

**Chippewas of Rama First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2021**

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**Management's Responsibility for the Consolidated Financial Statements**

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

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

On behalf of Chippewas of Rama First Nation:

Evelyn Ball  
Chief Operating Officer

Rick Morano  
Chief Financial Officer

August 30, 2021



Tel: (705) 325-1386  
Fax: (705) 325-6649  
Toll free:  
www.bdo.ca

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

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## Independent Auditor's Report

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To Chief and Council of Chippewas of Rama First Nation

### Opinion

We have audited the consolidated financial statements of Chippewas of Rama First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, change in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.



### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Orillia, Ontario  
August 30, 2021

**Chippewas of Rama First Nation**  
**Consolidated Statement of Financial Position**

| <b>March 31</b>  | <b>2021</b>          | <b>2020</b>          |
|--|----------------------|----------------------|
| <b>Financial assets</b>                                    |                      |                      |
| Cash and cash equivalents (Note 2)                         | \$ 9,032,302         | \$ 419,384           |
| Restricted cash (Note 3)                                   | 798,372              | 786,771              |
| Trust funds held by federal government (Note 4)            | 50,495               | 49,920               |
| Accounts receivable (Note 5)                               | 3,826,544            | 4,375,377            |
| Due from government (Note 6)                               | 1,553,355            | 1,143,053            |
| Loans receivable (Note 7)                                  | 542,111              | 632,650              |
| Portfolio investments (Note 8)                             | 173,016,968          | 174,905,092          |
| Inventories for resale                                     | 564,404              | 493,793              |
| Due from controlled entities (Note 9)                      | 3,307,938            | 4,307,938            |
| Investment in government business enterprises (Note 10)    | 2,900,369            | 1,611,544            |
|  | <u>195,592,858</u>   | <u>188,725,522</u>   |
| <b>Liabilities</b>   |                      |                      |
| Accounts payable and accrued liabilities (Note 11)         | 9,795,674            | 7,480,840            |
| Deferred payouts - minors (Note 12)                        | 19,046,342           | 20,264,586           |
| Due to government (Note 13)                                | 149,929              | 116,207              |
| Deferred revenue (Note 14)                                 | 3,920,031            | 1,921,391            |
| Long-term debt (Note 15)                                   | 29,893,512           | 19,658,912           |
| Solid waste closure and post-closure liabilities (Note 16) | 2,016,772            | 1,637,456            |
|  | <u>64,822,260</u>    | <u>51,079,392</u>    |
| <b>Net financial assets</b>                                | <u>130,770,598</u>   | <u>137,646,130</u>   |
| <b>Non-financial assets</b>                                |                      |                      |
| Tangible capital assets (Note 18)                          | 99,016,696           | 92,075,130           |
| Prepaid expenses   | 123,138              | 280,178              |
| Inventories held for use                                   | 81,398               | 27,316               |
|  | <u>99,221,232</u>    | <u>92,382,624</u>    |
| <b>Accumulated surplus</b>                                 | <u>\$229,991,830</u> | <u>\$230,028,754</u> |

Contingent liabilities (Note 19)  
Contractual obligations (Note 20)

On behalf of Chippewas of Rama First Nation:

\_\_\_\_\_  
Chief

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

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

| <b>For the year ended March 31</b>                           | (Note 22)<br><b>Budget</b> | <b>2021</b>          | <b>2020</b>          |
|--|----------------------------|----------------------|----------------------|
| <b>Revenue</b>   |                            |                      |                      |
| Federal government transfers (Note 21)                       | \$ 9,234,551               | \$ 12,324,840        | \$ 9,963,805         |
| Provincial government transfers (Note 21)                    | 6,893,173                  | 7,534,732            | 6,929,823            |
| Rental income  | 5,395,461                  | 5,355,645            | 5,255,765            |
| Net investment income  | 1,865,250                  | 2,299,117            | 4,861,489            |
| Income (loss) from government business enterprises (Note 10) | -                          | 1,288,825            | (420,474)            |
| Casino Rama ground rent                                      | 6,140,063                  | 5,401,132            | 5,447,262            |
| User fees  | 8,357,191                  | 6,750,212            | 7,690,727            |
| Sales from business enterprises                              | 12,206,146                 | 7,530,522            | 10,924,555           |
| Casino Rama fees   | 5,800,000                  | 5,581,711            | 5,597,002            |
| Coldwater Treaty   | -                          | 419,741              | 523,675              |
| Other  | 6,870,470                  | 5,636,755            | 4,678,429            |
|  | <b>62,762,305</b>          | <b>60,123,232</b>    | <b>61,452,058</b>    |
| <b>Expenses</b>  |                            |                      |                      |
| General government   | 7,037,212                  | 10,410,723           | 8,702,693            |
| Health and social services                                   | 7,694,445                  | 7,469,140            | 7,545,973            |
| Education services   | 7,650,204                  | 7,401,546            | 7,721,888            |
| Economic development and business operations                 | 12,900,329                 | 9,071,723            | 12,749,816           |
| Housing and social housing services                          | 1,154,034                  | 444,384              | 608,199              |
| Lands and trust  | 9,870,588                  | 8,307,097            | 8,234,423            |
| Recreation and culture                                       | 731,209                    | 315,029              | 546,789              |
| Special projects   | 508,457                    | 420,594              | 422,810              |
| Operations and maintenance                                   | 6,531,503                  | 6,640,190            | 7,303,323            |
| Fire and police  | 7,732,756                  | 7,972,724            | 8,143,564            |
| Water and waste water  | 1,584,521                  | 1,707,006            | 2,059,035            |
|  | <b>63,395,258</b>          | <b>60,160,156</b>    | <b>64,038,513</b>    |
| <b>Annual deficit (Note 22)</b>                              | <b>(632,953)</b>           | <b>(36,924)</b>      | <b>(2,586,455)</b>   |
| <b>Accumulated surplus, beginning of year</b>                | <b>230,028,754</b>         | <b>230,028,754</b>   | <b>232,615,209</b>   |
| <b>Accumulated surplus, end of year</b>                      | <b>\$229,395,801</b>       | <b>\$229,991,830</b> | <b>\$230,028,754</b> |

Segment Disclosure (Note 25)

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

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

| <b>For the year ended March 31</b>                        | (Note 22)<br><b>Budget<br/>2021</b> | <b>2021</b>          | <b>2020</b>           |
|---|-------------------------------------|----------------------|-----------------------|
| <b>Annual deficit</b>                                     | <b>\$ (632,953)</b>                 | <b>\$ (36,924)</b>   | <b>\$ (2,586,455)</b> |
| Acquisition of tangible capital assets                    | (2,429,310)                         | (11,868,309)         | (8,001,096)           |
| Amortization of tangible capital assets                   | -                                   | 4,692,676            | 4,541,707             |
| Loss (gain) on disposal of tangible capital assets        | -                                   | (31,848)             | (67,966)              |
| Proceeds on disposal of tangible capital assets           | -                                   | 265,915              | 151,346               |
|   | <u>(3,062,263)</u>                  | <u>(6,978,490)</u>   | <u>(5,962,464)</u>    |
| Use/consumption (acquisition) of prepaid expenses         | -                                   | 157,040              | (166,436)             |
| Use/consumption (acquisition) of inventories held for use | -                                   | (54,082)             | 10,368                |
|   | <u>-</u>                            | <u>102,958</u>       | <u>(156,068)</u>      |
| <b>Decrease in net financial assets</b>                   | <b>(3,062,263)</b>                  | <b>(6,875,532)</b>   | <b>(6,118,532)</b>    |
| <b>Net financial assets, beginning of year</b>            | <b>137,646,130</b>                  | <b>137,646,130</b>   | <b>143,764,662</b>    |
| <b>Net financial assets, end of year</b>                  | <b>\$134,583,867</b>                | <b>\$130,770,598</b> | <b>\$137,646,130</b>  |

