

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2024**

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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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 First Nation), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, accumulated surplus, changes in net financial assets, remeasurement gains and losses 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 consolidated financial position of the First Nation as at March 31, 2024, and the consolidated results of its operations, accumulated surplus, changes in net financial assets, remeasurement gains and losses and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

*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 First Nation in accordance with 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 the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Independent Auditor's Report to the Members of Chippewas of Georgina Island First Nation (*continued*)

*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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 First Nation 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.

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, Ontario  
August 14, 2024

RUMLEY HOLMES LLP  
Chartered Professional Accountants  
Licensed Public Accountants

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 41,391,204	\$ 40,621,607
Portfolio investments (Note 3)	180,133,837	157,508,803
Receivables (Note 5)	6,334,933	2,827,990
Inventories for resale (Note 6)	908,980	1,165,087
Mortgages receivable (Note 7)	19,412	23,075
Net investment in leases (Note 8)	663,991	708,147
	<b>229,452,357</b>	<b>202,854,709</b>
<b>FINANCIAL LIABILITIES</b>		
Payables and accruals (Note 9)	6,499,719	7,058,447
Deferred revenue (Note 10)	19,713,222	8,845,387
Long-term debt (Note 11)	6,940,383	2,070,893
Asset retirement obligations (Note 13)	323,300	105,300
	<b>33,476,624</b>	<b>18,080,027</b>
<b>NET FINANCIAL ASSETS</b>	<b>195,975,733</b>	<b>184,774,682</b>
<b>NON-FINANCIAL ASSETS</b>		
Construction-in-progress (Note 14)	4,465,903	7,266,422
Prepaid expenses	40,818	33,306
Tangible capital assets (Note 14)	69,630,326	54,679,352
	<b>74,137,047</b>	<b>61,979,080</b>
<b>ACCUMULATED SURPLUS (Note 18)</b>	<b>\$270,112,780</b>	<b>\$246,753,762</b>
<b>CONTINGENCIES (Note 15)</b>		
<b>ON BEHALF OF COUNCIL</b>		

  
 Councillor

  
 Councillor  
 Band Manager

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2024**

	Budget	2024	2023
<b>REVENUES</b>			
Health Canada	\$ 675,137	\$ 567,341	\$ 567,819
CMHC	159,625	157,478	157,092
Indigenous Services Canada	13,649,136	20,276,970	13,520,814
Province of Ontario	1,232,555	3,780,400	2,244,174
Land leases and fees	1,175,650	1,255,747	1,247,409
Ontario First Nations Land Partnership (OFNLP)	-	1,230,925	868,865
Interest	15,293	3,665,668	3,074,928
Dividend	-	1,574,166	1,595,292
Taxation	1,025,799	1,087,848	1,045,454
Other	37,636,626	39,125,129	39,586,615
Gain (loss) on sale of investments	-	2,276,934	(307,594)
	<b>55,569,821</b>	<b>74,998,606</b>	<b>63,600,868</b>
<b>EXPENSES</b>			
Operating	25,826,897	26,570,101	22,213,635
Social Housing	276,865	271,040	346,987
Lands	1,832,080	991,496	883,120
Nish Radio Inc.	110,010	113,148	94,507
Island View Business Centre	2,455,771	2,505,980	2,423,145
Tobacco Trails	20,978,132	19,898,860	19,650,086
Daawegamig Lodge	5,326,894	4,524,990	5,009,805
Virginia Beach Marina	1,208,534	1,473,649	1,186,748
Goin Fuel Company	-	54	157
Hadden Road Developments	-	51,863	-
Ontario First Nations Land Partnership	-	125	120
Coldwater Narrows Trust	-	454,078	405,671
Williams Treaty Settlement	-	985,215	1,999,795
Williams Treaty Trust	-	1,415,350	1,485,284
Per Capita Distribution	-	1,379,176	1,340,565
	<b>58,015,183</b>	<b>60,635,125</b>	<b>57,039,625</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ (2,445,362)</b>	<b>\$ 14,363,481</b>	<b>\$ 6,561,243</b>

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Consolidated Statement of Accumulated Surplus**  
**Year Ended March 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>\$246,753,762</b>	\$236,593,058
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>14,363,481</b>	6,561,243
<b>REMEASUREMENT GAINS AND LOSSES - NET (Page 7)</b>	<b>8,995,537</b>	3,599,461
<b>ACCUMULATED SURPLUS (DEFICIT) - END OF YEAR</b>	<b>\$270,112,780</b>	\$246,753,762

