

Consolidated Financial Statements

Chippewas of Georgina Island First Nation

March 31, 2022

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# Independent Auditor's Report

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To the Members of  
Chippewas of Georgina Island First Nation

## Opinion

We have audited the consolidated financial statements of Chippewas of Georgina Island First Nation ("the Entity"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated 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 Chippewas of Georgina Island First Nation as at March 31, 2022, and its results of operations, accumulated surplus, changes in net financial assets, and 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 consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities 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 consolidated 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 Entity'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 Entity'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 consolidated 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Barrie, Canada  
August 22, 2022

*Grant Thornton LLP*  
Chartered Professional Accountants  
Licensed Public Accountants

# Chippewas of Georgina Island First Nation

## Consolidated Statement of Operations

Year ended March 31

		2022	2021
	Budget (Unaudited)	Actual	Actual
<b>Revenue</b>			
Government of Canada			
Health Canada	\$ 533,936	<b>740,093</b>	\$ 649,759
CMHC	171,589	<b>166,852</b>	167,258
Indigenous Services Canada	11,718,307	<b>6,326,429</b>	5,518,888
Province of Ontario	1,356,721	<b>1,576,285</b>	1,733,351
Lands leases and fees	1,036,250	<b>1,220,790</b>	1,085,772
Ontario First Nations Land Partnership (OFNLP)	-	<b>611,889</b>	1,009,687
Interest	22,988	<b>2,582,639</b>	2,512,198
Dividend	-	<b>1,303,641</b>	1,711,970
Taxation	1,077,061	<b>844,648</b>	583,610
Other	34,979,809	<b>41,323,615</b>	32,073,052
Gain on sale of investments	-	<b>7,849,056</b>	5,253,958
	<b>50,896,661</b>	<b>64,545,937</b>	52,299,503
<b>Expenditures</b>			
Operating	16,717,238	<b>16,906,815</b>	15,859,893
Social Housing	307,420	<b>464,367</b>	282,202
Trust	-	<b>195</b>	845
Lands	1,497,358	<b>810,554</b>	795,363
Nish Radio Inc.	100,071	<b>86,657</b>	78,154
2458582 Ontario Limited	1,512,917	<b>2,861,919</b>	1,804,939
Tobacco Trails	18,718,824	<b>20,083,148</b>	16,312,676
Daawegamig Lodge	7,586,508	<b>5,857,216</b>	5,883,975
Virginia Beach Marina - Business Centre	743,318	<b>1,010,829</b>	770,861
Ontario First Nations Land Partnership	-	<b>110</b>	120
Coldwater Narrows Trust	-	<b>447,525</b>	449,112
Williams Treaty Settlement	-	<b>1,388,627</b>	1,221,281
Williams Treaty Trust	-	<b>671,684</b>	659,874
Per Capita Distributions	-	<b>1,547,552</b>	1,567,403
	<b>47,183,654</b>	<b>52,137,198</b>	45,686,698
Excess of revenue over expenditures	<b>\$ 3,713,007</b>	<b>\$ 12,408,739</b>	<b>\$ 6,612,805</b>

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

Year ended March 31

	<b>2022</b>	<b>2021</b>
Accumulated surplus, beginning of year	\$ 224,184,319	\$ 217,571,514
Excess of revenue over expenditures	<u>12,408,739</u>	<u>6,612,805</u>
Accumulated surplus, end of year	<u><b>\$ 236,593,058</b></u>	<u><b>\$ 224,184,319</b></u>

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# Chippewas of Georgina Island First Nation

## Consolidated Statement of Financial Position

March 31

2022

2021

### Financial assets

Cash (Note 2)	\$ 38,842,860	\$ 30,970,235
Externally restricted cash (Note 3)	-	12,905
Portfolio investments (Note 4)	150,470,140	154,601,223
Receivables (Note 5)	4,207,200	1,563,007
Inventories for resale (Note 6)	1,432,209	1,292,144
Mortgages receivable (Note 7)	26,803	30,283
Net investment in leases (Note 8)	751,820	814,160
	<u>195,731,032</u>	<u>189,283,957</u>