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

**Chippewas of Rama First Nation**  
**Consolidated Statement of Cash Flows**

| <b>For the year ended March 31</b>                       | <b>2021</b>             | <b>2020</b>              |
|--|-------------------------|--------------------------|
| <b>Operating transactions</b>                            |                         |                          |
| Annual deficit   | \$ (36,924)             | \$ (2,586,455)           |
| Items not involving cash:                                |                         |                          |
| Amortization of tangible capital assets                  | 4,692,676               | 4,541,707                |
| Solid waste closure and post-closure liabilities         | 379,316                 | 40,482                   |
| Gain on disposal of tangible capital assets              | (31,848)                | (67,966)                 |
| Loss (gain) from government business enterprises         | (1,288,825)             | 420,474                  |
| Changes in non-cash operating balances:                  |                         |                          |
| Accounts receivable                                      | 548,833                 | 175,421                  |
| Due from government                                      | (410,302)               | 9,573                    |
| Inventories for resale                                   | (70,611)                | 28,646                   |
| Prepaid expenses   | 157,040                 | (166,437)                |
| Inventories held for use                                 | (54,082)                | 10,367                   |
| Accounts payable and accrued liabilities                 | 2,314,833               | 1,203,812                |
| Due to government  | 33,722                  | (178,766)                |
| Deferred revenue   | 1,998,640               | (338,669)                |
| <br>Cash provided by operating transactions              | <br><u>8,232,468</u>    | <br><u>3,092,189</u>     |
| <b>Capital transactions</b>                              |                         |                          |
| Acquisition of tangible capital assets                   | (11,868,309)            | (8,001,096)              |
| Proceeds on disposal of tangible capital assets          | 265,915                 | 151,346                  |
| <br>Cash applied to capital transactions                 | <br><u>(11,602,394)</u> | <br><u>(7,849,750)</u>   |
| <b>Investing transactions</b>                            |                         |                          |
| Decrease (increase) in portfolio investments             | 1,888,124               | (99,885,443)             |
| Increase (decrease) in due from controlled entities      | 1,000,000               | (1,993,397)              |
| Decrease in restricted cash                              | (11,601)                | (90,271)                 |
| Decrease in trust funds held by federal government       | (575)                   | -                        |
| Increase in loans receivable                             | 90,539                  | 76,265                   |
| <br>Cash provided by investing transactions              | <br><u>2,966,487</u>    | <br><u>(101,892,846)</u> |
| <b>Financing transaction</b>                             |                         |                          |
| Proceeds from issuance of long-term debt                 | 11,409,946              | 6,587,000                |
| Repayment of long-term debt                              | (1,175,343)             | (6,811,745)              |
| Decrease in deferred payouts - minors                    | (1,218,244)             | (1,931,778)              |
| <br>Cash provided by (applied to) financing transactions | <br><u>9,016,359</u>    | <br><u>(2,156,523)</u>   |
| <br>Increase in cash                                     | <br><u>8,612,920</u>    | <br><u>(108,806,930)</u> |
| Cash, beginning of year                                  | <u>419,382</u>          | <u>109,226,312</u>       |
| <br>Cash, end of year (Note 2)                           | <br><u>\$ 9,032,302</u> | <br><u>\$ 419,382</u>    |

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



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

**March 31, 2021**

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### 1. Summary of Significant Accounting Policies

#### a) Nature of Organization

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

The First Nation is exempt from income tax.

#### b) Basis of Accounting

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

#### c) Reporting Entity

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

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

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

|  |        |
|--|--------|
| Chippewas of Rama Social Housing                           | - 100% |
| Waasa Gdi Naabmin (Looking Far Ahead) Trust                | - 100% |
| Ojibway Bay Marina Ltd.                                    | - 100% |
| 455457 Ontario Inc. (o/a Ramcor Developments)              | - 100% |
| 1176290 Ontario Limited (o/a Biindigen Gift Shop)          | - 100% |
| 1291580 Ontario Inc. (o/a Rama Country Market and Gas Bar) | - 100% |
| Black River Wilderness Park Limited                        | - 100% |
| 2743337 Ontario Limited                                    | - 100% |
| 2653443 Ontario Limited                                    | - 100% |

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

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

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

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

**March 31, 2021**

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**1. Summary of Significant Accounting Policies (continued)**

**d) Loans Receivable**

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

**e) Portfolio Investments**

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

**f) Inventories for Resale**

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

**g) Tangible Capital Assets**

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

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

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

**h) Inventories Held for Use**

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

**i) Solid Waste Closure and Post-Closure Accrual**

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

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

**March 31, 2021**

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**1. Summary of Significant Accounting Policies (continued)**

**j) Pension Plan**

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

**k) Long Term Debt**

Long term debt in the form of a forgivable loan is recognized as revenue in the financial statements when any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Forgivable loans are recognized as long term debt when transfer stipulations give rise to a liability. Revenue is recognized in the statement of operations as the liability stipulations are settled.

**l) Government Transfers**

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

**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.

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

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

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

**March 31, 2021**

**2. Cash and cash equivalents**

|                | 2021         | 2020       |
|----------------|--------------|------------|
| Unrestricted:  |              |            |
| Operating      | \$ 8,674,299 | \$ 73,964  |
| Social Housing | 358,003      | 345,420    |
| Total cash     | \$ 9,032,302 | \$ 419,384 |

**3. Restricted Cash**

|                                      | 2021       | 2020       |
|--------------------------------------|------------|------------|
| Restricted - Social Housing Reserves | \$ 798,372 | \$ 786,771 |

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

**4. Trust Funds Held by Federal Government**

|         | Balance March<br>31, 2020 | 2021<br>Additions | 2021<br>Withdrawals | Balance March<br>31, 2021 |
|---------|---------------------------|-------------------|---------------------|---------------------------|
| Revenue | \$ -                      | \$ -              | \$ -                | \$ -                      |
| Capital | 49,920                    | 575               | -                   | 50,495                    |
|         | \$ 49,920                 | \$ 575            | \$ -                | \$ 50,495                 |

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

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

**March 31, 2021**

**5. Accounts Receivable**

|                           | 2021         | 2020         |
|---------------------------|--------------|--------------|
| Due from members:         |              |              |
| Social Housing            | \$ 235,450   | \$ 150,199   |
| Rent and other            | 814,007      | 774,743      |
| Due from others:          |              |              |
| Services                  | 3,601,832    | 4,212,453    |
|                           | 4,651,289    | 5,137,395    |
| Less impairment allowance | (824,745)    | (762,018)    |
| Total accounts receivable | \$ 3,826,544 | \$ 4,375,377 |