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended March 31, 2024**

	<b>2024</b>	<b>2023</b>
<b><u>EXCESS OF REVENUE OVER EXPENDITURES</u></b>	<b>\$ 14,363,481</b>	<b>\$ 6,561,243</b>
Tangible capital assets		
Acquisition of tangible capital assets	(16,593,729)	(12,163,511)
Amortization of tangible capital assets	4,443,274	2,663,676
Total tangible capital assets	(12,150,455)	(9,499,835)
Change in prepaid expenses	(7,512)	98,394
<u>Remeasurement gains and losses (Page 7)</u>	<u>8,995,537</u>	<u>3,599,461</u>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	<b>11,201,051</b>	<b>759,263</b>
<b><u>NET FINANCIAL ASSETS - BEGINNING OF YEAR</u></b>	<b>184,774,682</b>	<b>184,015,419</b>
<b><u>NET FINANCIAL ASSETS - END OF YEAR</u></b>	<b>\$195,975,733</b>	<b>\$184,774,682</b>

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Statement of Remeasurement Gains and Losses**  
**Year Ended March 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>ACCUMULATED REMEASUREMENT GAIN -</b>		
<b>BEGINNING OF YEAR</b>	<b>\$ 3,599,461</b>	<b>\$ -</b>
Adjustment to accumulated remeasurement gain due to adoption of new standards as of April 1, 2022	- 4,318,918	4,318,918
	- 4,318,918	4,318,918
Unrealized gain (losses) attributed to:		
Foreign exchange	837,345	2,142,674
Investments	8,158,192	(2,862,131)
Net remeasurement for the year	8,995,537	(719,457)
<b>ACCUMULATED REMEASUREMENT GAIN -</b>		
<b>END OF YEAR</b>	<b>\$ 12,594,998</b>	<b>\$ 3,599,461</b>

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 14,363,481	\$ 6,561,243
Items not affecting cash:		
Amortization of tangible capital assets	4,443,274	2,663,676
Amortization of net investment in leases	(17,584)	(18,756)
(Gain) loss on sale of investments	(2,276,934)	307,594
	<b>16,512,237</b>	<b>9,513,757</b>
Changes in non-cash working capital (Note 18)	7,112,499	8,304,395
Cash flow from operating activities	<b>23,624,736</b>	<b>17,818,152</b>
<b>INVESTING ACTIVITIES</b>		
Increase in portfolio investments	(11,352,563)	(3,746,799)
Payments received for mortgages receivable	3,663	3,728
Cash flow used by investing activities	<b>(11,348,900)</b>	<b>(3,743,071)</b>
<b>FINANCING ACTIVITY</b>		
Long-term debt	<b>4,869,490</b>	<b>(132,823)</b>
<b>CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	(16,593,729)	(12,169,426)
Disposal of tangible capital assets	-	5,915
Increase in asset retirement obligations	218,000	-
Cash flow used by capital transactions	<b>(16,375,729)</b>	<b>(12,163,511)</b>
<b>INCREASE IN CASH FLOW</b>	<b>769,597</b>	<b>1,778,747</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>40,621,607</b>	<b>38,842,860</b>
<b>CASH - END OF YEAR (Note 2)</b>	<b>\$ 41,391,204</b>	<b>\$ 40,621,607</b>

# CHIPPEWAS OF GEORGINA ISLAND FIRST NATION

## Notes to Consolidated Financial Statements

Year Ended March 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 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.

#### Financial statement preparation

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

#### 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.

#### 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. o/a Island View Business Centre;
- Goin Fuel Company Limited.;
- 6832067 Canada Inc.;
- 2697365 Ontario Limited. o/a Hadden Road Developments; and
- Williams Treaty Trust – of which the First Nation controls and is the beneficiary of.

#### 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.

#### Portfolio investments

Portfolio investments consists of fixed income securities, equity instruments with no maturity, and other assets. Portfolio investments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

#### Inventories for resale

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

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# CHIPPEWAS OF GEORGINA ISLAND FIRST NATION

## Notes to Consolidated Financial Statements

Year Ended March 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### 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.

#### 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.

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**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Asset retirement obligations**

A liability for asset retirement obligation (ARO) is recognized when, as at the financial reporting date:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is initially recorded at the best estimate of the expenditures required to retire a tangible capital asset, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset if the asset is recognized and in productive use. This liability is subsequently reviewed at each financial reporting date and adjusted for any revisions to the timing or amount required to settle the obligation. The changes in the liability for the passage of time are recorded as accretion expenses in the Statement of Operations and all other changes are adjusted to the tangible capital asset. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

The liability for closure and post-closure care relating to the landfill site has been recognized based on estimated future expenditures. The liability is discounted using a present value calculation and adjusted yearly for changes in present value of anticipated future expenditures. The recognition of a liability resulted in an accompanying expense in the year in which the liability was determined, as there is no asset recognized for the landfill site. Assumptions used in the calculations are revised periodically at the discretion of the First Nation.

The liability for remediation and post-remediation costs relating to the underground fuel tank site has been recognized based on estimated future expenditures. The liability is discounted using a present value calculation and adjusted yearly for changes in present value of anticipated future expenditures. The recognition of a liability resulted in an accompanying expense in the year in which the liability was determined, as there is no asset recognized for the underground fuel tank. Assumptions used in the calculations are revised periodically at the discretion of the First Nation.