### Financial liabilities

Payables and accruals (Note 9)	5,468,532	4,123,411
Deferred revenue (Note 10)	3,938,066	2,972,441
Long-term debt (Note 11)	2,203,715	2,351,113
Landfill closure and post closure liability (Note 13)	105,300	105,300
	<u>11,715,613</u>	<u>9,552,265</u>

**Net financial assets** (Page 6)

184,015,419

179,731,692

### Non-financial assets

Construction-in-progress (Note 14)	1,751,518	3,820,500
Prepaid expenses	131,700	40,189
Tangible capital assets (Note 14)	50,694,421	40,591,938
	<u>52,577,639</u>	<u>44,452,627</u>

**Accumulated surplus** (Note 16)

\$ 236,593,058

\$ 224,184,319

Contingencies (Note 15)

On behalf of the First Nation



Chief/Councillor



Administrator

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

Year ended March 31

2022

2021

Excess of revenue over expenditures	<u>\$ 12,408,739</u>	<u>\$ 6,612,805</u>
Tangible capital assets		
Acquisition of tangible capital assets	<u>(10,212,414)</u>	<u>(3,593,331)</u>
Amortization of tangible capital assets	<u>2,178,913</u>	<u>1,704,908</u>
Total tangible capital assets	<u>(8,033,501)</u>	<u>(1,888,423)</u>
Change in prepaid expenses	<u>(91,511)</u>	<u>265,388</u>
Change in net financial assets	<u>4,283,727</u>	<u>4,989,770</u>
Net financial assets, beginning of year	<u>179,731,692</u>	<u>174,741,922</u>
Net financial assets, end of year	<u>\$ 184,015,419</u>	<u>\$ 179,731,692</u>

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

Year ended March 31

2022

2021

Increase (decrease) in cash

## Operating transactions

Annual surplus	\$ 12,408,739	\$ 6,612,805
Items not affecting cash:		
Amortization of tangible capital assets	2,178,913	1,704,908
Amortization of net investment in leases	(20,100)	(21,978)
Landfill closure and post closure costs (Note 13)	-	-
Gain on sale of investments	(7,849,056)	(5,253,958)
	6,718,496	3,041,777
Change in non-cash working capital items (Note 18)	(482,583)	218,921
Cash provided to operating transactions	6,235,913	3,260,698

## Capital transactions

Purchase of tangible capital assets	(10,212,414)	(3,593,331)
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## Investing transactions

Purchase of investments	(79,263,467)	(92,670,703)
Sales of investments	91,243,606	92,095,108
Trust funds from Federal Government	12,905	-
Payments received for mortgages receivable	3,480	3,248

Cash provided to (applied to) investing transactions	11,996,524	(572,347)
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## Financing transactions

Longterm debt repayments	(147,398)	(144,933)
Cash applied to financing transactions	(147,398)	(144,933)

Increase (decrease) in cash	7,872,625	(1,049,913)
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## Cash

Beginning of year	30,970,235	32,020,148
End of year	\$ 38,842,860	\$ 30,970,235

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# **Chippewas of Georgina Island First Nation**

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

March 31, 2022

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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 Chartered Professional Accountants of Canada.

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

The preparation of the consolidated financial statements of Chippewas of Georgina Island First Nation (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.;
- 2458582 Ontario Limited.;
- 6832067 Canada Inc.;
- 2697365 Ontario Ltd.; and
- Williams Treaty Trust – of which the First Nation controls and is the beneficiary of.

#### **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 construction-in-progress.

#### **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, 2022

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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, 2022

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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 revenue is 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.

