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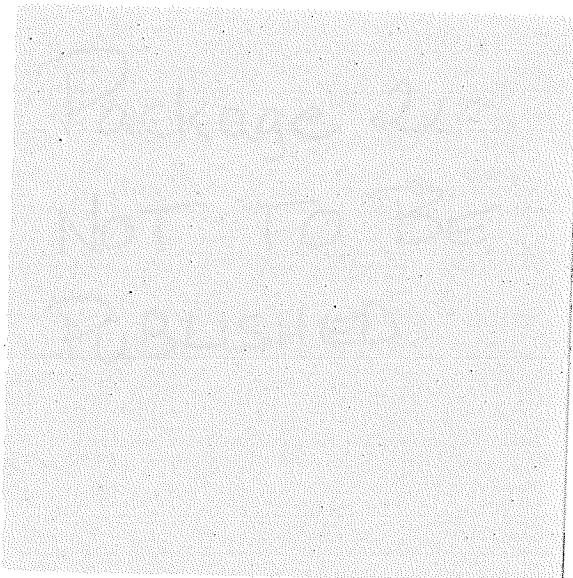
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## Consolidated Financial Statements

Chippewas of Georgina Island First Nation

March 31, 2015



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## Independent Auditor's Report

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To the Members of  
Chippewas of Georgina Island First Nation

We have audited the accompanying consolidated financial statements of Chippewas of Georgina Island First Nation, which comprise the consolidated financial position as at March 31, 2015, and the consolidated statements of operations, accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the consolidated financial statements**

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

### **Auditor's responsibility**

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

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

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



# Grant Thornton

**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Chippewas of Georgina Island First Nation as at March 31, 2015, and the consolidated statements of its operations, accumulated surplus, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

Orillia, Canada  
July 27, 2015

Chartered Accountants  
Licensed Public Accountants

**Chippewas of Georgina Island First Nation  
Consolidated Statement of Operations**

Year Ended March 31

2015

2014  
(Restated -  
see Note 2)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>			
<b>Government of Canada</b>			
Health Canada	\$ 442,440	\$ 440,547	\$ 440,734
CMHC	110,173	115,576	110,180
<b>Aboriginal Affairs and Northern</b>			
Development Canada	4,651,174	4,486,442	4,770,330
Province of Ontario	986,625	1,206,194	1,054,285
Lands leases and fees	1,126,874	1,358,248	1,264,384
OFNLP	749,000	817,983	794,690
Interest	8,920	1,380,703	860,388
Dividends	-	1,364,279	1,015,324
Other	1,805,933	1,760,428	2,097,361
Gain (loss) on sale of investments	-	1,668,682	(42,862)
	<u>9,881,139</u>	<u>14,599,082</u>	<u>12,364,814</u>
<b>Expenditures</b>			
<b>Operating</b>			
Social Housing	8,065,904	9,388,080	8,556,410
Trust	217,097	333,781	181,599
Lands	-	845	845
<b>Georgina Island First Nation</b>			
Communications	599,394	1,036,779	850,043
<b>Virginia Beach Marina</b>			
Chippewas Tri-Council for the			
Coldwater Reservation			
Specific Claim Negotiation	58,780	68,908	56,998
OFNLP	826,016	591,019	769,238
Coldwater Narrows Trust			
Per Capita Distributions	-	1,410,573	1,528,659
	<u>9,767,191</u>	<u>13,585,788</u>	<u>12,641,040</u>
<b>Annual surplus (deficit)</b>	<u>\$ 113,948</u>	<u>\$ 1,013,294</u>	<u>\$ (276,226)</u>

See accompanying notes and schedules to the consolidated financial statements.

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**Chippewas of Georgina Island First Nation  
Consolidated Statement of Accumulated Surplus**

Year Ended March 31

**2015**

**2014  
(Restated-  
see Note 2)**

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Accumulated surplus, beginning of year, as previously stated	\$ 81,436,791	\$ 81,735,514
Prior period adjustment - net investment in leases (Note 2)	<u>(195,896)</u>	<u>(218,393)</u>
Accumulated surplus, beginning of year, as restated	<b>81,240,895</b>	81,517,121
Annual surplus (deficit)	<b><u>1,013,294</u></b>	<b><u>(276,226)</u></b>
Accumulated surplus, end of year	<b>\$ 82,254,189</b>	<b>\$ 81,240,895</b>

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See accompanying notes and schedules to the consolidated financial statements.