Recoveries related to tangible capital asset retirement obligations are recognized when the recovery can be appropriately measured, a reasonable estimate of the amount can be made, and it is expected that future economic benefits will be obtained. A recovery is recognized on a gross basis from the asset retirement obligations liability.

**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, fair value of portfolio investments, and the landfill closure and post-closure liability. Actual results could differ from those estimates.

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# CHIPPEWAS OF GEORGINA ISLAND FIRST NATION

## Notes to Consolidated Financial Statements

Year Ended March 31, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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.

#### Financial instruments

The First Nation classifies its financial instruments as either fair value or cost/amortized cost. The First Nation's accounting policy for each category is as follows:

##### Fair Value

This category includes equity instruments quoted in an active market. The First Nation has designated its bond portfolio that would otherwise be classified into the amortized cost category at fair value as the First Nation manages and reports performance of it on a fair value basis.

They are initially recognized at cost and subsequently carried at fair value. Unrealized changes in the fair value are recognized in the statement of measurement gains and losses until they are realized. Once realized, they are transferred to the statement of operations, except for those gains and losses of a financial asset in the fair value category that is externally restricted. These gains and losses are recorded as liabilities until used for the purpose specified.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

##### Amortized Cost

This category includes receivables, mortgages receivable, net investment in leases, accounts payables and accruals and long-term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

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**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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**2. CASH**

Cash is comprised of the following:

	<b>2024</b>	<b>2023</b>
<b>Internally designated cash</b>		
OFNLP	\$ 4,616,834	\$ 3,726,791
Per Capita Distributions	751,916	553,734
Williams Treaty Settlement	1,821,412	1,575,569
Capital Reserve Fund	208,689	780,965
Coldwater Narrows Trust funds held by the Trustee	331,567	341,945
Williams Treaty Trust funds held by the Trustee	182,429	246,602
<b>Unrestricted</b>		
Operating	7,066,511	8,947,892
Social Housing	1,262,091	982,134
Coldwater Narrows Trust Revenue	4,938,517	5,088,994
Williams Treaty Trust Revenue	4,062,190	3,904,401
Other	16,149,048	14,472,580
	<b>\$ 41,391,204</b>	<b>\$ 40,621,607</b>

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 \$698,516 (2023 - \$180,275) 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 (2023 - \$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 Consolidated Financial Statements

Year Ended March 31, 2024

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### 3. 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.

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 fair market value on the consolidated statement of financial position. The amounts are for the purposes laid out in the trust agreement.

The fair market values and cost of investments are disclosed below:

	2024	2023
<b><u>Fair Market Value</u></b>		
Fixed income securities	\$ 37,229,906	\$ 41,460,601
Equity securities	116,628,850	105,536,543
Other assets	<u>26,275,081</u>	10,511,659
	<u><b>\$180,133,837</b></u>	<u><b>\$157,508,803</b></u>
<b><u>Cost</u></b>		
Fixed income securities	\$ 41,281,759	\$ 46,328,270
Equity securities	100,335,346	96,925,023
Other assets	<u>23,258,793</u>	10,643,500
	<u><b>\$164,875,898</b></u>	<u><b>\$153,896,793</b></u>

Included in other assets are GIC investments of \$15,900,000, which have interest rates ranging from 5.29% to 5.38% and maturities ranging from April 2024 to June 2024.

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**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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**4. FINANCIAL INSTRUMENT CLASSIFICATION**

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	Fair Value	Amortized Cost	2024
Cash	\$ 41,391,204	\$ -	\$ 41,391,204
Portfolio investments	180,133,837	-	180,133,837
Receivables	-	6,334,933	6,334,933
Mortgages receivable	-	19,412	19,412
Net investment in leases	-	663,991	663,991
Payables and accruals	-	6,499,719	6,499,719
Long-term debt	-	6,940,383	6,940,383
	<b>\$221,525,041</b>	<b>\$ 20,458,438</b>	<b>\$241,983,479</b>

The maturity profile of bonds held is as follows:

	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	Total
Carrying Value	1,065,116	9,989,030	12,433,931	5,736,231	29,224,308
Percent of Total	3.64	34.18	42.55	19.63	100%

All fair value financial instruments in the table above have been classified as Level 1 financial instruments based on the degree to which the fair market value is observable. Level 1 is defined as a fair value measurement that is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price.

There were no transfers in or out of Level 1. A sensitivity analysis of fair market value classified bonds has been provided in Note 19 of the financial statements.