Ferry fares are recognized when services are rendered. Gas, marina and retail sales are recognized when goods are sold. Interest, gains and losses on sale of investments 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 the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include 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**

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March 31, 2022

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<b>2. Cash</b>	<b>2022</b>	<b>2021</b>
Cash is comprised of the following:		
Internally designated cash		
OFNLP	\$ 3,344,276	\$ 3,139,433
Per capita distributions	701,481	783,586
Williams Treaty Settlement	1,921,632	1,376,028
Capital reserve fund	679,006	768,997
Coldwater Narrows Trust funds held by the Trustee Canada Trust Company	707,237	143,606
Williams Treaty Trust funds held by the Trustee Canada Trust Company	1,448,440	790,317
Unrestricted		
Operating	2,612,377	1,120,023
Social housing	516,197	626,030
Coldwater Narrows Trust	7,542,400	5,687,363
Williams Treaty Trust	7,197,354	4,280,411
Other	12,172,460	12,254,441
	<hr/>	<hr/>
	\$ 38,842,860	\$ 30,970,235

Internally designated cash is cash set aside by the First Nation for the intended use of each department listed above. OFNLP 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 \$404,976 (2021 - \$268,050) of funds in Williams Treaty Settlement that are due to maturing members at year end.

The First Nation has bank overdrafts in the amount of \$Nil (2021 - \$Nil), 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, 2022

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<b>3. Externally restricted cash</b>	<b>2022</b>	<b>2021</b>
Externally restricted cash		
Trust funds held by federal government	\$ -	\$ 12,905

Under the terms of an agreement with Canadian Mortgage and Housing Corporation, the 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 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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### **4. Portfolio investments**

#### Coldwater Narrows Trust

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 Nation's 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.

#### Williams Treaty Trust

The First Nation, Canada and Ontario executed a Settlement Agreement dated May 3, 2018. The First Nation intends to use or invest the compensation for the long-term benefit of the First Nation. Article 4 and Schedule 5 provided for monetary compensation of \$155,580,000, which was deposited into Trust Accounts on the First Nation's 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

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March 31, 2022

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### 4. Portfolio investments (continued)

The Trust agreement was dated November 5, 2018, with final signatures on November 5, 2018. 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 consolidated 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:

	<b>2022</b>	<b>2021</b>
Fixed income securities	\$ 48,391,204	\$ 62,478,283
Equity securities	98,891,095	99,114,950
Other assets	<u>7,400,584</u>	<u>5,579,781</u>
	<u><b>\$ 154,682,883</b></u>	<u><b>\$ 167,173,014</b></u>

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<b>5. Receivables</b>	<b>2022</b>	<b>2021</b>
Receivables are comprised of:		
Due from members:		
Social housing	\$ 28,387	\$ 9,071
Government funding:		
Indigenous Services Canada (hereinafter "ISC")	863,258	365,821
Province of Ontario	165,265	97,250
OTC	168,129	167,324
Union of Ontario Indians	86,366	184,319
Lands	9,292	23,692
Other	2,839,377	512,576
Interest	58,676	214,504
Less: allowance for doubtful accounts	<u>(11,550)</u>	<u>(11,550)</u>
	<u><b>\$ 4,207,200</b></u>	<u><b>\$ 1,563,007</b></u>

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# **Chippewas of Georgina Island First Nation**

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

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March 31, 2022

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<b>6. Inventories for resale</b>	<b>2022</b>	<b>2021</b>
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The First Nation had the following inventories for resale:

Lands	\$ 3,838	\$ 5,339
Virginia Beach Marina Business Centre	<u>61,496</u>	31,179
Tobacco Trails	<u>732,844</u>	592,916
Daawegamig Lodge	<u>634,031</u>	662,710
	<hr/>	<hr/>
	<b>\$ 1,432,209</b>	<b>\$ 1,292,144</b>
	<hr/>	<hr/>

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### **7. Mortgages receivable**

The mortgages in Lands are secured by leaseholds (land and/or buildings), bear interest at 7% 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:

2023	\$ 3,589
2024	3,848
2025	4,126
2026	4,425
2027	4,744
Thereafter	<u>6,071</u>
	<hr/>
	<b>\$ 26,803</b>

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### **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:

2023	\$ 42,984
2024	44,156
2025	45,365
2026	46,610
2027	47,895
Thereafter	<u>524,810</u>
	<hr/>
	<b>\$ 751,820</b>

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2022

9. Payables and accruals	2022	2021
Payables and accrued liabilities	\$ 4,729,518	\$ 3,570,172
Accrued salaries and employee benefits payable	90,210	57,705
Coldwater Narrows Trust per capita distributions to members	243,828	227,484
Williams Treaty Trust distributions to members	<u>404,976</u>	<u>268,050</u>
	<u>\$ 5,468,532</u>	<u>\$ 4,123,411</u>