**Chippewas of Georgina Island First Nation  
Consolidated Statement of Financial Position**

March 31

2015

2014  
(Restated –  
see Note 2)

**Financial assets**

Cash (Note 3)	\$ 8,222,753	\$ 7,570,227
Externally restricted cash (Note 4)	165,474	138,845
Portfolio investments (Note 5)	67,412,021	67,452,476
Receivables (Note 6)	381,184	504,368
Inventories for resale (Note 7)	13,427	270,142
Mortgages receivable (Note 8)	67,222	72,088
Net investment in leases (Note 9)	<u>826,749</u>	<u>675,453</u>
	<u>77,088,810</u>	<u>76,683,599</u>

**Financial liabilities**

Payables and accruals (Note 10)	687,463	761,820
Deferred revenue (Note 11)	417,877	303,384
Long term debt (Note 12)	1,964,906	1,882,022
Landfill closure and post closure liability (Note 14)	<u>169,481</u>	<u>167,037</u>
	<u>3,239,727</u>	<u>3,114,263</u>

**Net financial assets (Page 6)**

73,849,083

73,569,336

**Non-financial assets**

Construction in progress (Note 15)	870,259	180,977
Prepaid expenses	44,462	44,370
Tangible capital assets (Note 15)	<u>7,490,385</u>	<u>7,446,212</u>
	<u>8,405,106</u>	<u>7,671,559</u>

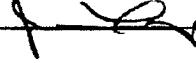
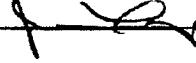
**Accumulated surplus (Note 18)**

\$ 82,254,189

\$ 81,240,895

**Contingencies (Note 16)**

On behalf of the First Nation

  Chief  Administrator

See accompanying notes and schedules to the consolidated financial statements.

**Chippewas of Georgina Island First Nation**  
**Consolidated Statement of Changes in Net Financial**  
**Assets**

Year Ended March 31

2015

2014  
 (Restated –  
 see Note 2)

Annual surplus (deficit)	\$ 1,013,294	\$ (276,226)
<b>Tangible capital assets</b>		
Acquisition of tangible capital assets	(1,372,386)	(1,275,199)
Amortization of tangible capital assets	<u>638,931</u>	<u>741,486</u>
Total tangible capital assets	<u>(733,455)</u>	<u>(533,713)</u>
Change in prepaid expenses	<u>(92)</u>	<u>(20,411)</u>
Change in net financial assets (net debt)	279,747	(830,350)
Net financial assets at beginning of year	<u>73,569,336</u>	<u>74,399,686</u>
Net financial assets at end of year	<u>\$ 73,849,083</u>	<u>\$ 73,569,336</u>

See accompanying notes and schedules to the consolidated financial statements.

**Chippewas of Georgina Island First Nation  
Consolidated Statement of Cash Flows**

Year Ended March 31

2015

2014  
(Restated –  
see Note 2)

Increase (decrease) in cash

**Operating Transactions**

Annual surplus (deficit)

\$ 1,013,294

\$ (276,226)

Items not affecting cash:

Amortization of tangible capital assets	638,931	741,486
Amortization of net investment in leases	(23,790)	(22,496)
Landfill closure and post closure costs (Note 14)	2,444	2,409
(Gain) loss on sale of investments	(1,668,682)	42,862
Decrease in investment in leases	(191,401)	-
	(229,204)	488,035
Change in non-cash working capital (Note 19)	<u>483,858</u>	<u>(536,175)</u>
	<u>254,654</u>	<u>(48,140)</u>

**Capital Transactions**

Purchase of tangible capital assets

(1,372,386)

(1,275,199)

**Investing Transactions**

Purchases of investments

(26,535,412)

(4,577,520)

Sales of investments

28,244,549

6,058,456

Increase in externally restricted cash

(26,629)

(13,611)

Payments received for mortgages receivable

4,866

33,380

Cash provided to investing transactions

1,687,374

1,500,705

**Financing Transactions**

Long term debt issued

169,805

-

Long term debt repayments

(86,921)

(92,983)

Cash provided to (applied to) financing transactions

82,884

(92,983)

Net increase in cash

652,526

84,383

Cash, beginning of year

7,570,227

7,485,844

Cash, end of year

\$ 8,222,753

\$ 7,570,227

See accompanying notes and schedules to the consolidated financial statements.

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# **Chippewas of Georgina Island First Nation**

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

March 31, 2015

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### **1. Summary of significant accounting policies**

#### **a) Basis of accounting**

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

#### **b) Financial statement preparation**

The preparation of the consolidated financial statements of Chippewas of Georgina Island First Nation are the responsibility of management.