**5. RECEIVABLES**

Receivables are comprised of:

	2024	2023
Due from members:		
Social Housing	\$ 32,140	\$ 42,641
Government funding:		
Indigenous Services Canada	4,263,570	375,642
Province of Ontario	1,087,121	32,329
OTC	314,737	183,439
Union of Ontario Indians	192,742	121,835
Lands	11,550	23,342
Other	379,448	1,982,155
Interest	65,175	78,157
Less: allowance for doubtful accounts	(11,550)	(11,550)
	<b>\$ 6,334,933</b>	<b>\$ 2,827,990</b>

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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**6. INVENTORIES FOR RESALE**

The First Nation had the following inventories for resale:

	<b>2024</b>	<b>2023</b>
Lands	\$ 5,031	\$ 6,509
Virginia Beach Marina	39,714	50,243
Tobacco Trails	538,068	640,438
Daawegamig Lodge	326,167	467,897
	<b>\$ 908,980</b>	<b>\$ 1,165,087</b>

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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:

2025	\$ 4,126
2026	4,425
2027	4,744
2028	6,117
	<b>\$ 19,412</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:

2025	\$ 45,365
2026	46,610
2027	47,895
2028	49,220
2029	50,586
Thereafter	424,315
	<b>\$ 663,991</b>

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**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

**9. PAYABLES AND ACCRUALS**

	<b>2024</b>	<b>2023</b>
Payables and accrued liabilities	\$ 6,369,831	\$ 6,811,856
Accrued salaries and employee benefits payable	48,596	25,797
Coldwater Narrows Trust per capita distributions to members	81,292	40,519
Williams Treaty Trust distributions to members	-	180,275
	<b>\$ 6,499,719</b>	<b>\$ 7,058,447</b>

**10. DEFERRED REVENUE**

	2023 Balance	Funding Received	Revenue Recognized	2024 Balance
Customer deposit	\$ 118,825	\$ 114,182	\$ 118,825	\$ 114,182
Lands	598,520	352,065	498,215	452,370
Taxation revenue	91,010	11,253	91,010	11,253
Other	1,688,825	1,296,088	1,688,825	1,296,088
Kinoomaadziwin Education Body (KEB)	1,769,403	2,392,556	1,769,403	2,392,556
Indigenous Services Canada	4,578,804	15,356,991	4,489,022	15,446,773
	<b>\$ 8,845,387</b>	<b>\$ 19,523,135</b>	<b>\$ 8,655,300</b>	<b>\$ 19,713,222</b>

Customer deposits and Lands deferred revenue is made up of payments received in advance of services performed.

Taxation deferred revenue represents amounts collected from ratepayers but not yet expended in accordance with the applicable taxation expenditures by-laws.

Funding received from Kinoomaadziwin Education Body (KEB) and Indigenous Services Canada that has not yet been expended in accordance with the terms of the funding agreements is deferred until such expenditures have been made.

Other deferred revenue is made up of various other funding received that has not yet been expended for its specified use.

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

**11. LONG TERM DEBT**

	<b>2024</b>	<b>2023</b>
Mortgage loan bearing interest at 0.74% per annum, repayable in monthly blended payments of \$2,551. The loan renews in 2026 and is due in 2031.	\$ 189,338	\$ 218,429
Mortgage loan bearing interest at 3.52% (2023 - 2.49%) per annum, repayable in monthly blended payments of \$2,637. The loan renews in 2028 and is due in 2033.	251,775	275,877
Mortgage loan bearing interest at 0.68% per annum, repayable in monthly blended payments of \$1,391. The loan renews in 2028 and is due in 2036.	178,214	193,640
Mortgage loan bearing interest at 1.13% per annum, repayable in monthly blended payments of \$1,576. The loan renews in 2025 and is due in 2037.	217,628	233,976
Mortgage loan bearing interest at 0.96% per annum, repayable in monthly blended payments of \$1,068. The loan renews in 2026 and is due in 2036.	186,335	197,302
Mortgage loan bearing interest at 5.48% (2023 - 2.22%) per annum, repayable in monthly blended payments of \$4,754. The loan renews in 2025 and is due in 2044.	917,093	951,669
FNFA Loan loan bearing interest at FNFA's Prime Lending Rate, repayable in monthly interest only payments and is secured by OFNLP revenues.	5,000,000	-
	<b>\$ 6,940,383</b>	<b>\$ 2,070,893</b>

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

The First Nation Financial Authority (FNFA) loan was entered into for the purposes of supporting the development of the new Business Centre to be constructed on Hadden Road. The interest rate of this loan is variable, and is determined by the FNFA Prime Lending Rate. The interest rate at March 31, 2024 was 6.25%. The loan, as well as any unpaid interest, become due the earlier of five years from the first principal amount drawdown, the date of completion of the purpose of the intended borrowing, or the date upon which the FNFA issues debt securities to replace the interim long-term financing provided to the First Nation.

The total amount authorized by FNFA under this agreement is \$10,527,000. This loan is secured by the revenues earned by the First Nation under the OFNLP agreement.

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

2025	\$ 1,014,242
2026	540,276
2027	210,867
2028	27,446
2029	147,552
Thereafter	<u>5,000,000</u>
	<b><u>\$ 6,940,383</u></b>

Interest expense related to long-term debt for the year was \$91,895 (2023 - \$36,243).

# CHIPPEWAS OF GEORGINA ISLAND FIRST NATION

## Notes to Consolidated Financial Statements

Year Ended March 31, 2024

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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 \$188,558 (2023 - \$156,217) for retirement benefits.