### 10. Deferred revenue

	2021	Funding Received	Revenue Recognized	2022
Customer deposit	\$ 112,313	\$ 115,694	\$ 112,313	\$ 115,694
Lands	287,629	551,445	287,629	551,445
Taxation revenue	188,249	250,385	188,249	250,385
Other	344,970	1,020,756	344,970	1,020,756
Kinoomaadziwin				
Education Body (KEB)	588,212	255,087	588,212	255,087
ISC	<u>1,451,068</u>	<u>1,243,565</u>	<u>949,934</u>	<u>1,744,699</u>
	<u>\$ 2,972,441</u>	<u>\$ 3,436,932</u>	<u>\$ 2,471,307</u>	<u>\$ 3,938,066</u>

11. Long-term debt	2022	2021
Mortgage, 1.30%, due 2023, renewal date 2023, payable in blended monthly payments of \$1,519	\$ 1,518	\$ 19,593
Mortgage, 0.74%, due 2031, renewal date 2026, payable in blended monthly payments of \$ 2,551	247,310	275,979
Mortgage, 2.49% due 2033, renewal date 2024, payable in blended monthly payments of \$2,637	300,350	324,225
Mortgage, 1.14% due 2036, renewal date 2023, payable in blended monthly payments of \$1,577	250,147	266,134
Mortgage, 0.68% due 2037, renewal date 2025, payable in blended monthly payments of \$1,391	208,966	224,187
Mortgage, 0.96% due 2036, renewal date 2026, payable in blended monthly payments of \$1,068	208,168	218,930
Mortgage, 2.22% due 2044, renewal date 2024, payable in blended monthly payments of \$4,754	<u>987,256</u>	<u>1,022,065</u>
	<u>\$ 2,203,715</u>	<u>\$ 2,351,113</u>

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

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# **Chippewas of Georgina Island First Nation**

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

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March 31, 2022

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### **11. Long-term debt (continued)**

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

2023	\$ 132,666		
2024	1,299,535		
2025	72,455		
2026	514,681		
2027	<u>184,378</u>		
	<u>\$ 2,203,715</u>		
		<b>2022</b>	<b>2021</b>
Interest expense for the year on long-term debt	<u>\$ 38,355</u>	\$ 40,857	

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### **12. Pension agreement**

The First Nation provides a 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 members contributions which are directed to the members contribution account. The amount of retirement benefit to be received by the members 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. The First Nation contributed during the year \$67,152 (2021 - \$66,977) for retirement benefits.

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# **Chippewas of Georgina Island First Nation**

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

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March 31, 2022

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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 \$105,300 (2021 - \$105,300) and represents the present value of closure and post-closure costs, using an estimated long-term borrowing rate of 4.25% (2021 - 4.25%) and inflation rate of 1.5% (2021 - 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 \$1,380,475 (2021 - \$1,380,475) leaving an amount to be recognized of \$1,275,475 (2021 - \$1,275,475). The estimated remaining capacity of the site is approximately 12,958 cubic meters (2021 – 13,413) and the estimated remaining landfill life is 25 years. Post-closure care is estimated to continue for a period of 25 years.

