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Consolidated Financial Statements

Chippewas of Georgina Island First Nation

March 31, 2017

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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, 2017, 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, 2017, 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.

Barrie, Canada  
July 24, 2017

*Grant Thornton LLP*

Chartered Professional Accountants  
Licensed Public Accountants

# Chippewas of Georgina Island First Nation

## Consolidated Statement of Operations

Year ended March 31	2017		2016
	Budget (Unaudited)	Actual	Actual
<b>Revenue</b>			
Government of Canada			
Health Canada	\$ 439,106	\$ 783,643	\$ 493,055
CMHC	116,260	114,511	117,512
Indigenous and Northern			
Affairs Canada	4,447,400	4,728,854	4,431,959
Province of Ontario	2,458,010	1,603,929	1,308,906
Lands leases and fees	1,376,225	4,238,338	1,343,527
OFNLP	729,000	939,211	829,807
Interest	6,824	1,192,065	1,288,430
Dividend	-	1,275,633	1,343,899
Other	6,052,835	11,548,677	3,044,337
Gain on sale of investments	-	2,107,081	1,367,756
	<u>15,625,660</u>	<u>28,531,942</u>	<u>15,569,188</u>
<b>Expenditures</b>			
Operating	11,351,130	10,374,042	9,503,822
Social Housing	228,940	215,092	133,191
Trust	-	845	845
Lands	716,084	1,592,497	1,239,853
Nish Radio Inc.	71,047	61,023	63,147
Virginia Beach Marina	-	21,634	493,645
2458582 Ontario Ltd.	188,790	475,615	9,381
Mnookmi Restaurant	862,653	702,015	94,280
Tobacco Trails	2,851,785	7,653,060	418,711
Virginia Beach Marina			
- Business Centre	534,784	505,427	210
Trust Revenues	-	667	557
OFNLP	-	120	120
Coldwater Narrows Trust	-	726,033	660,248
Per Capita Distributions	-	1,393,834	1,471,953
	<u>16,805,213</u>	<u>23,721,904</u>	<u>14,089,963</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ (1,179,553)</u>	<u>\$ 4,810,038</u>	<u>\$ 1,479,225</u>

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

Year ended March 31

2017

2016

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Accumulated surplus, beginning of year	\$ 83,733,414	\$ 82,254,189
Excess of revenue over expenditures	<u>4,810,038</u>	<u>1,479,225</u>
Accumulated surplus, end of year	<u>\$ 88,543,452</u>	<u>\$ 83,733,414</u>

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# Chippewas of Georgina Island First Nation

## Consolidated Statement of Financial Position

March 31

2017

2016

### Financial assets

Cash (Note 2)	\$ 10,815,508	\$ 9,426,847
Externally restricted cash (Note 3)	154,045	178,283
Portfolio investments (Note 4)	63,572,788	66,752,190
Receivables (Note 5)	3,727,216	442,858
Inventories for resale (Note 6)	329,012	128,281
Mortgages receivable (Note 7)	59,465	63,499
Net investment in leases (Note 8)	738,540	783,357
	<u>79,396,574</u>	<u>77,775,315</u>

### Financial liabilities

Payables and accruals (Note 9)	1,676,116	972,630
Deferred revenue (Note 10)	660,367	402,545
Construction loan (Note 11)	-	1,331,249
Long term debt (Note 11)	3,195,501	1,865,033
Landfill closure and post closure liability (Note 13)	88,190	79,026
	<u>5,620,174</u>	<u>4,650,483</u>

### Net financial assets (Page 6)

<u>73,776,400</u>	<u>73,124,832</u>
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### Non-financial assets

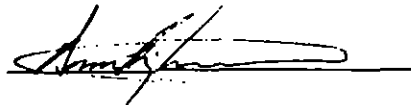
Construction in progress (Note 14)	312,130	-
Prepaid expenses	24,261	14,956
Tangible capital assets (Note 14)	14,430,661	10,593,626
	<u>14,767,052</u>	<u>10,608,582</u>

### Accumulated surplus (Note 17)

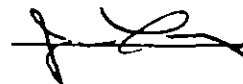
<u>\$ 88,543,452</u>	<u>\$ 83,733,414</u>
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Contingencies (Note 15)