#### **c) Reporting entity**

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

#### **d) Principles of Consolidation**

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

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

- Coldwater Narrows Trust – of which the First Nation controls and is the beneficiary of.
- Virgina Beach Marina
- Nish Radio Inc.
- 2458585 Ontario Ltd.

#### **e) Asset Classification**

Assets are classified as either financial or non – financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non – financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

#### **f) 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.

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## **Chippewas of Georgina Island First Nation**

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

March 31, 2015

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#### **1. Summary of significant accounting policies (continued)**

##### **g) Inventories for resale**

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value

##### **h) Tangible capital assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Amortization is provided for on a straight – line basis, over the expected useful life as follows:

Buildings	25 – 40 years
Equipment	10 years
Boats	25 years
Vehicles	5 years
Water system	10 years
Parking lot	20 years
Roads	15 years
Docks	5 years

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

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

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

Assets under construction are not amortized until the asset is available to be put into service.

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## **Chippewas of Georgina Island First Nation Notes to the Consolidated Financial Statements**

March 31, 2015

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### **1. Summary of significant accounting policies (continued)**

#### **i) 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 when the amounts involved can be reasonably estimated.

Funds, other than government transfers, received for specific purposes which are externally restricted by legislation, regulation or agreement are accounted for as deferred revenue. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

Restaurant sales and ferry fares are recognized when services are rendered. Gas, marina and cigarette sales are recognized when goods are sold. Interest, celebration event fees and other income are recognized when earned. Land sales are recognized when title passes. Leases and fees are recognized annually on the due date of the lease when reasonably measured.

#### **j) Measurement uncertainty**

In preparing the consolidated financial statements for Chippewas of Georgina Island First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include allowance for doubtful accounts, estimated useful lives of property and equipment, and the landfill closure and post-closure liability. Actual results could differ from those estimates.

#### **k) Government transfers**

Government transfers paid are recognized as an expense in the period the transfer is authorized and all eligibility criteria have been met by the recipient.

Government transfers received are recognized in the financial statements as revenue in the period the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

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## Chippewas of Georgina Island First Nation Notes to the Consolidated Financial Statements

March 31, 2015

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### 2. Prior period adjustment - Investment in leases

In prior years, the First Nation reported certain "rent-to-own" arrangements as mortgages receivable. The assets were recorded at the face amounts stated in the arrangements. The First Nation has determined that the arrangements were essentially finance leases that should have been recorded at their discounted values with interest revenue on the net investment in leases recorded in income each period.

As a result, the March 31, 2014 figures presented for comparative purposes have been restated, from those previously reported, in order to reflect an asset "net investment in leases" at the appropriately discounted values. As a result of the correction, the following financial statement items as at March 31, 2014 have been increased (decreased) by the following amounts::

<u>Accumulated surplus as at April 1, 2013:</u>	<u>\$ (218,393)</u>
<hr/>	
<u>Financial position at March 31, 2014:</u>	
Mortgages receivable	\$ (871,350)
Net investment in leases	675,454
<u>Accumulated surplus</u>	<u>\$ (195,896)</u>
<hr/>	
<u>Statement of operations for the year ended March 31, 2014:</u>	
Other revenue	\$ 22,496
<u>Annual deficit</u>	<u>\$ 22,496</u>

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### 3. Cash

	<u>2015</u>	<u>2014</u>
Cash is comprised of the following:		
Internally designated cash		
OFNLP Revenue	1,573,647	1,489,779
Per Capita Distributions	701,339	885,822
Trust funds held by the Trustee Canada Trust Company	158,995	122,034
Unrestricted		
Operating	293,950	(112,513)
Social housing	264,819	300,145
Trust Revenue	3,091,210	3,261,753
Other	<u>2,138,793</u>	<u>1,623,207</u>
Total cash	<u>\$ 8,222,753</u>	<u>\$ 7,570,227</u>

The First Nation has bank overdrafts in the amount of \$127,641 (2014 - \$38,244), out of a \$200,000 credit limit. The facility is secured by a general security agreement conveying first position over the property owned by the First Nation and bears interest at a rate of 1%.

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## **Chippewas of Georgina Island First Nation Notes to the Consolidated Financial Statements**

March 31, 2015

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### **3. Cash (continued)**

Internally designated cash is cash set aside by the First Nation for the intended use of each department listed above. OFNLP revenue funds are to be used for the benefit of the First Nation as approved by Council. Per capita distributions are to be used for per capita payments to eligible members turning 21.