**6. Due from Government**

|   | 2021         | 2020         |
|---|--------------|--------------|
| Federal government                      |              |              |
| Indigenous and Northern Affairs Canada  | \$ 791,856   | \$ 429,655   |
| Canada Mortgage and Housing Corporation | 25,761       | 24,280       |
| Ogemawahj Tribal Council                | 60,721       | 11,256       |
| HST                                     | 117,854      | 91,173       |
| Other                                   | 416,764      | 545,985      |
| Provincial government                   | 140,399      | 40,704       |
|   | \$ 1,553,355 | \$ 1,143,053 |

**7. Loans Receivable**

|  | 2021       | 2020       |
|--|------------|------------|
| Community Financial Assistance Program loans   | \$ 316,482 | \$ 310,228 |
| Mortgages to members, bearing interest at 4.45%, 8 (2020 - 9) mortgages, various monthly payments of \$5,762 in total, due from 2022 to 2038 | 284,408    | 385,780    |
|  | 600,890    | 696,008    |
| Less impairment allowance  | (58,779)   | (63,358)   |
|  | \$ 542,111 | \$ 632,650 |

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

**March 31, 2021**

**8. Portfolio Investments**

|   | 2021                 | 2020          |
|---|----------------------|---------------|
| <b>First Nation Fund</b>  |                      |               |
| Investments held by Scotiabank, market value of \$152,457,234 (2020 - \$129,802,393) (Note 15 & 19) | <b>\$138,980,283</b> | \$137,639,441 |
| Accrued interest receivable   | <b>110,064</b>       | 148,537       |
|   | <b>139,090,347</b>   | 137,787,978   |
| <br>  |                      |               |
| <b>Restricted Assets of Waasa Gdi Naabmin (Looking Far Ahead) Trust</b>                             |                      |               |
| Investments held by Scotiabank, market value of \$25,154,674 (2020 - \$23,416,541) (Note 15)        | <b>23,774,129</b>    | 24,943,656    |
| Accrued interest receivable   | <b>9</b>             | 364           |
|   | <b>23,774,138</b>    | 24,944,020    |
| <br>  |                      |               |
| <b>Other Investments</b>  |                      |               |
| Medcan Health, 30,000 class B common shares   | <b>300</b>           | 300           |
| Guaranteed Investment Certificates held as collateral (Note 15)                                     | <b>6,928,323</b>     | 8,972,794     |
| Diversified Canadian Growth Deposit Notes, due 2021 (Note 15)                                       | <b>3,223,860</b>     | 3,200,000     |
|   | <b>10,152,483</b>    | 12,173,094    |
| <br>  |                      |               |
| <b>Total portfolio investments</b>  | <b>\$173,016,968</b> | \$174,905,092 |

Included in the Scotiabank portfolio investment of \$138,980,283 (2020 - \$137,639,441) is \$27,789,376 (2020 - \$24,033,372) in fixed income securities. These bear interest rates ranging from 0.5% to 6.67% (2020 - 1.25% to 11%) and maturity dates ranging from 2022 to 2050 (2020 - 2021 to 2050).

Also included in the investment of \$138,980,283 is internally restricted Williams Treaty Settlement funds in the amount of \$19,295,553 (2020 - \$20,173,400).

Included in the Scotiabank portfolio investment of \$23,774,129 (2020 - 24,943,656) is \$Nil (2020 - \$Nil) in fixed income securities.

The amount of the Waasa Gdi Naabmin (Looking Far Ahead) Trust capital distributions are limited to those funds held in the Waasa Gdi Naabim (Looking Far Ahead) Trust by Scotiabank with the balance of \$23,774,138 (2020 - \$24,944,020) above. There is no liability to the First Nation or guarantee by the First Nation to pay out any trust capital distributions related to the Waasa Gdi Naabmin (Looking Far Ahead) Trust.

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

**March 31, 2021**

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**9. Due from Controlled Entities**

|   | <u>2021</u>                | <u>2020</u>                |
|---|----------------------------|----------------------------|
| Rama Parking Inc.                         | 960,791                    | 960,791                    |
| My Lucky Spot - Entertainment Centre Ltd. | <u>2,347,147</u>           | <u>3,347,147</u>           |
|   | <u><b>\$ 3,307,938</b></u> | <u><b>\$ 4,307,938</b></u> |

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

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

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**10. Investments in Government Business Enterprises**

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

|   | <u>2021</u>         | <u>2020</u>         |
|---|---------------------|---------------------|
| My Lucky Spot - Entertainment Centre Ltd., at cost            | \$ 6,400,000        | \$ 6,400,000        |
| Casino Rama Inc., at cost                                     | 1                   | 1                   |
| Rama Parking Inc.   | 1                   | 1                   |
|   | <u>6,400,002</u>    | <u>6,400,002</u>    |
| Cumulative income (loss) from government business enterprises | <u>(3,499,633)</u>  | <u>(4,788,458)</u>  |
|   | <u>\$ 2,900,369</u> | <u>\$ 1,611,544</u> |

The following table presents condensed supplementary financial information for these commercial enterprises as at March 31, 2021.

|   | My Lucky Spot<br>- Entertainment<br>Centre Ltd. | Other               | 2021 Total          | 2020 Total          |
|---|---|---------------------|---------------------|---------------------|
| Cash  | \$ 1,288,387                                    | \$ 166,549          | \$ 1,454,936        | \$ 911,238          |
| Accounts receivable   | 247,735   | -                   | 247,735             | 361,923             |
| Inventory   | 42,560  | -                   | 42,560              | 47,777              |
| Prepaid expenses  | 85,681  | 9,831               | 95,512              | 105,362             |
| Tangible capital assets                                     | 3,149,768                                       | 977,871             | 4,127,639           | 4,337,918           |
| Other assets  | 2,791,250                                       | 1                   | 2,791,251           | 3,003,751           |
| <b>Total assets</b>   | <u>\$ 7,605,381</u>                             | <u>\$ 1,154,252</u> | <u>\$ 8,759,633</u> | <u>\$ 8,767,969</u> |
| Accounts payable  | \$ 381,592                                      | \$ 109,333          | \$ 490,925          | \$ 1,053,531        |
| Long-term debt  | 2,526,979                                       | 960,791             | 3,487,770           | 3,543,681           |
| Other liabilities   | 9,268,970                                       | 1                   | 9,268,971           | 10,268,971          |
| <b>Total liabilities</b>                                    | <u>12,177,541</u>                               | <u>1,070,125</u>    | <u>13,247,666</u>   | <u>14,866,183</u>   |
| Equity  | (4,572,160)                                     | 84,127              | (4,488,033)         | (6,098,214)         |
| <b>Total liabilities and equity</b>                         | <u>\$ 7,605,381</u>                             | <u>\$ 1,154,252</u> | <u>\$ 8,759,633</u> | <u>\$ 8,767,969</u> |
| Revenue   | \$ 6,009,664                                    | \$ 9,486,915        | \$ 15,496,579       | \$ 13,502,750       |
| Expenses  | 4,402,886                                       | 9,483,513           | 13,886,399          | 14,029,451          |
| <b>Net income (loss)</b>                                    | <u>\$ 1,606,778</u>                             | <u>\$ 3,402</u>     | <u>\$ 1,610,180</u> | <u>\$ (526,701)</u> |
| Chippewas of Rama First Nation's share of net income (loss) | \$ 1,285,422                                    | \$ 3,402            | \$ 1,288,824        | \$ (420,474)        |



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

**March 31, 2021**

### 10. Investment in Government Business Enterprises (continued)

#### My Lucky Spot - Entertainment Centre Ltd.

As at March 31, 2014, the First Nation through 455457 Ontario Inc. acquired 6,400,000 participating preference shares at \$1.00 per share in My Lucky Spot - Entertainment Centre Ltd. This represents 100% of the issued preference shares and 80.00% of the voting shares of the company. My Lucky Spot - Entertainment Centre Ltd. is in the process of acquiring, renovating and operating existing bingo centres and electronic gaming centres.