On behalf of the First Nation



Chief



Administrator



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

Year ended March 31

2017

2016

Excess of revenue over expenditures	<u>\$ 4,810,038</u>	<u>\$ 1,479,225</u>
Tangible capital assets		
Acquisition of tangible capital assets	(4,946,615)	(2,851,614)
Amortization of tangible capital assets	<u>797,450</u>	<u>618,632</u>
Total tangible capital assets	<u>(4,149,165)</u>	<u>(2,232,982)</u>
Change in prepaid expenses	<u>(9,305)</u>	<u>29,506</u>
Change in net financial assets (net debt)	651,568	(724,251)
Net financial assets, beginning of year	<u>73,124,832</u>	<u>73,849,083</u>
Net financial assets, end of year	<u>\$ 73,776,400</u>	<u>\$ 73,124,832</u>

# Chippewas of Georgina Island First Nation

## Consolidated Statement of Cash Flows

Year ended March 31

2017

2016

Increase (decrease) in cash

### Operating transactions

Annual surplus	\$ 4,810,038	\$ 1,479,225
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Items not affecting cash:

Amortization of tangible capital assets	797,450	618,632
Amortization of net investment in leases	(21,843)	(23,267)
Landfill closure and post closure costs (Note 13)	9,164	(90,455)
Gain on sale of investments	(2,107,081)	(1,367,756)

	3,487,728	616,379
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Change in non-cash working capital items (Note 18)	(2,466,426)	189,453
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Cash provided to operating transactions	1,021,302	805,832
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### Capital transactions

Purchase of tangible capital assets	(4,946,615)	(2,851,614)
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### Investing transactions

Purchase of investments	(26,972,796)	(26,271,244)
Sales of investments	32,259,278	28,298,831
Increase in externally restricted cash	24,238	(12,809)
Payments received for mortgages receivable	4,034	3,723

Cash provided to investing transactions	5,314,754	2,018,501
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### Financing transactions

Construction loan proceeds	168,751	1,331,249
Construction loan repayments	(1,500,000)	-
Long term debt issued	1,500,000	-
Long term debt repayments	(169,531)	(99,874)

Cash (applied to) provided to financing transactions	(780)	1,231,375
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Increase in cash	1,388,661	1,204,094
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Cash

Beginning of year	9,426,847	8,222,753
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End of year	\$ 10,815,508	\$ 9,426,847
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# **Chippewas of Georgina Island First Nation**

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

March 31, 2017

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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;
- Virginia Beach Marina;
- Nish Radio Inc.;
- 2458582 Ontario Limited.

#### **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, 2017

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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, 2017

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

#### **l) 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, 2017

<b>2. Cash</b>	<b>2017</b>	<b>2016</b>
Cash is comprised of the following:		
Internally designated cash		
OFNLP revenue	\$ 1,755,444	\$ 1,555,859
Per capita distributions	441,855	623,249
Trust funds held by the Trustee Canada Trust Company	1,041,076	214,554
Unrestricted		
Operating	686,704	1,153,715
Social housing	308,055	311,562
Trust revenue	3,445,544	3,239,704
Other	3,136,830	2,328,204
	<b>\$ 10,815,508</b>	<b>\$ 9,426,847</b>

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.

The First Nation has bank overdrafts in the amount of \$52,114 (2016 - \$95,135), 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%.

<b>3. Externally restricted cash</b>	<b>2017</b>	<b>2016</b>
Externally restricted cash		
Apartment replacement and subsidy	\$ 141,140	\$ 165,378
Trust funds held by federal government	12,905	12,905
	<b>\$ 154,045</b>	<b>\$ 178,283</b>

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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**Chippewas of Georgina Island First Nation**  
**Notes to the Consolidated Financial Statements**  
March 31, 2017

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**4. 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.

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>2017</u>	<u>2016</u>
Fixed income securities	<b>\$ 29,739,195</b>	\$ 30,767,038
Equity securities	<b>43,516,381</b>	41,368,633
Other assets	<b><u>1,378,335</u></b>	<u>2,065,591</u>
	<b><u>\$ 74,633,911</u></b>	<b><u>\$ 74,201,262</u></b>