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### 13. ASSET RETIREMENT OBLIGATIONS

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 (2023 - \$105,300) and represents the present value of closure and post-closure costs, using an estimated long-term borrowing rate of 4.25% (2023 - 4.25%) and inflation rate of 1.5% (2023 - 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 (2023 - \$1,380,475) leaving an amount to be recognized of \$1,275,475 (2023 - \$1,275,475). The estimated remaining capacity of the site is approximately 11,928 cubic meters (2023 - 12,443) and the estimated remaining landfill life is 22 years. Post-closure care is estimated to continue for a period of 25 years.

The First Nation expects these future costs to be funded by ISC when incurred at a future date.

The First Nation also recognizes a future asset retirement obligation related to an underground fuel tank. Remediation costs have been defined in accordance with industry standards and include contaminated soil removal, soil backfilling, groundwater remediation, as well as post-remediation monitoring and maintenance costs.

The liability for the fuel tank is recorded at \$218,000 (2023 - \$Nil) and represents the present value of remediation and post-remediation costs, using an estimated long-term borrowing rate of 4.25% (2023 - Nil%) and inflation rate of 1.5% (2023 - Nil%). The liability is recorded based on the expected remaining useful life of the fuel tank. The total estimated future expenditures representing the sum of the discounted future cash flows for remediation and post-remediation are \$339,722 (2023 - \$Nil) leaving an amount to be recognized of \$121,722 (2023 - \$Nil). The estimated remaining life is 10 years. Post-remediation monitoring and maintenance is estimated to continue for a period of 3 years.

Effective April 1, 2022, the First Nation adopted Public Sector Accounting Standard, Section 3280 *Asset Retirement Obligations*. This standard establishes how to account for and disclose asset retirement obligations of the First Nation. The result of the adoption of this standard resulted in the derecognition of the landfill closure and post-closure liability that was recorded under the previous standard.

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CHIPPEWAS OF GEORGINA ISLAND FIRST NATION

Notes to Consolidated Financial Statements

Year Ended March 31, 2024

**14. PROPERTY, PLANT AND EQUIPMENT**

Cost	2023 Balance	Additions	Disposals/ Transfers	2024 Balance
Land	\$ 25,635,054	\$ 200,000	\$ -	\$ 25,835,054
Buildings	14,419,296	2,028,788	-	16,448,084
Equipment	5,233,249	342,795	-	5,576,044
Boats	9,146,150	290,286	-	9,436,436
Vehicles	3,455,582	523,380	-	3,978,962
Water system	8,872,703	14,950,014	-	23,822,717
Parking lot	343,353	-	-	343,353
Roads	11,171,739	868,198	-	12,039,937
Docks	1,748,605	190,786	-	1,939,391
Construction-in-progress	7,266,422	4,012,840	6,813,359	4,465,903
	<b>\$ 87,292,153</b>	<b>\$ 23,407,087</b>	<b>\$ 6,813,359</b>	<b>\$103,885,881</b>
Accumulated Amortization	2023 Balance	Amortization	Accumulated Amortization on Disposals	2024 Balance
Buildings	\$ 4,970,413	\$ 488,657	\$ -	\$ 5,459,070
Equipment	2,679,626	410,206	-	3,089,832
Boats	5,516,239	207,311	-	5,723,550
Vehicles	2,335,073	406,657	-	2,741,730
Water system	4,051,011	2,164,973	-	6,215,984
Parking lot	239,131	17,168	-	256,299
Roads	3,806,281	710,145	-	4,516,426
Docks	1,748,605	38,157	-	1,786,762
	<b>\$ 25,346,379</b>	<b>\$ 4,443,274</b>	<b>\$ -</b>	<b>\$ 29,789,653</b>
Net book value			2024	2023
Land			\$ 25,835,054	\$ 25,635,054
Buildings			10,989,014	9,448,883
Equipment			2,486,212	2,553,623
Boats			3,712,886	3,629,911
Vehicles			1,237,232	1,120,509
Water system			17,606,733	4,821,692
Parking lot			87,054	104,222
Roads			7,523,511	7,365,458
Docks			152,629	-
Construction-in-progress			4,465,903	7,266,422
			<b>\$ 74,096,228</b>	<b>\$ 61,945,774</b>

Included in construction-in-progress additions is school buildings of \$2,932,759, which is funded by Indigenous Services Canada and the First Nation, the new business centre being constructed on Hadden Road of \$954,352, which is funded by the First Nation Financial Authority (FNFA) and the First Nation, and other building improvements of \$125,729, which are funded by the Band.

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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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 Consolidated Financial Statements

Year Ended March 31, 2024

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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.