The fiscal year end of My Lucky Spot - Entertainment Centre Ltd. is December 31. As the year end for My Lucky Spot - Entertainment Centre Ltd. does not coincide with the year end of the First Nation, and it is not possible to use financial statements that do coincide, the financial statements used under the modified equity method will be for the year ended December 31. Therefore, December 31, 2020 amounts have been picked up using the modified equity basis of accounting in these financial statements. The First Nation's interest in My Lucky Spot - Entertainment Centre Ltd. is 80.00%.

The financial statements of My Lucky Spot - Entertainment Centre Ltd. include a going concern disclosure for the years ended December 31, 2020 and December 31, 2019.

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

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

|            | Debt due to other<br>organizations within the<br>reporting entity | Debt due to parties<br>external to the<br>reporting entity | Total               |
|------------|---|--|---------------------|
| 2021       | \$ -  | \$ 143,347   | \$ 143,347          |
| 2022       | -   | 124,927  | 124,927             |
| 2023       | -   | 99,783   | 99,783              |
| 2024       | -   | 104,888  | 104,888             |
| 2025       | -   | 110,255  | 110,255             |
| Thereafter | -   | 1,943,779  | 1,943,779           |
|            | <b>\$ -</b>   | <b>\$ 2,526,979</b>  | <b>\$ 2,526,979</b> |

Additionally, My Lucky Spot - Entertainment Centre Ltd. has leased premises under long-term lease agreements maturing 2022 and 2023, which includes an optional renewal clause to extend the lease term. Future minimum operating lease payments for the next three years are as follows:

| Year | Amount     |
|------|------------|
| 2021 | \$ 936,000 |
| 2022 | 936,000    |
| 2023 | 516,000    |

#### Other

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

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

**March 31, 2021**

**11. Accounts Payable and Accrued Liabilities**

|                                       | 2021         | 2020         |
|---------------------------------------|--------------|--------------|
| Trade payables                        | \$ 1,760,913 | \$ 1,038,274 |
| Accrued salaries and benefits payable | 4,509,889    | 4,195,369    |
| Other accrued liabilities             | 3,524,872    | 2,247,197    |
|                                       | \$ 9,795,674 | \$ 7,480,840 |

**12. Deferred Payouts - Minors**

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

**13. Due to Government**

|  | 2021       | 2020       |
|--|------------|------------|
| Federal government, non interest bearing, due within one year    | \$ 102,275 | \$ 115,351 |
| Provincial government, non interest bearing, due within one year | 47,654     | 856        |
|  | \$ 149,929 | \$ 116,207 |

**14. Deferred Revenue**

|                    | Balance March<br>31, 2020 | 2021 Funding<br>Received | 2021 Revenue<br>Recognized | Balance March<br>31, 2021 |
|--------------------|---------------------------|--------------------------|----------------------------|---------------------------|
| <b>Government:</b> |                           |                          |                            |                           |
| Federal - other    | \$ 1,222,162              | \$ 1,864,603             | \$ 1,227,704               | \$ 1,859,061              |
| Provincial - other | 180,747                   | 532,809                  | 172,442                    | 541,114                   |
|                    | 1,402,909                 | 2,397,412                | 1,400,146                  | 2,400,175                 |
| <b>Other:</b>      |                           |                          |                            |                           |
| Unearned fees      | 319,940                   | 570,703                  | 319,939                    | 570,704                   |
| Other              | 198,542                   | 926,313                  | 175,703                    | 949,152                   |
|                    | 518,482                   | 1,497,016                | 495,642                    | 1,519,856                 |
|                    | \$ 1,921,391              | \$ 3,894,428             | \$ 1,895,788               | \$ 3,920,031              |

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

**March 31, 2021**

**15. Long-term Debt**

|   | 2021                 | 2020                 |
|---|----------------------|----------------------|
| Non-revolving demand promissory note for Tim Horton's renovations, interest at prime plus 1% payable monthly, due 2022  | 106,667              | 266,667              |
| Non-revolving demand promissory note for investment in My Lucky Spot - Entertainment Centre Ltd., interest at prime plus 0.25% payable monthly, due September 2021          | 6,400,000            | 6,400,000            |
| Non-revolving demand promissory note for fire truck, interest at prime plus 1% payable monthly, due 2025  | 435,342              | 539,825              |
| Mortgages payable - Social Housing, 0.46% to 2.52%, payable monthly in blended payments of \$50,720 secured by the First Nation and ministerial guarantee, due 2022 to 2026 | 6,929,176            | 6,531,862            |
| Loan payable, First Nations Finance Authority, interest at 2.72% payable monthly, due 2028  | 15,822,327           | 5,695,558            |
| Forgivable loan payable, Shell Canada, interest free, forgivable at \$25,000 per year, due 2029   | 200,000              | 225,000              |
|   | <b>\$ 29,893,512</b> | <b>\$ 19,658,912</b> |

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

| Year       | Amount               |
|------------|----------------------|
| 2022       | \$ 9,202,106         |
| 2023       | 3,344,519            |
| 2024       | 1,892,853            |
| 2025       | 1,327,035            |
| 2026       | 1,426,065            |
| Thereafter | 12,700,934           |
|            | <b>\$ 29,893,512</b> |

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

**March 31, 2021**

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**15. Long-term Debt (continued)**

|   | <u>2021</u>       | <u>2020</u>       |
|---|-------------------|-------------------|
| Interest expense for the year on long-term debt | <u>\$ 455,178</u> | <u>\$ 648,147</u> |

The First Nation has a non-revolving demand promissory note with an authorized amount of \$6,400,000 for assistance with financing the investment in My Lucky Spot - Entertainment Centre Ltd. Advances are repayable in full on or before September 30, 2021. This demand loan is secured by a guaranteed investment certificate and diversified Canadian growth deposit notes (Note 8).

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

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

The First Nation also has a non-revolving promissory note with an authorized amount of \$21,054,000 for capital infrastructure refinancing, repayable over 30 years. This loan is secured by a Secured Revenue Trust Account (SRTA) for Rama Fee proceeds from Casino Rama. As of March 31, 2021, the balance of this loan is \$15,822,327.

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

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**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 \$2,016,772 (2020 - \$1,637,456) and reflects a discount rate of 3.0% (2020 - 3.5%). The estimated total expenditures for landfill closure costs are approximately \$461,000 with annual post-closure care costs of approximately \$62,000.

The liability is based on estimates and assumptions related to events extending over the remaining life of the landfill. The estimated remaining landfill life is 8 years. There are no specific assets designated for these post-closure costs, though management believes that the current accumulated surplus will be sufficiently maintained to meet this liability. The estimated length of time needed for post-closure care is 50 years.

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**17. Pension Plan**

The First Nation makes contributions to the Manulife Financial (formerly Standard Life) 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 \$1,366,105 (2020 - \$1,397,930) to the defined contribution pension plan and is included in employee benefits in the consolidated operations and accumulated surplus. There were no significant changes to the plan during the year.