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

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2022

### 14. Tangible capital assets

Cost	2021	Additions	Disposals/ Transfers	2022
Land	\$ 20,975,627	\$ 4,659,427	\$ -	\$ 25,635,054
Buildings	11,053,882	1,865,598	-	12,919,480
Equipment	3,164,363	335,076	-	3,499,439
Boats	8,103,062	354,228	-	8,457,290
Vehicles	2,173,167	169,504	-	2,342,671
Water system	5,898,649	905,072	2,068,982	8,872,703
Parking lot	343,353	-	-	343,353
Roads	7,635,020	1,923,509	-	9,558,529
Docks	1,748,605	-	-	1,748,605
	61,095,728	10,212,414	2,068,982	73,377,124
Construction-in-progress	<u>3,820,500</u>	<u>-</u>	<u>(2,068,982)</u>	<u>1,751,518</u>
	<u><u>\$ 64,916,228</u></u>	<u><u>\$ 10,212,414</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 75,128,642</u></u>
Accumulated Amortization	2021	Additions	Disposals	2022
Land	\$ -	\$ -	\$ -	\$ -
Buildings	4,198,337	364,569	-	4,562,906
Equipment	2,086,931	232,100	-	2,319,031
Boats	5,152,395	175,555	-	5,327,950
Vehicles	1,785,956	197,700	-	1,983,656
Water system	2,711,067	669,972	-	3,381,039
Parking lot	204,795	17,168	-	221,963
Roads	2,619,354	518,199	-	3,137,553
Docks	<u>1,744,955</u>	<u>3,650</u>	<u>-</u>	<u>1,748,605</u>
	<u><u>\$ 20,503,790</u></u>	<u><u>\$ 2,178,913</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,682,703</u></u>
Net Book Value		2021		2022
Land		\$ 20,975,627	\$ 25,635,054	
Buildings		6,855,545	8,356,574	
Equipment		1,077,432	1,180,408	
Boats		2,950,667	3,129,340	
Vehicles		387,211	359,015	
Water system		3,187,582	5,491,664	
Parking lot		138,558	121,390	
Roads		5,015,666	6,420,976	
Docks		3,650		-
		40,591,938	50,694,421	
Construction in progress		<u>3,820,500</u>	<u>1,751,518</u>	
		<u><u>\$ 44,412,438</u></u>	<u><u>\$ 52,445,939</u></u>	

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# **Chippewas of Georgina Island First Nation**

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

March 31, 2022

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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, 2022

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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 and Williams Treaty 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, 2022

### 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, 2022	General Government	Health	Education	Social Programs	Public Infrastructure
<b>Revenue</b>					
Government of Canada	\$ 23,935	\$ 716,158	\$ -	\$ -	\$ -
ISC	2,518,812	-	428,102	672,756	2,192,114
OFNLP	611,889	-	-	-	-
Province of Ontario	-	-	9,600	1,146,520	420,165
Taxation	844,648	-	-	-	-
Interest	9,888	-	-	133	-
Other	1,241,037	367,778	2,034,644	479,417	1,898,898
Gain/(loss)	-	-	-	-	-
Sales	-	-	-	-	-
Leases and fees	-	-	-	-	-
Dividend	-	-	-	-	-
<b>Total revenue</b>	<b>5,250,209</b>	<b>1,083,936</b>	<b>2,472,346</b>	<b>2,298,826</b>	<b>4,511,177</b>
<b>Expenditures</b>					
Bank charges and interest	6,640	-	-	-	-
Travel	67,938	19,046	1,366	37,499	7,755
Program expenditures	689,057	184,761	1,189,696	780,246	834,938
Office and general	552,020	396,928	268,822	413,480	513,201
Repairs and maintenance	914,091	11,558	96,978	31,200	1,436,355
Wages and benefits	3,044,630	448,025	477,736	1,054,826	839,936
Insurance	144,839	7,971	-	45,872	123,830
Professional fees	299,648	-	-	-	-
Cost of sales	-	-	-	-	-
Amortization	2,052,917	-	-	-	-
<b>Total expenditures</b>	<b>7,771,780</b>	<b>1,068,289</b>	<b>2,034,598</b>	<b>2,363,123</b>	<b>3,756,015</b>
<b>Annual surplus (deficit)</b>	<b>\$ (2,521,571)</b>	<b>\$ 15,647</b>	<b>\$ 437,748</b>	<b>\$ (64,297)</b>	<b>\$ 755,162</b>