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### **4. Externally restricted cash**

	<u>2015</u>	<u>2014</u>
Externally restricted cash		
Apartment replacement and subsidy	\$ 152,569	\$ 125,940
Trust funds held by Federal Government	<u>12,905</u>	<u>12,905</u>
Total cash	<u>\$ 165,474</u>	<u>\$ 138,845</u>

Under the terms of an agreement with Canadian Mortgage and Housing Corporation, Chippewas of Georgina Island First Nation must set aside funds annually for the repair, maintenance, and replacement of worn out assets. These funds are externally restricted and are to be held in a separate bank account and invested in 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 Apartment Replacement and Subsidy Fund.

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* and is therefore externally restricted.

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### **5. Portfolio investments**

The First Nation, Canada and Ontario executed a Settlement Agreement dated February 10, 2012, signed on June 2012. Article 12 of the Agreement states the First Nation intends to use or invest the compensation for the long term benefit of the First Nation. Article 2 provided for monetary compensation of \$88,879,273, which was deposited into Trust Accounts on the First Nations' authority and direction as settler, the Trustees shall administer the compensation on the terms and conditions set out in the Trust Agreement. These funds are internally restricted.

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## Chippewas of Georgina Island First Nation Notes to the Consolidated Financial Statements

March 31, 2015

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### 6. Portfolio investments (continued)

The Trust agreement was dated November 21, 2012, with final signatures on December 5, 2012. The Trustee shall hold and invest the Trust property for the benefit of the First Nation, and will transfer or release Trust property as directed or authorized by the Trust Agreement. The Trust is a reversionary trust and therefore, although it is subject to tax pursuant to section 104 of the Income Tax Act (Canada), subsection 75(2) of the Income Tax Act (Canada) applies to deem income to be that of a First Nation.

The portfolio investments are being held in bonds, Canadian equities and Global equities and currently are valued at cost on the statement of financial position. The amounts are for the purposes laid out in the trust agreement.

The fair market values of investments are disclosed below:

	<u>2015</u>	<u>2014</u>
Fixed income securities	\$ 31,669,443	\$ 29,288,080
Equity securities	45,439,466	42,324,694
Other assets	<u>1,449,614</u>	<u>1,865,479</u>
 Total portfolio investments	 <u>\$ 78,558,523</u>	 <u>\$ 73,478,253</u>

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6. Receivables	<u>2015</u>	<u>2014</u>
Receivables are comprised of:		
Due from members:		
Social housing	\$ 32,551	\$ 45,500
Government Funding:		
Aboriginal Affairs and Northern Development Canada	46,493	263,924
Province of Ontario	11,067	10,446
OTC	103,203	67,935
Union of Ontario Indians	2,400	1,234
Lands	15,974	22,297
Other	134,466	65,800
Interest	46,560	44,257
Less: allowance for doubtful accounts	<u>(11,550)</u>	<u>(17,025)</u>
	 <u>\$ 381,164</u>	 <u>\$ 504,368</u>

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## Chippewas of Georgina Island First Nation Notes to the Consolidated Financial Statements

March 31, 2015

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### 7. Inventories for resale

2015

2014

The First Nation had the following inventories for resale:

Lands	\$ 5,807	\$ 4,011
Social Housing	-	264,785
Marina	7,620	1,346
	<u>\$ 13,427</u>	<u>\$ 270,142</u>

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### 8. Mortgages receivable

The mortgages in Lands are secured by leaseholds (land and/or buildings), bear interest ranging from 7% -10% per annum and have maturity dates ranging from one to five years.

Estimated principal repayments due in the next five years and thereafter are as follows:

2016	\$ 3,848
2017	4,176
2018	5,532
2019	4,920
2020	5,343
Thereafter	43,403
Total	<u>\$ 67,222</u>

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### 9. Net investment in leases

The rent to own leases from the First Nation members are secured by the related property. The interest rates implicit in the leases range from 1.77% to 4.73%.

Estimated principal repayments due in the next five years and thereafter are as follows:

2016	\$ 43,393
2017	44,817
2018	46,292
2019	47,821
2020	49,406
Thereafter	595,020
Total	<u>\$ 826,749</u>

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**Chippewas of Georgina Island First Nation**  
**Notes to the Consolidated Financial Statements**

March 31, 2015

10. Accounts payable and accrued liabilities	<u>2015</u>	<u>2014</u>
Accrued liabilities	\$ 335,451	\$ 350,795
Accrued salaries and employee benefits payable	16,994	27,078
Per Capita Distributions to Members	335,018	381,047
Provincial Government	-	2,900
Total	<u>\$ 687,463</u>	<u>\$ 761,820</u>