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

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**18. Tangible Capital Assets**

|                               | Cost                 |                      |                     | Accumulated Amortization |                      |                     | Net Book Value      |                      |                      |                      |
|-------------------------------|----------------------|----------------------|---------------------|--------------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
|                               | Opening Balance      | Additions            | Disposals           | Closing Balance          | Opening Balance      | Amortization        | Disposals           | Closing Balance      | Total 2021           | Total 2020           |
| Land                          | \$ 31,745,553        | \$ -                 | \$ (213,593)        | \$ 31,531,960            | \$ -                 | \$ -                | \$ -                | \$ -                 | \$ 31,531,960        | \$ 31,745,553        |
| Land Improvements             | 2,976,821            | 36,520               | -                   | 3,013,341                | 1,074,645            | 131,141             | -                   | 1,205,786            | 1,807,555            | 1,902,176            |
| Buildings and Structures      | 88,919,572           | 9,998,088            | -                   | 98,917,660               | 46,604,170           | 2,744,874           | -                   | 49,349,044           | 49,568,616           | 42,315,402           |
| Roads and Bridges             | 4,968,451            | 109,545              | -                   | 5,077,996                | 2,009,130            | 130,007             | -                   | 2,139,137            | 2,938,859            | 2,959,321            |
| Water and Waste Water Systems | 8,020,284            | -                    | -                   | 8,020,284                | 3,498,144            | 160,406             | -                   | 3,658,550            | 4,361,734            | 4,522,140            |
| Automotive                    | 12,397,940           | 572,101              | (274,466)           | 12,695,575               | 8,814,008            | 701,656             | (256,416)           | 9,259,248            | 3,436,327            | 3,583,932            |
| Equipment                     | 9,793,538            | 1,016,094            | (44,092)            | 10,765,540               | 7,103,852            | 597,537             | (41,669)            | 7,659,720            | 3,105,820            | 2,689,686            |
| Solar Panels                  | 3,112,741            | -                    | -                   | 3,112,741                | 847,906              | 155,637             | -                   | 1,003,543            | 2,109,198            | 2,264,835            |
| Computer Systems              | 1,102,044            | 135,961              | (2,948)             | 1,235,057                | 1,009,959            | 71,418              | (2,947)             | 1,078,430            | 156,627              | 92,085               |
| <b>Total</b>                  | <b>\$163,036,944</b> | <b>\$ 11,868,309</b> | <b>\$ (535,099)</b> | <b>\$174,370,154</b>     | <b>\$ 70,961,814</b> | <b>\$ 4,682,676</b> | <b>\$ (301,032)</b> | <b>\$ 75,353,458</b> | <b>\$ 99,016,696</b> | <b>\$ 92,075,130</b> |

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 \$10,324,748 (2020 - \$4,585,477).

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

**March 31, 2021**

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**19. Contingent Liabilities**

- a) The First Nation has guaranteed the mortgages of certain members in the amount of approximately \$4,222,818 (2020 - \$4,338,279). The outstanding balance of the mortgages amounted to \$2,399,312 (2020 - \$2,157,004) at year end.
- b) Where differences exist between the agency's net approved expenses and their actual net expenses, the resolution of these variances will be negotiated between the agency and the First Nation. Any resultant adjustments will be recognized in the year in which the changes are confirmed by the agency.
- c) The First Nation has entered into a collateral security agreement with a Canadian chartered bank that has agreed to finance on-reserve housing loans for individual band members of Rama. The First Nation has guaranteed the payment and performance by the borrowers of the obligations up to the amount of \$14,137,748 (Note 8) 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. The outstanding balance of the mortgages at year end amounted to \$6,271,769 (2020 - \$7,173,730).

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**20. Contractual Obligations**

|                        | 2022                | 2023             | 2024             | 2025             | 2026 and<br>thereafter | Total               |
|------------------------|---------------------|------------------|------------------|------------------|------------------------|---------------------|
| Operating leases       | \$ 225,042          | \$ 95,438        | \$ 73,833        | \$ 40,934        | \$ 20,483              | \$ 455,730          |
| Construction contracts | 6,539,769           | -                | -                | -                | -                      | 6,539,769           |
|                        | <b>\$ 6,764,811</b> | <b>\$ 95,438</b> | <b>\$ 73,833</b> | <b>\$ 40,934</b> | <b>\$ 20,483</b>       | <b>\$ 6,995,499</b> |

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

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**21. Government Transfers**

|   | <b>2021</b>          | <b>2020</b>          |
|---|----------------------|----------------------|
| <b>Federal government transfers</b>       |                      |                      |
| Operating:                                |                      |                      |
| Indigenous and Northern Affairs Canada:   |                      |                      |
| Block contribution                        | \$ 1,817,415         | \$ 1,738,429         |
| Fixed contribution                        | 2,026,390            | 1,201,565            |
| Set contribution                          | 39,360               | 61,752               |
| Flexible contribution                     | 827,001              | -                    |
| Grant - special claims                    | 277,730              | 274,981              |
| Health Canada                             | 1,672,607            | 1,406,567            |
| Canada Mortgage and Housing Corporation   | 295,068              | 291,367              |
| Anishinabek Nation Education              | 4,761,132            | 4,307,821            |
| Other                                     | 608,137              | 681,323              |
| <b>Total federal government transfers</b> | <b>12,324,840</b>    | <b>9,963,805</b>     |
| <b>Provincial government transfers</b>    |                      |                      |
| Operating                                 | <b>7,534,732</b>     | <b>6,929,823</b>     |
| <b>Total government transfers</b>         | <b>\$ 19,859,572</b> | <b>\$ 16,893,628</b> |



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

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**22. Budget**

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

|  | <u>2021</u>         |
|--|---------------------|
| Financial Plan (Budget) surplus (deficit) for the year     |                     |
| Chippewas of Rama First Nation                             | \$ (113,679)        |
| Chippewas of Rama Social Housing                           | 43,580              |
| Ojibway Bay Marina Ltd.                                    | 39,243              |
| 455457 Ontario Inc. (o/a Ramcor Developments)              | 277,744             |
| 1176290 Ontario Limited (o/a Biindigen Gift Shop)          | (49,979)            |
| 1291580 Ontario Inc. (o/a Rama Country Market and Gas Bar) | 76,110              |
| Black River Wilderness Park Limited                        | 24,655              |
| Waasa Gdi Naabmin (Looking Far Ahead) Trust                | <u>(3,359,937)</u>  |
| Total Financial Plan (Budget) deficit for the year         | (3,062,263)         |
| Add: Capital expenditures                                  | <u>2,429,310</u>    |
| Budget deficit per statement of operations                 | <u>\$ (632,953)</u> |

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**23. Williams Treaty Settlement**

Included in the annual deficit is a payout of \$1,416,625 (2020 - \$1,064,500) that was paid out of the Williams Treaty Settlement investments (Note 8). The annual surplus prior to these payments would have been \$1,379,701.

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

**March 31, 2021**

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**24. Uncertainty due to COVID-19**

During the year, the impact of COVID-19 in Canada and on the global economy increased significantly. This has resulted in worldwide emergency measures to combat the spread of the virus. Due to the pandemic, the First Nation incurred additional expenses relating to COVID-19 prevention, however they also received additional one-time funding to offset these expenses. There was no interruption to regular funding received from ISC and they received approval in order to carry forward unspent funding for certain programs.

