

Consolidated Financial Statements

Chippewas of Georgina Island First Nation

March 31, 2016

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# Independent Auditor's Report

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To the Members of  
Chippewas of Georgina Island First Nation

We have audited the accompanying consolidated financial statements of Chippewas of Georgina Island First Nation, which comprise the consolidated financial position as at March 31, 2016, and the consolidated statements of operations, accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the consolidated financial statements

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

## Auditor's responsibility

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

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

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

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Chippewas of Georgina Island First Nation as at March 31, 2016, and the consolidated statements of its operations, accumulated surplus, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

Orillia, Canada  
July 21, 2016

Chartered Accountants  
Licensed Public Accountants

# Chippewas of Georgina Island First Nation

## Consolidated Statement of Operations

Year ended March 31		2016	2015
	Budget (Unaudited)	Actual	Actual
<b>Revenue</b>			
Government of Canada			
Health Canada	\$ 408,018	\$ 493,055	\$ 440,547
CMHC	123,125	117,512	115,576
Indigenous and Northern			
Affairs Canada	4,628,363	4,431,959	4,486,442
Province of Ontario	1,032,473	1,308,906	1,206,194
Lands leases and fees	1,161,774	1,343,527	1,358,248
OFNLP	878,452	829,807	817,983
Interest	8,920	1,288,430	1,380,703
Dividend	-	1,343,899	1,364,279
Other	1,159,020	3,044,337	1,760,428
Gain on sale of investments	-	1,367,756	1,668,682
	<u>9,400,145</u>	<u>15,569,188</u>	<u>14,599,082</u>
<b>Expenditures</b>			
Operating	8,417,397	9,503,822	9,388,080
Social Housing	239,525	133,191	333,781
Trust	-	845	845
Lands	554,042	1,239,853	1,036,779
Georgina Island First Nation			
Communications	-	-	68,908
Nish Radio Inc.	64,047	63,147	-
Virginia Beach Marina	-	493,645	591,019
2458582 Ontario Ltd.	-	9,381	-
Mnookmi Restaurant	-	94,280	-
Tobacco Trails	-	418,711	-
Virginia Beach Marina			
- Business Centre	-	210	-
Trust Revenues	-	557	-
OFNLP	-	120	120
Coldwater Narrows Trust	-	660,248	755,683
Per Capita Distributions	-	1,471,953	1,410,573
	<u>9,275,011</u>	<u>14,089,963</u>	<u>13,585,788</u>
Excess of revenue over expenditures	<u>\$ 125,134</u>	<u>\$ 1,479,225</u>	<u>\$ 1,013,294</u>

See accompanying notes and schedules to the consolidated financial statements.

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

Year ended March 31	2016	2015
Accumulated surplus, beginning of year	\$ 82,254,189	\$ 81,240,895
Excess of revenue over expenditures	<u>1,479,225</u>	<u>1,013,294</u>
Accumulated surplus, end of year	<u>\$ 83,733,414</u>	<u>\$ 82,254,189</u>

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

March 31

2016

2015

## Financial assets

Cash (Note 2)	\$ 9,426,847	\$ 8,222,753
Externally restricted cash (Note 3)	178,283	165,474
Portfolio investments (Note 4)	66,752,190	67,412,021
Receivables (Note 5)	442,858	381,164
Inventories for resale (Note 6)	128,281	13,427
Mortgages receivable (Note 7)	63,499	67,222
Net investment in leases (Note 8)	783,357	826,749
	<u>77,775,315</u>	<u>77,088,810</u>

## Financial liabilities

Payables and accruals (Note 9)	972,630	687,463
Deferred revenue (Note 10)	402,545	417,877
Construction loan (Note 2)	1,331,249	-
Long term debt (Note 11)	1,865,033	1,964,906
Landfill closure and post closure liability (Note 13)	79,026	169,481
	<u>4,650,483</u>	<u>3,239,727</u>

## Net financial assets (Page 6)

73,124,832      73,849,083

## Non-financial assets

Construction in progress (Note 14)	-	870,259
Prepaid expenses	14,956	44,462
Tangible capital assets (Note 14)	10,593,626	7,490,385
	<u>10,608,582</u>	<u>8,405,106</u>

## Accumulated surplus (Note 17)

\$ 83,733,414      \$ 82,254,189

Contingencies (Note 15)

On behalf of the First Nation



Chief



Administrator

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## Chippewas of Georgina Island First Nation

### Consolidated Statement of Changes in Net Financial Assets

Year ended March 31	2016	2015
Excess of revenue over expenditures	<u>\$ 1,479,225</u>	<u>\$ 1,013,294</u>
Tangible capital assets		
Acquisition of tangible capital assets	(2,851,614)	(1,372,386)
Amortization of tangible capital assets	<u>618,632</u>	<u>638,931</u>
Total tangible capital assets	<u>(2,232,982)</u>	<u>(733,455)</u>
Change in prepaid expenses	<u>29,506</u>	<u>(92)</u>
Change in (net financial debt) net assets	(724,251)	279,747
Net financial assets, beginning of year	<u>73,849,083</u>	<u>73,569,336</u>
Net financial assets, end of year	<u>\$ 73,124,832</u>	<u>\$ 73,849,083</u>