**11. Deferred revenue**

	<u>2014</u>	<u>Funding received</u>	<u>Revenue recognized</u>	<u>2015</u>
Customer deposit	\$ -	\$ 2,750	\$ -	\$ 2,750
Enbridge	1,770	-	1,770	-
HRSDC	-	39,000	-	39,000
Lands	283,614	231,221	283,614	231,221
OTC	-	83,700	9,612	74,088
Other	-	45,818	-	45,818
Service Canada	-	25,000	-	25,000
Williams Treaty First Nations	<u>18,000</u>	<u>-</u>	<u>18,000</u>	<u>-</u>
	<u>\$ 303,384</u>	<u>\$ 427,489</u>	<u>\$ 312,996</u>	<u>\$ 417,877</u>

12. Long term debt	<u>2015</u>	<u>2014</u>
Mortgage, 1.65%, due 2022, renewal date 2017, payable in blended monthly payments of \$1,532	\$ 122,790	\$ 139,002
Mortgage, 2.69%, due 2030, renewal date 2015 payable in blended monthly payments of \$ 2,909	438,606	461,442
Mortgage, 1.62% due 2033, renewal date 2018, payable in blended monthly payments of \$2,482	461,270	483,413
Mortgage, 1.05% due 2035, renewal date 2020, payable in blended monthly payments of \$1,429	355,880	368,574
Mortgage, 2.37% due 2036, renewal date 2016, payable in blended monthly payments of \$1,770	310,252	321,577
Mortgage, 1.77% due 2039, renewal date 2019, payable in blended monthly payments of \$1,151	<u>276,108</u>	<u>108,014</u>
	<u>\$ 1,964,906</u>	<u>\$ 1,882,022</u>

The mortgages are authorized by First Nation Council Resolution and are guaranteed by Aboriginal Affairs and Northern Development Canada.

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## Chippewas of Georgina Island First Nation Notes to the Consolidated Financial Statements

March 31, 2015

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### 12. Long term debt (continued)

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

2016	\$ 498,148
2017	389,940
2018	560,112
2019	23,914
2020	253,624
Thereafter	239,168

	<u>2015</u>	<u>2014</u>
Interest expense for the year on long term debt	\$ <u>42,425</u>	\$ <u>42,322</u>

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### 13. Pension agreement

The First Nation's provides defined contribution plan for eligible members of its staff. Members may contribute a range of 2.25% to 7.5% of their basic salary. The First Nation matches the member's contributions which are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Chippewas of Georgina Island contributed during the year \$45,389 (2014 - \$40,634) for retirement benefits.

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### 14. Landfill closure and post closure liability

Solid waste landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, management of ground water and leachates, and on-going environmental monitoring, site inspection and maintenance.

The liability for the landfill site is recorded at \$169,481 (2014 - \$167,037) and represents the present value of closure and post-closure costs, using an estimated long term borrowing rate of 4% and inflation rate of 2.5%. The liability is recorded based on the capacity of the landfill used to date. The total estimated future expenditures representing the sum of the discounted future cash flows for closure and post-closure care are \$584,800 (2014- \$592,738) leaving an amount to be recognized of \$415,318 (2014- \$425,701). The estimated remaining capacity of the site is approximately 9,919 cubic meters (2013 - 10,084) and the estimated remaining landfill life is 18 years. Post-closure care is estimated to continue for a period of 25 years.

Management expects these future costs to be funded by AANDC when incurred at a future date.

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**Chippewas of Georgina Island First Nation**  
**Notes to the Consolidated Financial Statements**  
March 31, 2015