At the start of the year, the financial markets experienced a significant increase in volatility as a result of the uncertainty related to the COVID-19 pandemic and portfolio investments experienced significant declines. However, during the year, the investment portfolio with Scotiabank and the Williams Treaty Settlement Trust investment portfolio experienced a market increase, recovering from the decrease at March 31, 2020. However, the First Nation's portfolio investments could experience further volatility as the impacts continue.

Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the First Nation is not able to fully estimate the future effects of the COVID-19 outbreak on its operations.

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

**March 31, 2021**

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### **25. Segmented Information**

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

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

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

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

#### **General Government**

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

#### **Health and Social Services**

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

#### **Education**

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

#### **Economic Development and Business Enterprises**

The economic development department is responsible for promoting economic growth within the First Nation. First Nation 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.

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

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**25. Segmented Information (continued)**

**Housing and Social Housing**

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

**Lands and Trust**

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

**Recreation and Culture**

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

**Special Projects**

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

**Operations and Maintenance**

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

**Fire and Police**

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

**Water and Waste Water**

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

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# Chippewas of Rama First Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 25. Segmented Information (continued)

|  | General Government |              |              | Health and Social Services |              |              | Education      |                |                | Economic Development and Business Enterprises |              |                |
|--|--------------------|--------------|--------------|----------------------------|--------------|--------------|----------------|----------------|----------------|---|--------------|----------------|
|  | Budget<br>2021     | 2021         | 2020         | Budget<br>2021             | 2021         | 2020         | Budget<br>2021 | 2021           | 2020           | Budget<br>2021                                | 2021         | 2020           |
| <b>Revenue</b>                                     |                    |              |              |                            |              |              |                |                |                |   |              |                |
| Federal government transfers                       | \$ 492,057         | \$ 1,195,384 | \$ 473,258   | \$ 1,568,100               | \$ 2,072,613 | \$ 1,689,802 | \$ 4,123,992   | \$ 5,107,145   | \$ 4,623,581   | \$ 455,915                                    | \$ 827,063   | \$ 160,253     |
| Provincial government transfers                    | 1,000              | 239,142      | 3,585        | 6,016,285                  | 6,078,666    | 5,583,740    | 190,116        | 371,251        | 392,167        | -   | 5,000        | 151,895        |
| Rental income                                      | 3,949,822          | 3,989,749    | 3,913,590    | 205,300                    | 204,373      | 204,504      | -              | -              | -              | -   | -            | -              |
| Investment income                                  | 1,000,000          | 1,302,369    | 3,997,794    | -                          | -            | -            | -              | -              | -              | -   | -            | -              |
| Income (loss) from enterprises                     | -                  | -            | -            | -                          | -            | -            | -              | -              | -              | -   | 1,288,825    | (420,474)      |
| Casino Rama ground rent                            | -                  | -            | -            | -                          | -            | -            | -              | -              | -              | -   | -            | -              |
| User fees  | 68,400             | 77,513       | 63,288       | -                          | -            | -            | -              | -              | -              | -   | -            | -              |
| Sales from business enterprises                    | -                  | -            | -            | -                          | -            | -            | -              | -              | -              | -   | -            | -              |
| Casino Rama fees                                   | 5,800,000          | 5,581,711    | 5,597,002    | -                          | -            | -            | -              | -              | -              | 12,206,146                                    | 7,769,071    | 11,174,276     |
| Coldwater Treaty                                   | 3,829,658          | 5,305,457    | 1,390,860    | 861,661                    | 401,320      | 1,198,585    | 671,212        | (405,718)      | 165,183        | 729,260                                       | 708,196      | 707,657        |
| Other  | 15,140,937         | 17,691,325   | 15,439,377   | 8,651,346                  | 8,756,972    | 8,674,611    | 4,985,320      | 5,072,678      | 5,180,931      | 13,391,321                                    | 10,598,155   | 11,773,607     |
| <b>Expenses</b>                                    |                    |              |              |                            |              |              |                |                |                |   |              |                |
| Salaries and wages                                 | 5,099,784          | 5,663,243    | 5,141,239    | 5,161,558                  | 4,577,039    | 4,755,519    | 4,784,862      | 4,109,051      | 4,544,525      | 2,381,588                                     | 2,268,671    | 2,468,077      |
| Materials, services and other                      | 799,669            | 2,713,140    | 1,803,683    | 2,005,956                  | 2,110,523    | 1,878,695    | 2,851,498      | 2,840,729      | 2,816,615      | 10,014,245                                    | 5,650,137    | 9,340,513      |
| Repairs and maintenance                            | 31,625             | 36,047       | 21,836       | 472,039                    | 388,264      | 441,597      | 259,151        | 252,018        | 315,765        | 416,789                                       | 508,240      | 376,278        |
| Contracted services, professional fees             | 488,729            | 429,519      | 387,176      | 77,746                     | 78,643       | 131,626      | 39,000         | 4,516          | 9,586          | 47,000  | 67,335       | 45,549         |
| Utilities, insurance                               | 47,997             | 247,399      | 52,050       | 98,823                     | 97,991       | 103,312      | 95,960         | 100,190        | 98,633         | 279,660                                       | 296,731      | 319,893        |
| Rental   | 295,141            | 264,597      | 282,904      | 84,410                     | 81,922       | 81,435       | 46,469         | 52,660         | 52,923         | 50,180  | 52,184       | 50,139         |
| Gifts, donations, grants                           | 144,000            | 246,126      | 156,799      | 54,092                     | 31,437       | 33,377       | 72,000         | 80,606         | 46,901         | -   | -            | -              |
| Amortization                                       | -                  | 695,804      | 697,461      | -                          | 251,085      | 241,517      | -              | 317,842        | 313,498        | 115,909                                       | 490,322      | 453,205        |
| Loss (gain) on disposal of tangible capital assets | -                  | (33,450)     | (69,614)     | -                          | -            | -            | -              | -              | -              | -   | -            | 1,648          |
| Interest expense                                   | 226,440            | 208,329      | 298,880      | -                          | -            | -            | -              | -              | -              | 49,140  | 31,269       | 67,961         |
| Trust capital distributions                        | -                  | -            | -            | -                          | -            | -            | -              | -              | -              | -   | -            | -              |
| Coldwater Treaty                                   | -                  | -            | -            | -                          | -            | -            | -              | -              | -              | -   | -            | -              |
| <b>Net surplus (deficit)</b>                       | \$ 8,007,552       | \$ 7,220,571 | \$ 6,666,963 | \$ 696,722                 | \$ 1,138,068 | \$ 1,007,533 | \$ (3,163,620) | \$ (2,864,934) | \$ (3,017,515) | \$ 36,810                                     | \$ 1,233,266 | \$ (1,349,656) |
|  | 7,133,385          | 10,470,754   | 8,772,414    | 7,954,624                  | 7,617,904    | 7,667,078    | 8,148,940      | 7,757,612      | 8,198,446      | 13,354,511                                    | 9,364,889    | 13,123,263     |