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

<b>5. Receivables</b>	<b>2017</b>	<b>2016</b>
Receivables are comprised of:		
Due from members:		
Social housing	\$ 70,487	\$ 61,625
Government funding:		
Indigenous and Northern Affairs Canada	-	42,573
Province of Ontario	206,063	22,534
OTC	168,208	35,235
Union of Ontario Indians	7,192	6,742
Lands	2,858,364	20,315
Other	389,516	223,702
Interest	38,936	41,682
Less: allowance for doubtful accounts	(11,550)	(11,550)
	<b>\$ 3,727,216</b>	<b>\$ 442,858</b>

<b>6. Inventories for resale</b>	<b>2017</b>	<b>2016</b>
The First Nation had the following inventories for resale:		
Lands	\$ 3,915	\$ 5,080
Virgina Beach Marina	-	13,438
Virgina Beach Marina Business Centre	22,220	-
Tobacco Trails	302,877	103,043
Mnookmi Restaurant	-	6,720
	<b>\$ 329,012</b>	<b>\$ 128,281</b>



# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 7. 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:

2018	\$	4,532
2019		4,920
2020		5,343
2021		4,054
2022		3,870
Thereafter		36,746
	\$	<u>59,465</u>

### 8. 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:

2018	\$	46,292
2019		47,821
2020		49,406
2021		51,189
2022		52,863
Thereafter		490,969
	\$	<u>738,540</u>

### 9. Payables and accruals

	2017	2016
Accrued liabilities	\$ 1,422,345	\$ 671,738
Accrued salaries and employee benefits payable	18,955	41,614
Per capita distributions to members	<u>234,816</u>	<u>259,278</u>
	<u>\$ 1,676,116</u>	<u>\$ 972,630</u>

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 10. Deferred revenue

	2016	Funding Received	Revenue Recognized	2017
Customer deposit	\$ 2,911	\$ 21,495	\$ -	\$ 24,406
HRSDC	50,000	-	50,000	-
Lands	290,878	314,303	290,878	314,303
OTC	21,055	-	21,055	-
Other	37,701	168,714	29,724	176,691
INAC	-	68,467	-	68,467
INAC - Lands	-	76,500	-	76,500
	<u>\$ 402,545</u>	<u>\$ 649,479</u>	<u>\$ 391,657</u>	<u>\$ 660,367</u>

### 11. Long term debt

	2017	2016
Mortgage, 1.65%, due 2022, renewal date 2017, payable in blended monthly payments of \$1,532	\$ 89,555	\$ 106,313
Mortgage, 1.08%, due 2030, renewal date 2020 payable in blended monthly payments of \$ 2,595	386,597	413,425
Mortgage, 1.62% due 2033, renewal date 2018, payable in blended monthly payments of \$2,482	415,901	438,785
Mortgage, 1.14% due 2036, renewal date 2021, payable in blended monthly payments of \$1,577	328,264	342,902
Mortgage, 1.05% due 2035, renewal date 2020, payable in blended monthly payments of \$1,429	282,389	296,506
Mortgage, 1.77% due 2039, renewal date 2019, payable in blended monthly payments of \$1,151	257,915	267,102
Term loan, 3.29% due 2031, renewal date 2021, payable in blended monthly payments of \$10,570	1,434,880	-
	<u>\$ 3,195,501</u>	<u>\$ 1,865,033</u>

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

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

2018	\$ 652,250
2019	150,279
2020	383,310
2021	648,580
2022	1,361,082
Thereafter	-

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

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### 11. Long term debt (continued)

	2017	2016
Interest expense for the year on long term debt	\$ 65,469	\$ 32,272

During the year the First Nation received additional advances of \$168,751 and the short term construction loan totalling \$1,500,000 (2016 - \$1,331,249) was converted into a fixed rate term loan in June 2016. The term loan bears interest at 3.29%, is due May 2021. The facility is secured by a general security agreement covering first position over the property of the First Nation.

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### 12. 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 7.50% 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 \$52,086 (2016 - \$65,494) for retirement benefits.

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### 13. 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 \$88,190 (2016 - \$79,029) and represents the present value of closure and post-closure costs, using an estimated long term borrowing rate of 4.25% (2016 - 4.25%) and inflation rate of 1.5% (2016 - 1.5%). 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 \$1,400,358 (2016 - \$1,421,363) leaving an amount to be recognized of \$1,312,168 (2016 - \$1,342,337). The estimated remaining capacity of the site is approximately 15,033 cubic meters (2016 - 15,548) and the estimated remaining landfill life is 30 years. Post-closure care is estimated to continue for a period of 25 years.