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**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

**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, 2024	General Government	Health	Education	Social Programs	Public Infrastructure
<b>Revenue</b>						
Government of Canada	\$ 4,739,347	\$ 567,341	\$ -	\$ 1,345,220	\$ 12,808,037	\$ -
ISC	1,230,925	828,737	-	-	-	-
OFNLP	-	1,087,299	13,477	1,568,033	991,591	-
Province of Ontario	-	-	-	-	-	-
Taxation	1,087,848	-	-	-	-	-
Interest	207,039	-	-	30	30	-
Other	1,575,545	879,508	1,901,502	526,217	718,422	-
Gain/(loss)	-	-	-	-	-	-
Sales	-	-	-	-	-	-
Leases and fees	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
<b>Total revenue</b>	<b>8,840,704</b>	<b>3,362,885</b>	<b>1,914,979</b>	<b>3,439,500</b>	<b>14,518,050</b>	
<b>Expenditures</b>						
Bank charges and interest	54,666	-	-	-	-	-
Travel	224,439	41,543	8,177	19,619	12,338	-
Program expenditures	746,426	1,722,436	1,328,952	1,774,495	1,361,312	-
Office and general	759,577	369,295	311,572	193,430	1,301,369	-
Repairs and maintenance	1,924,127	4,351	66,009	50,511	1,444,324	-
Wages and benefits	4,367,903	717,823	566,378	1,390,491	935,470	-
Insurance	202,726	10,796	-	34,908	158,242	-
Professional fees	272,278	-	-	122,658	-	-
Cost of sales	-	-	-	-	-	-
Amortization	4,184,731	-	-	-	-	-
<b>Total expenditures</b>	<b>12,736,873</b>	<b>2,866,244</b>	<b>2,281,088</b>	<b>3,586,112</b>	<b>5,213,055</b>	
<b>Annual surplus (deficit)</b>	<b>\$ (3,896,169)</b>	<b>\$ 496,641</b>	<b>\$ (366,109)</b>	<b>\$ (146,612)</b>	<b>\$ 9,304,995</b>	

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2024**

**16. SEGMENTED REPORTING (continued)**

**March 31, 2024**

	<b>Social Housing</b>	<b>Marina</b>	<b>Lands</b>	<b>Trust Activities</b>	<b>Consolidated</b>
<b>Revenue</b>					
Government of Canada	\$ 157,478	\$ -	\$ 555,629	\$ -	\$ 724,819
ISC	-	-	-	-	20,276,970
OFNLP	-	120,000	-	-	1,230,925
Province of Ontario	-	-	-	-	3,780,400
Taxation	-	184,872	400,848	-	1,087,848
Interest	21,337	1,012,541	183,592	2,851,542	3,665,668
Other	155,365	-	-	559,849	7,512,541
Gain/(loss)	-	31,582,551	-	2,276,934	2,276,934
Sales	-	-	30,037	-	31,612,588
Leases and fees	-	-	1,255,747	-	1,255,747
Dividend	-	-	-	1,574,166	1,574,166
<b>Total revenue</b>	<b>334,180</b>	<b>32,899,964</b>	<b>2,425,853</b>	<b>7,262,491</b>	<b>74,998,606</b>
<b>Expenditures</b>					
Bank charges and interest	-	209,082	-	59,335	323,083
Travel	-	542	1,989	-	308,647
Program expenditures	44,096	-	154,178	2,940,909	10,072,804
Office and general	276	1,111,009	173,205	106,967	4,326,700
Repairs and maintenance	87,846	202,010	187,288	-	3,966,466
Wages and benefits	-	3,897,372	343,743	-	12,219,180
Insurance	76,558	74,042	-	-	557,272
Professional fees	11,878	72,765	-	1,126,609	1,606,188
Cost of sales	-	22,781,769	29,742	-	22,811,511
Amortization	50,386	106,805	101,352	-	4,443,274
<b>Total expenditures</b>	<b>271,040</b>	<b>28,455,396</b>	<b>991,497</b>	<b>4,233,820</b>	<b>60,635,125</b>
<b>Annual surplus (deficit)</b>	<b>\$ 63,140</b>	<b>\$ 4,444,568</b>	<b>\$ 1,434,356</b>	<b>\$ 3,028,671</b>	<b>\$ 14,363,481</b>