**15. Tangible capital assets**

<b>Cost</b>	<b>2014</b>	<b>Additions</b>	<b>Disposals/ Transfers</b>	<b>2015</b>
Land	\$ 1,216,594	\$ 30,000	\$ -	\$ 1,246,594
Buildings	5,865,806	77,345	-	5,943,151
Equipment	1,588,237	126,067	-	1,714,304
Boats	5,649,046	409,192	-	6,058,238
Vehicles	1,182,689	40,500	-	1,223,189
Water system	2,172,975	-	-	2,172,975
Parking lot	216,250	-	-	216,250
Roads	1,698,237	-	-	1,698,237
Docks	<u>1,861,203</u>	-	-	<u>1,861,203</u>
	21,451,037	683,104	-	22,134,141
Construction in progress	<u>180,977</u>	<u>689,282</u>	-	<u>870,259</u>
	<u>\$ 21,632,014</u>	<u>\$ 1,372,386</u>	<u>\$ -</u>	<u>\$ 23,004,400</u>
<b>Accumulated Amortization</b>	<b>2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>2015</b>
Land	\$ -	\$ -	\$ -	\$ -
Buildings	2,337,093	192,971	-	2,530,064
Equipment	1,399,329	55,349	-	1,454,678
Boats	4,451,404	79,860	-	4,531,264
Vehicles	1,068,373	41,104	-	1,109,477
Water system	2,042,598	130,377	-	2,172,975
Parking lot	100,419	10,813	-	111,232
Roads	763,590	113,273	-	876,863
Docks	<u>1,842,019</u>	<u>15,184</u>	-	<u>1,857,203</u>
	<u>\$ 14,004,825</u>	<u>\$ 638,931</u>	<u>\$ -</u>	<u>\$ 14,643,756</u>
<b>Net book value</b>			<b>2014</b>	<b>2015</b>
Land			\$ 1,216,594	\$ 1,246,594
Buildings			3,528,713	3,413,087
Equipment			188,908	259,626
Boats			1,197,642	1,526,974
Vehicles			114,316	113,712
Water system			130,377	-
Parking lot			115,831	105,018
Roads			934,647	821,374
Docks			<u>19,184</u>	<u>4,000</u>
			<u>7,446,212</u>	<u>7,490,385</u>
Construction in progress			<u>180,977</u>	<u>870,259</u>
			<u>\$ 7,627,189</u>	<u>\$ 8,360,644</u>

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## **Chippewas of Georgina Island First Nation**

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

March 31, 2015

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#### **16. Contingencies**

- a) Where differences exist between the First Nation's net approved expenditures and their actual net expenditures, the resolution of these variances will be negotiated between funding agencies and the First Nation. Any resulting adjustment will be recognized in the year in which the changes are confirmed by the funding agency and will be recorded at that time on the statement of revenue and expenditures for the applicable program.
- b) The First Nation has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.
- c) The First Nation, in the course of its operations, is subject to claims, lawsuits and contingencies. The outcome of all outstanding claims has been assessed as not determinable as of year end. Once the outcome has been determined, the effect will be recorded in operations in that period.

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# **Chippewas of Georgina Island First Nation**

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

March 31, 2015

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### **17. Segmented reporting**

The First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function.

For each segment separately reported, the segment's revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

#### **General Government**

This segment includes a wide variety of departments and functions within the First Nation that facilitate the general operations of the Band.

#### **Health**

Health services are comprised of public health services which work to improve the overall health of the population and overcome health inequalities by providing services to members of the First Nation.

#### **Education**

Education is comprised of education services which work to improve the overall education of the population and provide educational support and benefits to members of the First Nation.

#### **Social Programs**

This segment includes a wide variety of departments and functions within the First Nation that provide social support to the community.

#### **Public Infrastructure**

This segment provides a number of services including community planning, maintenance of infrastructure and review of property and equipment purchases.

#### **Social Housing**

This segment includes housing developments that were built with the aid of Canadian Mortgage and Housing Corporation to provide affordable housing to members of the First Nation.

#### **Marina**

The Marina segment operates and provides services relating to the selling of fuel and marine related activities.

#### **Lands**

This segment administers and collects lease revenue and fees from residents on First Nation land and oversees current and future land treaty claims.

#### **Trust Activities**

This segment includes the investment activities of the Coldwater Narrows Trust, payment of per capita distributions and other trust revenue distributions as approved by the First Nation.

**Chippewas of Georgina Island First Nation  
Notes to the Consolidated Financial Statements  
March 31, 2015**

**17. Segmented reporting March 31, 2015 (continued)**

The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the period are as follows:

Revenue	General Government	Health	Education	Social Programs	Public Infrastructure
Government of Canada	\$ 2,206,453	\$ 440,547	\$ 1,062,983	\$ 104,927	\$ 488,393
AANDC	817,983	-	-	-	-
OFNL/P	-	-	-	-	-
Province of Ontario	15,850	-	-	1,012,237	173,393
Interest	666,937	116,698	53,102	111,621	55,418
Other	-	-	-	-	-
Gain/(loss)	-	-	-	-	-
Sales	-	-	-	-	-
Leases and fees	-	-	-	-	-
Dividend	-	-	-	-	-
<b>Total revenue</b>	<b>4,007,223</b>	<b>557,245</b>	<b>1,116,085</b>	<b>1,228,785</b>	<b>717,204</b>
<b>Expenditures</b>					
Bank charges/interest	1,978	-	-	-	-
Travel	111,192	35,156	13,397	33,083	10,787
Program expenditures	374,009	164,116	1,317,818	618,298	87,761
Office and general	364,482	94,379	146,670	81,542	342,057
Repairs and maintenance	367,927	3,806	25,654	14,923	630,818
Wages and benefits	2,333,405	287,249	131,053	624,906	383,768
Insurance	97,210	9,526	-	21,876	22,639
Professional fees	140,174	-	-	-	-
Cost of sales	-	-	-	-	-
Amortization	566,294	-	-	-	-
<b>Total expenditures</b>	<b>4,356,671</b>	<b>594,232</b>	<b>1,634,592</b>	<b>1,394,628</b>	<b>1,477,830</b>
<b>Annual surplus (deficit)</b>	<b>\$ (349,448)</b>	<b>\$ (36,987)</b>	<b>\$ (518,507)</b>	<b>\$ (165,843)</b>	<b>\$ (760,626)</b>