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

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**Chippewas of Georgina Island First Nation**  
**Notes to the Consolidated Financial Statements**  
March 31, 2017

**14. Tangible capital assets**

<b>Cost</b>	<b>2016</b>	<b>Additions</b>	<b>Disposals/ Transfers</b>	<b>2017</b>
Land	\$ 1,248,594	\$ 2,289,650	\$ -	\$ 3,538,244
Buildings	8,403,281	329,192	-	8,732,473
Equipment	2,130,480	182,806	-	2,313,286
Boats	6,467,735	532,668	-	7,000,403
Vehicles	1,326,203	95,645	-	1,421,848
Water system	2,504,028	-	-	2,504,028
Parking lot	216,250	106,495	-	322,745
Roads	1,698,237	1,098,029	-	2,796,266
Docks	1,861,206	-	-	1,861,206
	<u>25,856,014</u>	<u>4,634,485</u>	<u>-</u>	<u>30,490,499</u>
Construction in progress	<u>-</u>	<u>312,130</u>	<u>-</u>	<u>312,130</u>
	<u>\$ 25,856,014</u>	<u>\$ 4,946,615</u>	<u>\$ -</u>	<u>\$ 30,802,629</u>
<b>Accumulated Amortization</b>	<b>2016</b>	<b>Additions</b>	<b>Disposals</b>	<b>2017</b>
Land	\$ -	\$ -	\$ -	\$ -
Buildings	2,743,424	256,629	-	3,000,053
Equipment	1,542,797	110,547	-	1,653,344
Boats	4,627,513	111,683	-	4,739,196
Vehicles	1,171,185	80,836	-	1,252,021
Water system	2,206,080	33,105	-	2,239,185
Parking lot	122,045	16,138	-	138,183
Roads	990,138	186,512	-	1,176,650
Docks	1,859,206	2,000	-	1,861,206
	<u>\$ 15,262,388</u>	<u>\$ 797,450</u>	<u>\$ -</u>	<u>\$ 16,059,838</u>
<b>Net Book Value</b>			<b>2016</b>	<b>2017</b>
Land			\$ 1,248,594	\$ 3,538,244
Buildings			5,659,857	5,732,420
Equipment			587,683	659,942
Boats			1,840,222	2,261,207
Vehicles			155,018	169,827
Water system			297,948	264,843
Parking lot			94,205	184,562
Roads			708,099	1,619,616
Docks			<u>2,000</u>	<u>-</u>
			10,593,626	14,430,661
Construction in progress			<u>-</u>	<u>312,130</u>
			<u>\$ 10,593,626</u>	<u>\$ 14,742,791</u>

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

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

March 31, 2017

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#### **15. 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**

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March 31, 2017

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### **16. 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, 2017

### 16. Segmented reporting (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:

March 31, 2017	General Government	Health	Education	Social Programs	Public Infrastructure
<b>Revenue</b>					
Government of Canada	\$ -	\$ 758,643	\$ -	\$ -	\$ 25,000
INAC	2,441,598	-	1,310,093	93,600	449,660
OFNLP	939,211	-	-	-	-
Province of Ontario	10,000	-	-	1,092,894	491,755
Interest	9,976	-	-	123	-
Other	948,465	199,711	101,478	278,346	109,105
Gain/(loss)	-	-	-	-	-
Sales	-	-	-	-	-
Leases and fees	-	-	-	-	-
Dividend	-	-	-	-	-
<b>Total revenue</b>	<b>4,349,250</b>	<b>958,354</b>	<b>1,411,571</b>	<b>1,464,963</b>	<b>1,075,520</b>
<b>Expenditures</b>					
Bank charges and interest	6,847	-	-	-	-
Travel	108,765	40,992	9,888	31,927	13,480
Program expenditures	340,249	174,605	1,340,900	734,561	123,306
Office and general	302,102	169,495	67,354	99,393	272,550
Repairs and maintenance	596,591	131,403	33,144	97,494	596,852
Wages and benefits	2,509,476	305,518	144,310	670,138	432,304
Insurance	107,257	7,090	-	23,371	23,759
Professional fees	183,015	-	-	-	-
Cost of sales	-	-	-	-	-
Amortization	737,886	-	-	-	-
<b>Total expenditures</b>	<b>4,892,188</b>	<b>829,103</b>	<b>1,595,596</b>	<b>1,656,884</b>	<b>1,462,251</b>
<b>Annual surplus (deficit)</b>	<b>\$ (542,938)</b>	<b>\$ 129,251</b>	<b>\$ (184,025)</b>	<b>\$ (191,921)</b>	<b>\$ (386,731)</b>