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2023**

**16. SEGMENTED REPORTING (continued)**

**March 31, 2023**

	<b>General Government</b>	<b>Health</b>	<b>Education</b>	<b>Social Programs</b>	<b>Public Infrastructure</b>
<b>Revenue</b>					
Government of Canada	\$ 3,370,890	\$ 567,819	\$ 18,000	\$ 1,285,838	\$ 7,941,639
ISC	868,865	373,819	-	-	-
OFNLP	-	287,175	9,600	1,570,142	377,257
Province of Ontario	1,045,454	-	-	-	-
Taxation	97,103	-	-	261	-
Interest	1,015,278	484,676	1,977,633	463,962	1,676,834
Other	-	-	-	-	-
Gain/(loss)	-	-	-	-	-
Sales	-	-	-	-	-
Leases and fees	-	-	-	-	-
Dividend	-	-	-	-	-
<b>Total revenue</b>	<b>6,397,590</b>	<b>1,713,489</b>	<b>2,005,263</b>	<b>3,320,203</b>	<b>9,995,730</b>
<b>Expenditures</b>					
Bank charges and interest	4,935	-	-	-	-
Travel	177,294	33,856	6,549	42,085	23,929
Program expenditures	892,892	401,189	1,137,997	1,594,412	1,559,455
Office and general	678,447	378,813	365,662	707,823	974,457
Repairs and maintenance	1,471,704	3,591	59,958	25,576	1,685,988
Wages and benefits	3,848,258	600,959	520,432	1,127,684	876,347
Insurance	143,071	10,529	-	59,051	146,503
Professional fees	228,829	-	-	-	-
Cost of sales	-	-	-	-	-
Amortization	2,519,985	-	-	-	-
<b>Total expenditures</b>	<b>9,965,415</b>	<b>1,428,937</b>	<b>2,090,598</b>	<b>3,556,631</b>	<b>5,266,679</b>
<b>Annual surplus (deficit)</b>	<b>\$ (3,567,825)</b>	<b>\$ 284,552</b>	<b>\$ (85,345)</b>	<b>\$ (236,428)</b>	<b>\$ 4,729,051</b>

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to the Consolidated Financial Statements**  
**Year Ended March 31, 2023**

**16. SEGMENTED REPORTING (continued)**

**March 31, 2023**

	<b>Social Housing</b>	<b>Marina</b>	<b>Lands</b>	<b>Trust Activities</b>	<b>Consolidated</b>
<b>Revenue</b>					
Government of Canada	\$ 157,092	\$ -	\$ 530,628	\$ -	\$ 724,911
ISC	-	-	-	-	13,520,814
OFNLP	-	-	-	-	868,865
Province of Ontario	-	-	-	-	2,244,174
Taxation	-	-	-	-	1,045,454
Interest	24,266	39,256	209,449	2,704,593	3,074,928
Other	173,138	910,664	771,597	373,167	7,846,969
Gain/(loss)	-	-	-	(307,594)	(307,594)
Sales	-	31,690,774	48,872	-	31,739,646
Leases and fees	-	-	1,247,409	-	1,247,409
Dividend	-	-	-	1,595,292	1,595,292
<b>Total revenue</b>	<b>354,496</b>	<b>32,640,694</b>	<b>2,807,955</b>	<b>4,365,458</b>	<b>63,600,868</b>
<b>Expenditures</b>					
Bank charges and interest	-	143,325	-	55,301	203,561
Travel	-	596	1,381	-	285,690
Program expenditures	36,243	-	139,536	3,880,421	9,642,145
Office and general	276	870,125	125,923	358,633	4,460,159
Repairs and maintenance	185,944	329,623	206,266	-	3,968,650
Wages and benefits	-	3,532,060	344,001	-	10,849,741
Insurance	62,260	72,026	-	-	493,440
Professional fees	11,878	82,425	-	936,960	1,260,092
Cost of sales	-	23,166,343	46,128	-	23,212,471
Amortization	50,386	73,418	19,887	-	2,663,676
<b>Total expenditures</b>	<b>346,987</b>	<b>28,269,941</b>	<b>883,122</b>	<b>5,231,315</b>	<b>57,039,625</b>
<b>Annual surplus (deficit)</b>	<b>\$ 7,509</b>	<b>\$ 4,370,753</b>	<b>\$ 1,924,833</b>	<b>\$ (865,857)</b>	<b>\$ 6,561,243</b>

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to Consolidated Financial Statements**  
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**17. ACCUMULATED SURPLUS**

The accumulated surplus is represented by:

	<b>2024</b>	<b>2023</b>
<i>Unrestricted</i>		
Operating	\$ 37,132,814	\$ 28,008,937
<i>Internally restricted</i>		
Social Housing	119,296	56,155
Virginia Beach Marina	(445,046)	(437,240)
Lands	33,087,137	32,371,506
Coldwater Narrows Trust Funds - held by Canada Trust Company	47,236,390	45,355,784
OFNLP Revenue Fund	7,449,327	6,411,601
Per Capita Distribution Fund	99,637	73,532
Coldwater Narrows Trust Revenue Fund	7,995,877	7,269,475
Williams Treaty Trust Funds - held by Canada Trust Company	117,603,567	112,399,625
Williams Treaty Settlement	165,376	107,931
Williams Treaty Trust Revenue Fund	4,062,190	3,904,400
2458582 Ontario Limited	1,394,001	2,754,035
Nish Radio Inc.	(12,793)	(4,655)
Tobacco Trails	5,144,852	4,751,075
Daawegamig Lodge	3,982,915	3,815,427
Virginia Beach Marina - Business Centre	(306,538)	(83,668)
Goin Fuel Company Limited	22,906	(158)
Hadden Road Developments	5,380,872	-
	<b>\$270,112,780</b>	<b>\$246,753,762</b>

