87,440	274,822
Contracted services, professional fees	50,396	88,432	99,742	84,130	86,796	84,718	166,804	189,712
Utilities insurance	406,419	383,908	76,991	70,094	24,694	40,179	936	939
Rental	212,000	143,022	62,727	99,014	124,200	110,617	-	-
Gifts, donations, grants	-	276,462	-	209,923	-	275,806	227,920	373,607
Amortization	-	-	-	-	-	-	-	-
Loss on disposal of assets	526,000	479,562	-	-	-	-	-	1,121
Interest expense	-	-	-	-	-	-	-	43,116
Trust capital distributions	-	-	-	-	-	541	44,117	-
	8,624,774	7,576,012	5,965,886	6,738,378	6,163,312	6,561,815	13,066,099	13,479,252
	\$ 6,055,109	\$ 35,462,754	\$ (2,548,593)	\$ (1,034,041)	\$ (1,028,819)	\$ (3,442,238)	\$ 813,513	\$ 166,132
Net surplus (deficit)								\$ 268,742

[illegible]

25. Segmented Information (continued)

30

Chippewas of Rama First Nation

Notes to Consolidated Financial Statements

CONFIDENTIAL

March 31, 2013

25. Segmented Information (continued)

Revenue	Operations and Maintenance		Fire and Police		Water and Waste Water		Totals	
	Budget 2013	2013	Budget 2013	2013	Budget 2013	2013	Budget 2013	(Note 3) 2012
Federal government transfers	\$ 1,098,208	\$ 1,243,210	\$ 1,193,995	\$ -	\$ -	\$ -	\$ 6,635,516	\$ 6,543,632
Provincial government transfers	300,376	295,444	287,241	-	-	-	3,189,965	3,481,553
First Nations Fund Rental	325,000	411,434	4,212,861	-	-	(217,941)	1,200,000	30,047,773
Investment income	-	-	317,397	-	-	-	3,492,414	3,998,093
Income from enterprises	-	-	-	-	-	-	2,260,000	1,677,207
Casino Rama - rent and allocation	-	-	-	-	-	-	-	13,964
User fees	1,468,816	1,149,839	1,534,567	-	-	-	8,271,131	4,839,522
Sales from business enterprises	-	-	5,555,027	5,136,045	1,256,358	1,780,043	-	7,551,242
Ram fee	-	-	-	-	-	-	13,536,457	13,176,452
Land settlement revenue	-	-	-	-	-	-	8,600,000	7,960,505
Other	1,003,276	962,875	988,002	21,899	166,352	-	10,000,000	4,105,335
	4,195,676	4,062,802	8,534,063	5,157,944	6,471,482	1,247,288	4,294,699	4,234,250
Expenses							51,490,182	93,525,193
Salaries and wages	3,593,747	2,771,776	4,089,125	5,491,750	5,641,546	802,759	25,297,361	22,912,668
Materials, services and other	482,357	(199,536)	758,210	355,772	495,874	282,776	17,380,188	16,414,851
Repairs and maintenance	1,784,529	2,022,688	2,161,703	205,765	225,705	200,908	3,284,483	3,354,298
Contracted services, professional fees	48,200	231,234	128,209	29,188	128,215	55,500	973,113	1,160,044
Utilities, insurance	242,798	335,167	322,113	136,313	129,259	168,053	1,031,194	1,136,873
Rental	30,207	22,339	30,371	49,231	53,690	1,905	614,915	582,441
Gifts, donations, grants	-	-	-	3,163	4,035	-	403,127	349,709
Amortization	-	1,007,020	1,026,416	726,559	617,439	-	503,491	3,993,908
Loss on disposal of assets	-	-	-	39,317	863	-	-	94,456
Interest expense	-	-	-	-	-	-	-	721,399
Trust capital distributions	-	-	-	-	-	-	882,451	863
							-	12,741,914
Net surplus (deficit)	\$ 6,182,838	\$ 6,190,688	\$ 8,516,147	\$ 7,037,058	\$ 7,296,628	\$ 1,511,901	\$ 50,370,323	\$ 63,462,561
	\$ (1,987,162)	\$ (2,127,886)	\$ 17,916	\$ (1,367,994)	\$ (1,879,114)	\$ (825,144)	\$ (527,110)	\$ (2,796,958)

Chippewas of Rama First Nation
Notes to Consolidated Financial Statements

March 31, 2013

26. Expenses by Object

The following is a summary of expenses by object.

	2013	(Note 3) 2012
Salaries, wages and benefits	\$ 22,912,668	\$ 27,480,949
Materials, services and other	16,414,851	17,804,413
Repairs and maintenance	3,354,298	3,793,280
Contracted services, professional fees	1,160,044	1,175,223
Utilities, insurance	1,136,873	1,121,061
Rental	582,441	542,694
Gifts, donations, grants	349,709	425,947
Amortization	3,993,908	3,925,450
Loss on disposal of assets	94,456	863
Interest expense	721,399	934,622
Trust capital distributions	12,741,914	7,511,815
	<u>\$ 63,462,561</u>	<u>\$ 64,716,317</u>