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 16. Segmented reporting (continued)

March 31, 2017	Social Housing	Marina	Lands	Trust Activities	Consolidated
<b>Revenue</b>					
Government of Canada	\$ 114,511	\$ -	\$ -	\$ -	\$ 898,154
INAC	-	100,000	333,903	-	4,728,854
OFNLP	-	-	-	-	939,211
Province of Ontario	-	-	9,280	-	1,603,929
Interest	2,658	1,168	22,113	1,156,027	1,192,065
Other	98,990	133,193	80,738	34,413	1,984,439
Gain/(loss)	-	-	-	2,107,081	2,107,081
Sales	-	9,515,443	48,795	-	9,564,238
Leases and fees	-	-	4,238,338	-	4,238,338
Dividend	-	-	-	1,275,633	1,275,633
<b>Total revenue</b>	<b>216,159</b>	<b>9,749,804</b>	<b>4,733,167</b>	<b>4,573,154</b>	<b>28,531,942</b>
<b>Expenditures</b>					
Bank charges and interest	-	60,459	-	55,984	123,290
Travel	-	-	4,228	-	209,280
Program expenditures	132,333	-	94,601	1,485,242	4,425,797
Office and general	334	334,129	54,428	-	1,299,785
Repairs and maintenance	-	52,325	33,706	-	1,541,515
Wages and benefits	-	1,004,885	313,688	-	5,380,319
Insurance	36,899	21,738	-	-	220,114
Professional fees	13,378	28,320	1,024,989	579,314	1,829,016
Cost of sales	-	7,848,997	46,341	-	7,895,338
Amortization	32,148	6,900	20,516	-	797,450
<b>Total expenditures</b>	<b>215,092</b>	<b>9,357,753</b>	<b>1,592,497</b>	<b>2,120,540</b>	<b>23,721,904</b>
<b>Annual surplus (deficit)</b>	<b>\$ 1,067</b>	<b>\$ 392,051</b>	<b>\$ 3,140,670</b>	<b>\$ 2,452,614</b>	<b>\$ 4,810,038</b>



# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 16. Segmented reporting (continued)

March 31, 2016	General Government	Health	Education	Social Programs	Public Infrastructure
<b>Revenue</b>					
Government of Canada	\$ 14,000	\$ 479,055	\$ -	\$ -	\$ -
INAC	2,508,479	-	1,046,865	98,200	454,556
OFNLP	829,807	-	-	-	-
Province of Ontario	61,452	-	-	1,111,680	112,134
Interest	10,948	-	-	-	-
Other	663,813	123,388	47,104	142,837	994,805
Gain/(loss)	-	-	-	-	-
Sales	-	-	-	-	-
Leases and fees	-	-	-	-	-
Dividend	-	-	-	-	-
<b>Total revenue</b>	<b>4,088,499</b>	<b>602,443</b>	<b>1,093,969</b>	<b>1,352,717</b>	<b>1,561,495</b>
<b>Expenditures</b>					
Bank charges and interest	6,741	-	-	-	-
Travel	119,330	39,012	6,574	34,995	13,137
Program expenditures	353,116	163,466	1,209,037	652,279	99,741
Office and general	304,518	79,833	65,528	85,812	347,502
Repairs and maintenance	648,896	4,623	20,293	13,753	520,579
Wages and benefits	2,403,020	303,854	145,090	647,494	416,295
Insurance	89,707	4,919	-	23,991	22,498
Professional fees	123,380	-	-	-	-
Cost of sales	-	-	-	-	-
Amortization	598,950	-	-	-	-
<b>Total expenditures</b>	<b>4,647,658</b>	<b>595,707</b>	<b>1,446,522</b>	<b>1,458,324</b>	<b>1,419,752</b>
<b>Annual surplus (deficit)</b>	<b>\$ (559,159)</b>	<b>\$ 6,736</b>	<b>\$ (352,553)</b>	<b>\$ (105,607)</b>	<b>\$ 141,743</b>