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2022

### 16. Segmented reporting (continued)

March 31, 2022	Social Housing	Marina	Lands	Trust Activities	Consolidated
<b>Revenue</b>					
Government of Canada	\$ 166,852	\$ -	\$ -	\$ -	\$ 906,945
ISC	-	-	514,645	-	6,326,429
OFNLP	-	-	-	-	611,889
Province of Ontario	-	-	-	-	1,576,285
Taxation	-	-	-	-	844,648
Interest	1,916	6,073	25,404	2,539,225	2,582,639
Other	426,014	739,153	184,986	1,123	7,373,050
Gain/(loss)	-	-	-	7,849,056	7,849,056
Sales	-	33,895,652	54,913	-	33,950,565
Leases and fees	-	-	1,220,790	-	1,220,790
Dividend	-	-	-	1,303,641	1,303,641
<b>Total revenue</b>	<b>594,782</b>	<b>34,640,878</b>	<b>2,000,738</b>	<b>11,693,045</b>	<b>64,545,937</b>
<b>Expenditures</b>					
Bank charges and interest	-	127,576	-	79,239	213,455
Travel	-	379	1,698	-	135,681
Program expenditures	38,355	-	157,396	2,934,655	6,809,104
Office and general	253	903,344	150,890	354	3,199,292
Repairs and maintenance	297,989	864,745	46,358	-	3,699,274
Wages and benefits	-	3,410,199	378,261	-	9,653,613
Insurance	62,506	59,030	-	-	444,048
Professional fees	14,878	78,695	-	1,041,110	1,434,331
Cost of sales	-	24,314,280	54,970	-	24,369,250
Amortization	50,386	54,865	20,982	-	2,179,150
<b>Total expenditures</b>	<b>464,367</b>	<b>29,813,113</b>	<b>810,555</b>	<b>4,055,358</b>	<b>52,137,198</b>
<b>Annual surplus (deficit)</b>	<b>\$ 130,415</b>	<b>\$ 4,827,765</b>	<b>\$ 1,190,183</b>	<b>\$ 7,637,687</b>	<b>\$ 12,408,739</b>

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2022

### 16. Segmented reporting (continued)

March 31, 2021	General Government	Health	Education	Social Programs	Public Infrastructure
<b>Revenue</b>					
Government of Canada	\$ 51,877	\$ 587,883	\$ -	\$ -	\$ 10,000
ISC	3,172,046	-	4,170	433,157	1,401,927
OFNLP	1,009,687	-	-	-	-
Province of Ontario	50,120	-	13,205	1,322,507	347,519
Interest	583,610	-	-	-	-
Other	10,653	-	-	176	-
Gain/(loss)	1,016,173	261,854	1,484,384	237,828	281,767
Sales	-	-	-	-	-
Leases and fees	-	-	-	-	-
Dividend	-	-	-	-	-
Williams Treaty revenue	-	-	-	-	-
<b>Total revenue</b>	<b>5,894,166</b>	<b>849,737</b>	<b>1,501,759</b>	<b>1,993,668</b>	<b>2,041,213</b>
<b>Expenditures</b>					
Bank charges and interest	3,126	-	-	-	-
Travel	50,789	44,085	884	28,455	8,272
Program expenditures	388,196	167,474	923,122	504,150	1,008,633
Office and general	1,042,633	257,031	176,235	304,281	782,004
Repairs and maintenance	985,003	4,238	34,604	20,872	1,791,593
Wages and benefits	3,031,372	398,145	481,946	881,132	559,331
Insurance	113,371	6,229	-	17,741	109,925
Professional fees	196,524	-	-	-	-
Cost of sales	-	-	-	-	-
Amortization	1,602,144	-	-	-	-
<b>Total expenditures</b>	<b>7,413,158</b>	<b>877,202</b>	<b>1,616,791</b>	<b>1,756,631</b>	<b>4,259,758</b>
<b>Annual surplus (deficit)</b>	<b>\$ (1,518,992)</b>	<b>\$ (27,465)</b>	<b>\$ (115,032)</b>	<b>\$ 237,037</b>	<b>\$ (2,218,545)</b>