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**18. CHANGES IN NON-CASH WORKING CAPITAL**

	<b>2024</b>	<b>2023</b>
Receivables	\$ (3,506,943)	\$ 1,379,211
Inventories for resale	256,107	267,121
Payments received for investment in leases	61,740	62,430
Prepaid expenses	(7,512)	98,394
Accounts payable and accrued liabilities	(558,728)	1,589,918
Deferred revenue	10,867,835	4,907,321
	<b>\$ 7,112,499</b>	<b>\$ 8,304,395</b>

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# CHIPPEWAS OF GEORGINA ISLAND FIRST NATION

## Notes to Consolidated Financial Statements

Year Ended March 31, 2024

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### 19. FINANCIAL INSTRUMENT RISK MANAGEMENT

The First Nation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the First Nation's risk exposure and concentration as of March 31, 2024.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The First Nation engages professional investment management firms which are monitored by the Council of the First Nation. Diversification techniques are utilized and appropriate restrictions are placed on the investment managers in terms of asset mix and individual security concentrations in the portfolios to minimize risk.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

#### Credit risk

Credit risk is the risk of financial loss to the First Nation if a debtor fails to make payments of interest and principal when due. The First Nation is exposed to this risk relating to its cash, bond holdings in its investment portfolio and receivables. The First Nation holds its cash accounts with federally regulated chartered banks who are insured up to \$100,000 (2023 - \$100,000).

The First Nation's carrying value of cash and cash equivalents, receivables, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The First Nation engages professional investment firms to put limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. All fixed income portfolios are measured for performance on a quarterly basis and monitored by Council on a regular basis.

The maximum exposure to investment credit risk is outlined in Note 4.

Receivables are primarily due from funding agencies and related parties. Credit risk of receivables is viewed as low risk by the First Nation due to the heavy concentration of receivables being due from provincial/federal or reputable funding bodies that the First Nation has had a history of collecting from. As at March 31, 2024 - 92% (2023 - 96%) of the receivable balance related to funders or related parties.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

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**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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**19. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)**

**Currency risk**

Currency risk relates to the First Nation operating in different currencies and converting non-Canadian earnings at different points in time when adverse changes in foreign currency rates occur.

Currently, the investment policy of the First Nation targets a select mix of investments in non-Canadian equities which is the largest source of currency risk. The First Nation invests in global equity portfolios which will have exposure to most of the world's major currencies. However, with a basket approach there is relatively low exposure to any one currency. Currently the Canadian dollar is the largest currency exposure.

Overall, the First Nation's view is that over time and across many currencies, the currency risks between countries and/or between Canada and the world will be relatively low, and the losses in one currency may well be offset by gains in another.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

**Interest rate risk**

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The carrying value of the long term debt approximates the fair value as the interest rates are consistent with the current rates offered to the First Nation for debt with similar terms.

The First Nation mitigates interest rate risk on its long term debt through entering into fixed rate 5 year terms removing the variability of interest rate risk. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt until the debt is renewed.

The First Nation is exposed to this risk through its interest bearing investments. The Trust's bond portfolio has interest rates ranging from 0.625% to 6.5% (2023 - 0.625% - 6.5%) with maturities ranging from July 2024 to November 2081 (2023 - July 2023 to November 2081).

At March 31, 2024 a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds of \$5,400,964 (2023 - \$5,883,810).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

**Equity risk**

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The First Nation is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2024, a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the First Nation's equities of \$11,662,885 (2023 - \$10,553,654).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

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**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2024**

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**19. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)**

Liquidity risk

Liquidity risk is the risk that the First Nation will not be able to meet all cash outflow obligations as they come due. The First Nation mitigates this risk by monitoring cash activities and expected outflows through budgeting analysis.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities excluding interest):

2024

	Within 6 months	6 months to 1 year	1-5 years	>5 years
Payables and accruals	\$ 6,499,719	\$ -	\$ -	\$ -
Long-term debt	48,575	965,667	5,659,974	266,166
	<b>\$ 6,548,294</b>	<b>\$ 965,667</b>	<b>\$ 5,659,974</b>	<b>\$ 266,166</b>

2023

	Within 6 months	6 months to 1 year	1-5 years	>5 years
Payables and accruals	\$ 7,058,447	\$ -	\$ -	\$ -
Long-term debt	66,588	66,588	553,683	1,384,034
	<b>\$ 7,125,035</b>	<b>\$ 66,588</b>	<b>\$ 553,683</b>	<b>\$ 1,384,034</b>

Financial liabilities mature as described in Note 11.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

**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:

	Approved Fiscal Plan	Amortization	Fiscal Plan on a PSAS Basis
Revenue	\$ 55,569,821	\$ -	\$ 55,569,821
Expenditures	(58,015,183)	(4,443,274)	(62,458,457)
Annual surplus	<b>\$ (2,445,362)</b>	<b>\$ (4,443,274)</b>	<b>\$ (6,888,636)</b>

**21. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.