**Chippewas of Georgina Island First Nation  
Notes to the Consolidated Financial Statements**  
March 31, 2015

**17. Segmented reporting March 31, 2015 (continued)**

	Social Housing	Marina	Lands	Trust Activities	Consolidated
<b>Revenue</b>					
Government of Canada	\$ 115,576	\$ -	\$ -	\$ 323,686	\$ 556,123
AANDC	-	-	-	-	4,486,442
OFNLP	-	-	20,564	-	817,983
Province of Ontario	4,115	2	30,131	1,330,605	1,206,194
Interest	78,330	-	16,215	79,966	1,380,703
Other	-	-	-	1,668,682	1,178,287
<b>Gain/(loss)</b>					
Sales	-	561,714	20,427	-	582,141
Leases and fees	-	-	1,358,248	-	1,358,248
Dividend	198,021	561,716	1,769,271	1,364,279	1,364,279
<b>Total revenue</b>					<b>14,599,082</b>
<b>Expenditures</b>					
Bank charges/interest	-	7,972	-	71,585	81,535
Travel	-	-	3,011	-	206,626
Program expenditures	247,635	-	127,079	1,507,427	4,444,143
Office and general	307	32,769	50,970	-	1,113,176
Repairs and maintenance	-	593	41,492	-	1,085,213
Wages and benefits	-	97,598	265,398	-	4,123,377
Insurance	34,240	10,505	-	587,244	195,996
Professional fees	13,378	13,321	498,754	-	1,252,871
Cost of sales	-	425,719	18,201	-	443,920
Amortization	38,221	2,542	31,874	-	638,931
<b>Total expenditures</b>	333,781	591,019	1,036,779	2,166,256	<b>13,585,788</b>
<b>Annual surplus (deficit)</b>					
	<b>\$ (135,760)</b>	<b>\$ (29,303)</b>	<b>\$ 732,492</b>	<b>\$ 2,277,276</b>	<b>\$ 1,013,294</b>

**Chippewas of Georgina Island First Nation**  
**Notes to the Consolidated Financial Statements**  
March 31, 2015

**17. Segmented reporting March 31, 2014 (continued)**

	General Government	Health	Education	Social Programs	Public Infrastructure
<b>Revenue</b>					
Government of Canada	\$ 2,622,778	\$ 436,534	\$ 1,132,115	\$ 4,200	\$ 517,570
AANDC	794,690	-	-	113,207	-
OFNLP	-	-	-	-	-
Province of Ontario	-	-	-	898,833	152,134
Interest	10,689	-	-	-	-
Other	488,693	111,189	61,231	128,154	81,923
Gain/(loss)	-	-	-	-	-
Sales	-	-	-	-	-
Leases and fees	-	-	-	-	-
Dividend	-	-	-	-	-
<b>Total revenue</b>	<b>3,916,850</b>	<b>547,723</b>	<b>1,193,346</b>	<b>1,144,394</b>	<b>751,627</b>
 <b>Expenditures</b>					
Bank charges/interest	6,480	-	-	-	-
Travel	137,308	29,460	12,432	37,886	14,225
Program expenditures	318,859	154,568	1,155,841	597,760	102,678
Office and general	232,131	115,627	53,227	99,505	328,555
Repairs and maintenance	354,989	5,085	56,607	9,126	318,490
Wages and benefits	2,144,149	306,995	140,692	544,086	408,085
Insurance	89,928	1,932	-	22,759	21,686
Professional fees	147,858	-	-	-	-
Cost of sales	-	-	-	-	-
Amortization	655,750	-	-	-	-
<b>Total expenditures</b>	<b>4,087,952</b>	<b>613,667</b>	<b>1,418,799</b>	<b>1,311,122</b>	<b>1,193,719</b>
 <b>Annual surplus (deficit)</b>					
	<b>\$ (171,102)</b>	<b>\$ (65,944)</b>	<b>\$ (225,453)</b>	<b>\$ (166,728)</b>	<b>\$ (442,092)</b>