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

**March 31, 2021**

**25. Segmented Information (continued)**

|  | Housing and Social Housing |            | Lands and Trust |             | Recreation and Culture |           | Special Projects |            |
|--|----------------------------|------------|-----------------|-------------|------------------------|-----------|------------------|------------|
|  | Budget 2021                | 2021       | Budget 2021     | 2021        | Budget 2021            | 2021      | Budget 2021      | 2021       |
| <b>Revenue</b>                                     |                            |            |                 |             |                        |           |                  |            |
| Federal government transfers                       | \$ 525,880                 | \$ 538,073 | \$ 523,811      | \$ 297,848  | \$ 348,113             | \$ 5,000  | \$ 5,000         | \$ 303,248 |
| Provincial government transfers                    | -                          | -          | -               | 76,500      | 85,000                 | -         | -                | 194,306    |
| Rental income                                      | 791,320                    | 789,484    | 764,728         | 4,560       | 11,810                 | -         | -                | -          |
| Investment income                                  | -                          | -          | -               | 996,748     | 863,695                | -         | -                | -          |
| Income (loss) from enterprises                     | -                          | -          | -               | -           | -                      | -         | -                | -          |
| Casino Rama ground rent                            | -                          | -          | -               | 5,401,132   | 5,447,262              | -         | -                | -          |
| User fees  | -                          | -          | -               | -           | -                      | 245,150   | 193,213          | -          |
| Sales from business enterprises                    | -                          | -          | -               | -           | -                      | -         | -                | -          |
| Casino Rama fees                                   | -                          | -          | -               | 419,741     | 523,675                | -         | -                | -          |
| Coldwater Treaty                                   | -                          | -          | 32,397          | (68,665)    | (33,681)               | -         | -                | -          |
| Other  | 46,600                     | 66,019     | 32,397          | -           | 523,675                | -         | -                | -          |
|  | 1,363,800                  | 1,393,576  | 1,320,936       | 7,127,864   | 7,245,874              | 389,950   | 285,440          | 482,976    |
| <b>Expenses</b>                                    |                            |            |                 |             |                        |           |                  |            |
| Salaries and wages                                 | 110,777                    | 108,631    | 120,933         | 254,348     | 187,523                | 370,702   | 190,831          | 321,872    |
| Materials, services and other                      | 272,507                    | (506,267)  | (329,329)       | 19,153      | 31,908                 | 329,311   | 80,631           | 190,816    |
| Repairs and maintenance                            | 135,200                    | 105,382    | 128,713         | 2,462       | 6,443                  | 22,200    | 6,008            | 31,706     |
| Contracted services, professional fees             | 19,075                     | 16,960     | 17,920          | 16,447      | 34,329                 | 9,500     | 3,562            | 6,219      |
| Utilities, insurance                               | 95,100                     | 105,084    | 87,669          | -           | -                      | 1,500     | 1,019            | 1,137      |
| Rental   | 1,283                      | 1,283      | 1,283           | 15,056      | 2,415                  | 6,236     | 4,993            | 1,944      |
| Gifts, donations, grants                           | -                          | -          | -               | -           | -                      | -         | 1,409            | -          |
| Amortization                                       | 480,235                    | 616,430    | 582,273         | 1,035       | 209                    | -         | 33,936           | 29,113     |
| Loss (gain) on disposal of tangible capital assets | -                          | -          | -               | -           | -                      | -         | -                | -          |
| Interest expense                                   | 110,943                    | 103,629    | 114,366         | -           | -                      | -         | -                | -          |
| Trust capital distributions                        | -                          | -          | -               | 8,001,691   | 7,927,537              | -         | -                | -          |
| Coldwater Treaty                                   | -                          | -          | -               | -           | 46,900                 | -         | -                | -          |
|  | 1,235,120                  | 551,132    | 723,828         | 8,310,192   | 8,237,264              | 739,449   | 322,389          | 585,658    |
|  | 128,680                    | 842,444    | 597,108         | (1,182,328) | (991,390)              | (349,499) | (151,857)        | (21,856)   |
| <b>Net surplus (deficit)</b>                       | \$                         | \$         | \$              | \$          | \$                     | \$        | \$               | \$         |
|  | 44,000                     | 184,904    | 103,108         | (1,182,328) | (1,182,328)            | (349,499) | (151,857)        | (87,414)   |
|  | 188,109                    | 288,118    | 181,988         | 445,142     | 445,142                | 1,759     | 1,759            | 1,449      |
|  | 324,898                    | 303,248    | 285,440         | 514,832     | 514,832                | 514,832   | 514,832          | 446,751    |
|  | (90,812)                   | (233,638)  | 432,195         | (87,414)    | (87,414)               | (87,414)  | (87,414)         | (14,556)   |