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2022

### 16. Segmented reporting (continued)

March 31, 2021	Social Housing	Marina	Lands	Trust Activities	Consolidated
<b>Revenue</b>					
Government of Canada	\$ 167,257	\$ -	\$ -	\$ -	\$ 817,017
ISC	-	-	507,588	-	5,518,888
OFNLP	-	-	-	-	1,009,687
Province of Ontario	-	-	-	-	1,733,351
Interest	-	-	-	-	583,610
Other	2,111	5,857	18,277	2,475,124	2,512,198
Gain/(loss)	171,236	774,922	239,588	12,343	4,480,095
Sales	-	-	-	5,253,958	5,253,958
Leases and fees	-	27,565,570	27,387	-	27,592,957
Dividend	-	-	1,085,772	-	1,085,772
Williams Treaty revenue	-	-	-	1,711,970	1,711,970
<b>Total revenue</b>	<b>340,604</b>	<b>28,346,349</b>	<b>1,878,612</b>	<b>9,453,395</b>	<b>52,299,503</b>
<b>Expenditures</b>					
Bank charges and interest	-	121,439	-	162,126	286,691
Travel	-	90	1,944	-	134,519
Program expenditures	40,857	-	130,794	2,786,988	5,950,214
Office and general	15,921	906,825	97,177	10,636	3,592,743
Repairs and maintenance	95,515	648,176	115,698	-	3,695,699
Wages and benefits	-	2,912,094	359,520	-	8,623,540
Insurance	64,645	55,128	-	-	367,039
Professional fees	14,878	73,479	37,127	953,390	1,275,398
Cost of sales	-	20,031,181	24,766	-	20,055,947
Amortization	50,386	24,041	28,337	-	1,704,908
<b>Total expenditures</b>	<b>282,202</b>	<b>24,772,453</b>	<b>795,363</b>	<b>3,913,140</b>	<b>45,686,698</b>
<b>Annual surplus (deficit)</b>	<b>\$ 58,402</b>	<b>\$ 3,573,896</b>	<b>\$ 1,083,249</b>	<b>\$ 5,540,255</b>	<b>\$ 6,612,805</b>

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2022

17. Accumulated surplus	2022	2021
The accumulated surplus is represented by:		
Unrestricted Operating	\$ 20,791,805	\$ 18,183,285
Internally restricted		
Social Housing	48,646	(81,769)
Virginia Beach Marina	(432,200)	(425,892)
Lands	31,225,521	26,359,652
Trust Funds held by Federal Government	-	12,905
Coldwater Narrows Trust Funds -		
held by Canada Trust Company	41,327,341	46,541,065
OFNLP Revenue Fund	5,840,380	5,431,144
Per Capita Distribution Fund	59,330	58,227
Trust Revenue Fund	10,830,114	7,755,573
Williams Treaty Trust Funds -		
held by Canada Trust Company	110,881,094	110,694,274
Williams Treaty Settlement	75,984	73,100
Williams Treaty Trust Revenue Fund	7,197,354	4,280,411
2458582 Ontario Limited	1,607,083	911,124
Mnookmi Restaurant	-	(103,350)
Nish Radio Inc.	(5,218)	(15,072)
Tobacco Trails	3,399,288	1,997,389
Daawegamig Lodge	3,784,772	2,584,714
Virginia Beach Marina - Business Centre	(38,236)	(72,461)
	<u>\$ 236,593,058</u>	<u>\$ 224,184,319</u>

18. Change in non-cash working capital	2022	2021
Receivables	\$ (2,644,193)	\$ (163,379)
Inventories for resale	(140,065)	(122,366)
Payments received for investment in leases	82,440	84,360
Prepaid expenses	(91,511)	265,388
Accounts payables and accrued liabilities	1,345,121	(397,508)
Deferred revenue	<u>965,625</u>	<u>552,426</u>
	<u>\$ (482,583)</u>	<u>\$ 218,921</u>
Interest paid during the year	<u>\$ 35,617</u>	<u>\$ 20,976</u>
Interest received during the year	<u>\$ 2,582,639</u>	<u>\$ 2,512,198</u>

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# **Chippewas of Georgina Island First Nation**

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

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March 31, 2022

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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:

	<u>Approved Fiscal Plan</u>	<u>Amortization</u>	<u>Fiscal Plan on a PSAS Basis</u>
Revenue	\$ 50,896,661	\$ -	\$ 50,896,661
Expenditures	<u>47,183,654</u>	<u>2,178,913</u>	<u>49,362,567</u>
Annual (deficiency) surplus	<u>\$ 3,713,007</u>	<u>\$ (2,178,913)</u>	<u>\$ 1,534,094</u>

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