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

### 16. Segmented reporting (continued)

March 31, 2016	Social Housing	Marina	Lands	Trust Activities	Consolidated
<b>Revenue</b>					
Government of Canada	\$ 117,512	\$ -	\$ -	\$ -	\$ 610,567
INAC	-	-	323,859	-	4,431,959
OFNLP	-	-	-	-	829,807
Province of Ontario	-	-	23,640	-	1,308,906
Interest	3,258	39	21,353	1,252,832	1,288,430
Other	77,806	29,676	8,175	(8,991)	2,078,613
Gain/(loss)	-	-	-	1,367,756	1,367,756
Sales	-	939,337	26,387	-	965,724
Leases and fees	-	-	1,343,527	-	1,343,527
Dividend	-	-	-	1,343,899	1,343,899
<b>Total revenue</b>	<b>198,576</b>	<b>969,052</b>	<b>1,746,941</b>	<b>3,955,496</b>	<b>15,569,188</b>
<b>Expenditures</b>					
Bank charges and interest	-	12,736	-	54,011	73,488
Travel	-	-	5,736	-	218,784
Program expenditures	85,312	-	119,513	1,574,506	4,256,970
Office and general	361	77,046	39,498	-	1,000,098
Repairs and maintenance	-	5,429	34,277	-	1,247,850
Wages and benefits	-	178,326	299,584	-	4,393,663
Insurance	37,018	12,277	-	-	190,410
Professional fees	13,378	19,723	697,193	504,211	1,357,885
Cost of sales	-	708,147	24,037	-	732,184
Amortization	(2,878)	2,543	20,016	-	618,631
<b>Total expenditures</b>	<b>133,191</b>	<b>1,016,227</b>	<b>1,239,854</b>	<b>2,132,728</b>	<b>14,089,963</b>
<b>Annual surplus (deficit)</b>	<b>\$ 65,385</b>	<b>\$ (47,175)</b>	<b>\$ 507,087</b>	<b>\$ 1,822,768</b>	<b>\$ 1,479,225</b>

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2017

<b>17. Accumulated surplus</b>	<b>2017</b>	<b>2016</b>
The accumulated surplus is represented by:		
Unrestricted		
Operating	\$ 7,049,731	\$ 5,495,329
Internally restricted		
Social Housing	(10,030)	(11,097)
Virginia Beach Marina	(480,083)	(470,011)
Georgina Island First Nation Communications	-	(27,286)
Lands	8,774,832	3,613,802
Trust Funds held by Federal Government	12,905	12,905
Coldwater Narrows Trust Funds		
held by Canada Trust Company	64,872,182	67,301,428
OFNLP Revenue Fund	3,122,390	2,826,274
Per Capita Distribution Fund	45,392	42,772
Trust Revenue Fund	4,826,662	4,960,882
2458582 Ontario Ltd	86,902	(5,181)
Mnookmi Restaurant	(195,988)	(17,805)
Nish Radio Inc.	(14,254)	(8,750)
Tobacco Trails	414,847	20,362
Virginia Beach Marina - Business Centre	37,964	(210)
	<b>\$ 88,543,452</b>	<b>\$ 83,733,414</b>
<b>18. Change in non-cash working capital</b>	<b>2017</b>	<b>2016</b>
Receivables	\$ (3,284,358)	\$ (61,694)
Inventories for resale	(200,731)	(114,854)
Payments received for investment in leases	66,660	66,660
Prepaid expenses	(9,305)	29,506
Accounts payables and accrued liabilities	703,486	285,167
Deferred revenue	257,822	(15,332)
	<b>\$ (2,466,426)</b>	<b>\$ 189,453</b>
Interest paid during the year	<b>\$ 31,618</b>	<b>\$ 38,893</b>
Interest received during the year	<b>\$ 1,192,065</b>	<b>\$ 1,288,430</b>

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**Chippewas of Georgina Island First Nation**  
**Notes to the Consolidated Financial Statements**  
March 31, 2017

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**19. 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:

	Approved Fiscal Plan	Amortization	Fiscal Plan on a PSAS Basis
Revenue	\$ 15,625,660	\$ -	\$ 15,625,660
Expenditures	16,007,763	797,450	16,805,213
Annual (deficiency) surplus	<u>\$ (382,103)</u>	<u>\$ (797,450)</u>	<u>\$ (1,179,553)</u>

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**20. 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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