# Chippewas of Rama First Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 25. Segmented Information (continued)

|  | Operations and Maintenance |                       |                       | Fire and Police     |                       |                       | Water and Waste Water |                       |                     | Totals Before Adjustments |                    |                       |
|--|----------------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------------|--------------------|-----------------------|
|  | Budget<br>2021             | 2021                  | 2020                  | Budget<br>2021      | 2021                  | 2020                  | Budget<br>2021        | 2021                  | 2020                | Budget<br>2021            | 2021               | 2020                  |
| <b>Revenue</b>                                     |                            |                       |                       |                     |                       |                       |                       |                       |                     |                           |                    |                       |
| Federal government transfers                       | \$ 966,860                 | \$ 1,529,525          | \$ 1,391,408          | \$ 374,617          | \$ 425,817            | \$ 419,051            | \$ 9,630              | \$ -                  | \$ 4,630            | \$ 9,234,551              | \$ 12,324,840      | \$ 9,963,805          |
| Provincial government transfers                    | 74,008                     | 52,500                | 67,780                | 332,458             | 423,555               | 447,547               | -                     | -                     | -                   | 6,893,173                 | 7,534,732          | 6,929,823             |
| Rental income                                      | 414,204                    | 431,075               | 432,627               | -                   | -                     | -                     | -                     | -                     | -                   | 5,395,461                 | 5,419,241          | 5,327,259             |
| Investment income                                  | -                          | -                     | -                     | -                   | -                     | -                     | -                     | -                     | -                   | 1,865,250                 | 2,299,117          | 4,861,489             |
| Income (loss) from enterprises                     | -                          | -                     | -                     | -                   | -                     | -                     | -                     | -                     | -                   | -                         | 1,288,825          | (420,474)             |
| Casino Rama ground rent                            | -                          | -                     | -                     | -                   | -                     | -                     | -                     | -                     | -                   | 6,140,063                 | 5,401,132          | 5,447,262             |
| User fees  | 1,875,421                  | 966,959               | 1,146,795             | 6,410,418           | 6,008,952             | 6,184,399             | 1,445,406             | 545,134               | 1,161,947           | 10,044,795                | 7,697,238          | 8,749,582             |
| Sales from business enterprises                    | -                          | -                     | -                     | -                   | -                     | -                     | -                     | -                     | -                   | 12,206,146                | 7,769,071          | 11,174,276            |
| Casino Rama fees                                   | -                          | -                     | -                     | -                   | -                     | -                     | -                     | -                     | -                   | 5,800,000                 | 5,581,711          | 5,597,002             |
| Coldwater Treaty                                   | -                          | -                     | -                     | -                   | -                     | -                     | -                     | -                     | -                   | -                         | 419,741            | 523,675               |
| Other  | 1,168,998                  | 403,126               | 1,737,638             | 17,500              | 48,699                | 56,281                | 10,520                | 450                   | 2,144               | 7,429,909                 | 6,269,974          | 5,251,459             |
|  | <b>4,499,491</b>           | <b>3,383,185</b>      | <b>4,776,188</b>      | <b>7,134,993</b>    | <b>6,907,023</b>      | <b>7,107,278</b>      | <b>1,465,556</b>      | <b>545,584</b>        | <b>1,168,721</b>    | <b>65,009,348</b>         | <b>62,004,822</b>  | <b>63,405,158</b>     |
| <b>Expenses</b>                                    |                            |                       |                       |                     |                       |                       |                       |                       |                     |                           |                    |                       |
| Salaries and wages                                 | 3,107,929                  | 1,650,977             | 1,823,348             | 6,865,275           | 6,658,764             | 6,723,246             | 760,274               | 654,264               | 776,351             | 29,217,946                | 26,383,703         | 27,096,510            |
| Materials, services and other                      | 1,599,272                  | 2,699,775             | 2,701,366             | 500,197             | 428,036               | 479,185               | 385,536               | 92,743                | 174,640             | 18,963,957                | 16,317,862         | 19,270,080            |
| Repairs and maintenance                            | 1,875,250                  | 1,312,955             | 1,682,538             | 286,592             | 324,822               | 311,537               | 353,028               | 209,857               | 298,172             | 3,855,312                 | 3,147,055          | 3,615,175             |
| Contracted services, professional fees             | 165,541                    | 77,997                | 134,103               | 23,500              | 14,482                | 51,787                | 49,500                | 40,879                | 23,601              | 939,591                   | 755,289            | 867,360               |
| Utilities, insurance                               | 350,446                    | 338,758               | 374,990               | 155,493             | 163,990               | 152,417               | 201,569               | 177,830               | 207,993             | 1,326,548                 | 1,526,992          | 1,398,094             |
| Rental   | 29,537                     | 12,209                | 24,814                | 46,039              | 31,758                | 33,278                | 8,439                 | 5,186                 | 5,186               | 572,038                   | 523,336            | 542,753               |
| Gifts, donations, grants                           | -                          | -                     | -                     | 4,150               | 6,058                 | 6,007                 | -                     | -                     | -                   | 274,242                   | 365,636            | 243,084               |
| Amortization                                       | -                          | 1,211,062             | 1,107,557             | -                   | 476,577               | 486,375               | -                     | 596,103               | 629,050             | 606,144                   | 4,691,955          | 4,541,707             |
| Loss (gain) on disposal of tangible capital assets | -                          | (237)                 | -                     | -                   | 1,839                 | -                     | -                     | -                     | -                   | -                         | (31,948)           | (67,966)              |
| Interest expense                                   | -                          | -                     | -                     | -                   | 16,848                | 29,172                | -                     | -                     | -                   | 386,523                   | 360,075            | 510,379               |
| Trust capital distributions                        | -                          | -                     | -                     | -                   | -                     | -                     | -                     | -                     | -                   | 9,500,000                 | 8,001,691          | 7,927,537             |
| Coldwater Treaty                                   | -                          | -                     | -                     | -                   | -                     | -                     | -                     | -                     | -                   | -                         | -                  | 46,900                |
|  | <b>7,127,975</b>           | <b>7,301,496</b>      | <b>7,848,716</b>      | <b>7,881,246</b>    | <b>6,123,174</b>      | <b>6,273,004</b>      | <b>1,678,346</b>      | <b>1,776,862</b>      | <b>2,114,993</b>    | <b>65,642,301</b>         | <b>62,041,546</b>  | <b>65,991,613</b>     |
| <b>Net surplus (deficit)</b>                       | <b>\$ (2,628,484)</b>      | <b>\$ (3,918,311)</b> | <b>\$ (3,072,528)</b> | <b>\$ (746,253)</b> | <b>\$ (1,216,151)</b> | <b>\$ (1,165,726)</b> | <b>\$ (212,790)</b>   | <b>\$ (1,231,278)</b> | <b>\$ (946,272)</b> | <b>\$ (632,953)</b>       | <b>\$ (36,924)</b> | <b>\$ (2,586,455)</b> |

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

**March 31, 2021**

**25. Segmented Information (continued)**

|  | Consolidation Adjustments |                  |                  | Consolidated Totals |                   |
|--|---------------------------|------------------|------------------|---------------------|-------------------|
|  | Budget<br>2021            | 2021             | 2020             | Budget<br>2021      | 2020              |
| <b>Revenue</b>                                     |                           |                  |                  |                     |                   |
| Federal government transfers                       | \$ -                      | \$ -             | \$ -             | \$ 9,234,551        | \$ 12,324,840     |
| Provincial government transfers                    | -                         | -                | -                | 6,893,173           | 7,534,732         |
| Rental income                                      | -                         | 63,596           | 71,494           | 5,395,481           | 5,255,765         |
| Investment income                                  | -                         | -                | -                | 1,865,250           | 4,861,489         |
| Income (loss) from enterprises                     | -                         | -                | -                | -                   | (420,474)         |
| Casino Rama ground rent                            | -                         | -                | -                | 6,140,063           | 5,447,262         |
| User fees  | 1,687,604                 | 947,026          | 1,058,855        | 8,357,191           | 7,690,727         |
| Sales from business enterprises                    | -                         | 238,549          | 249,721          | 12,206,146          | 7,530,522         |
| Casino Rama fees                                   | -                         | -                | -                | 5,800,000           | 5,581,711         |
| Coldwater Treaty                                   | -                         | -                | -                | 419,741             | 523,875           |
| Other  | 559,439                   | 632,219          | 573,030          | 6,870,470           | 4,678,429         |
|  | <u>2,247,043</u>          | <u>1,881,390</u> | <u>1,953,100</u> | <u>62,762,305</u>   | <u>60,123,232</u> |
| <b>Expenses</b>                                    |                           |                  |                  |                     |                   |
| Salaries and wages and other                       | 60,143                    | (268,947)        | (280,297)        | 29,157,803          | 26,652,650        |
| Materials, services and other                      | 351,355                   | 619,518          | 643,236          | 18,612,602          | 15,698,144        |
| Repairs and maintenance                            | 1,672,988                 | 1,333,478        | 1,379,357        | 2,182,324           | 1,813,577         |
| Contracted services, professional fees             | -                         | -                | -                | 939,591             | 755,289           |
| Utilities, insurance                               | -                         | 8                | 251              | 1,328,548           | 1,397,843         |
| Rental   | 152,172                   | 190,833          | 192,144          | 419,866             | 332,503           |
| Gifts, donations, grants                           | 10,385                    | 6,500            | 18,409           | 263,857             | 359,136           |
| Amortization                                       | -                         | -                | -                | 606,144             | 4,691,955         |
| Loss (gain) on disposal of tangible capital assets | -                         | -                | -                | -                   | (31,848)          |
| Interest expense                                   | -                         | -                | -                | 386,523             | 360,075           |
| Trust capital distributions                        | -                         | -                | -                | 9,500,000           | 8,001,691         |
| Coldwater Treaty                                   | -                         | -                | -                | -                   | 7,927,537         |
|  | <u>2,247,043</u>          | <u>1,881,390</u> | <u>1,953,100</u> | <u>63,995,258</u>   | <u>64,038,513</u> |
| <b>Net surplus (deficit)</b>                       | \$ -                      | \$ -             | \$ -             | \$ (632,953)        | \$ (2,586,455)    |