**Chippewas of Georgina Island First Nation**  
**Notes to the Consolidated Financial Statements**  
March 31, 2015

**17. Segmented reporting March 31, 2014 (continued)**

	Social Housing	Marina	Lands	Trust Activities	Consolidated
<b>Revenue</b>					
Government of Canada	\$ 110,180	\$ -	\$ -	\$ 384,660	\$ 550,914
AANDC	-	-	-	-	4,770,330
OFNLP	-	-	-	-	794,690
Province of Ontario	-	-	3,318	-	1,054,285
Interest	1,529	140	24,688	823,342	860,388
Other	77,726	-	979	411,202	1,361,097
Gain/(loss)	-	-	-	(42,862)	(42,862)
Sales	-	706,774	29,490	-	736,264
Leases and fees	-	-	1,264,384	-	1,264,384
Dividend	-	-	-	1,015,324	1,015,324
<b>Total revenue</b>	<b>189,435</b>	<b>706,914</b>	<b>1,707,519</b>	<b>2,207,006</b>	<b>12,364,814</b>
<b>Expenditures</b>					
Bank charges/interest	-	6,397	30	180,576	193,483
Travel	-	-	3,220	-	235,031
Program expenditures	89,541	-	111,265	1,588,157	4,188,669
Office and general	9,864	38,419	70,193	-	947,521
Repairs and maintenance	-	4,506	20,427	-	769,230
Wages and benefits	-	138,526	310,854	-	3,993,387
Insurance	32,826	11,375	-	-	180,506
Professional fees	12,000	9,938	260,775	457,023	890,094
Cost of sales	-	546,650	24,983	-	571,633
Amortization	37,368	2,542	45,826	-	741,486
<b>Total expenditures</b>	<b>181,599</b>	<b>758,353</b>	<b>850,073</b>	<b>2,225,756</b>	<b>12,841,040</b>
<b>Annual surplus (deficit)</b>	<b>\$ 7,836</b>	<b>\$ (51,439)</b>	<b>\$ 857,446</b>	<b>\$ (18,750)</b>	<b>\$ (276,226)</b>

**Chippewas of Georgina Island First Nation**  
**Notes to the Consolidated Financial Statements**  
 March 31, 2015

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**18. Accumulated surplus**

	<u>2015</u>	<u>2014</u> (Restated – see Note 2)
The accumulated surplus is represented by:		
Unrestricted		
Operating	\$ 4,888,830	\$ 4,629,130
Internally restricted		
Social Housing	(84,797)	45,669
Virginia Beach Marina	(484,270)	(514,967)
Georgina Island First Nation Communications	(27,286)	(24,208)
Lands	3,373,154	3,192,598
Trust Funds Held by Federal Government	12,905	12,905
Coldwater Narrows Trust Funds		
Held by Canada Trust Company	67,917,291	68,112,604
OFNLP Revenue Fund	2,506,240	2,372,343
Per Capita Distribution Fund	39,876	33,959
Trust Revenue Fund	4,112,246	3,380,862
	<u>\$ 82,254,189</u>	<u>\$ 81,240,895</u>

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**19. Change in non-cash working capital**

	<u>2015</u>	<u>2014</u> (Restated – see Note 2)
Receivables	\$ 123,204	\$ (144,216)
Inventories for resale	256,715	(79,280)
Payments received for investment in leases	63,895	61,230
Prepaid expenses	(92)	(20,411)
Accounts payables and accrued liabilities	(74,357)	(302,394)
Deferred revenue	114,493	(51,104)
	<u>\$ 483,858</u>	<u>\$ (536,175)</u>
Interest paid during the year	\$ 49,577	\$ 48,608
Interest received during the year	\$ 1,380,703	\$ 860,393

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## **Chippewas of Georgina Island First Nation** **Notes to the Consolidated Financial Statements**

March 31, 2015

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### **20. Budgeted figures**

Public Sector Accounting Standards (PSAS) require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the statement of operations reconciled to be on a PSAS basis is as follows:

	<b>Approved Fiscal Plan</b>	<b>Amortization</b>	<b>Fiscal Plan on a PSAS basis</b>
Revenue	\$ 9,881,139	\$ -	\$ 9,881,139
Expenses	9,767,191	741,486	10,508,677
Annual (deficiency) surplus	<u>\$ 113,948</u>	<u>\$ (741,486)</u>	<u>\$ (627,538)</u>

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### **21. Comparative figures**

Certain comparative figures in these financial statements have been reclassified to conform to the presentation adopted in the current year.

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