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# Chippewas of Georgina Island First Nation

## Consolidated Statement of Cash Flows

Year ended March 31

2016

2015

Increase (decrease) in cash		
<b>Operating transactions</b>		
Annual surplus	\$ 1,479,225	\$ 1,013,294
Items not affecting cash:		
Amortization of tangible capital assets	618,632	638,931
Amortization of net investment in leases	(23,267)	(23,790)
Landfill closure and post closure costs (Note 13)	(90,455)	2,444
Gain on sale of investments	(1,367,756)	(1,668,682)
Decrease in investment in leases	-	(191,401)
	<u>616,379</u>	<u>(229,204)</u>
Change in non-cash working capital items (Note 18)	<u>189,453</u>	<u>483,858</u>
Cash provided to operating transactions	<u>805,832</u>	<u>254,654</u>
<b>Capital transactions</b>		
Purchase of tangible capital assets	<u>(2,851,614)</u>	<u>(1,372,386)</u>
<b>Investing transactions</b>		
Purchase of investments	(26,271,244)	(26,535,412)
Sales of investments	28,298,831	28,244,549
Increase in externally restricted cash	(12,809)	(26,629)
Payments received for mortgages receivable	3,723	4,866
Cash provided to investing transactions	<u>2,018,501</u>	<u>1,687,374</u>
<b>Financing transactions</b>		
Construction loan proceeds	1,331,249	-
Long term debt issued	-	169,805
Long term debt repayments	(99,874)	(86,921)
Cash provided to financing transactions	<u>1,231,375</u>	<u>82,884</u>
Increase in cash	1,204,094	652,526
Cash		
Beginning of year	<u>8,222,753</u>	<u>7,570,227</u>
End of year	<u>\$ 9,426,847</u>	<u>\$ 8,222,753</u>

See accompanying notes and schedules to the consolidated financial statements.

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

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March 31, 2016

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### 1. Summary of significant accounting policies

#### a) Basis of accounting

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

#### b) Financial statement preparation

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

#### c) Reporting entity

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

#### d) Principles of consolidation

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

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

- Coldwater Narrows Trust – of which the First Nation controls and is the beneficiary of
- Virgina Beach Marina
- Nish Radio Inc.
- 2458582 Ontario Limited

#### e) Asset classification

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

#### f) Portfolio investments

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

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

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March 31, 2016

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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, 2016

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

#### i) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis when the amounts involved can be reasonably estimated.

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

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

#### j) Measurement uncertainty

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

#### k) Government transfers

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

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

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

2. Cash	2016	2015
Cash is comprised of the following:		
Internally designated cash		
OFNLP revenue	\$ 1,555,859	\$ 1,573,647
Per capita distributions	623,249	701,339
Trust funds held by the Trustee Canada Trust Company	214,554	158,995
Unrestricted		
Operating	1,153,715	293,950
Social housing	311,562	264,819
Trust revenue	3,239,704	3,091,210
Other	2,328,204	2,138,793
	\$ 9,426,847	\$ 8,222,753

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

The First Nation has bank overdrafts in the amount of \$95,135 (2015 - \$127,641), 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%.

The First Nation has short term construction loans in the amount of \$1,331,249 (2015 - \$Nil), out of a \$1,500,000 credit limit. The facility is secured by a general security agreement covering first position over the property by the First Nation and bears an interest rate of 0.50%. Subsequent to the year-end, the First Nation received additional advances of \$168,751 and the short term construction loan was converted into a fixed rate term loan in June 2016. The term loan bears interest at 3.29%, is due May 2021 and has principal repayments in each of the next five years as follows:

2017	\$ 65,375
2018	80,850
2019	83,551
2020	86,341
2021	89,225
Thereafter	1,094,658
	\$ 1,500,000

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

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<b>3. Externally restricted cash</b>	<u>2016</u>	<u>2015</u>
Externally restricted cash		
Apartment replacement and subsidy	\$ 165,378	\$ 152,569
Trust funds held by federal government	<u>12,905</u>	<u>12,905</u>
	<u>\$ 178,283</u>	<u>\$ 165,474</u>

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

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

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### 4. Portfolio investments

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

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

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

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March 31, 2016

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#### 4. Portfolio investments (continued)

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

The fair market values of investments are disclosed below:

	<u>2016</u>	<u>2015</u>
Fixed income securities	\$ 30,767,038	\$ 31,669,443
Equity securities	41,368,633	45,439,466
Other assets	<u>2,065,591</u>	<u>1,449,614</u>
	<u>\$ 74,201,262</u>	<u>\$ 78,558,523</u>

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#### 5. Receivables

Receivables are comprised of:

Due from members:

Social housing	\$ 61,625	\$ 32,551
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Government funding:

Indigenous and Northern Affairs Canada	42,573	46,493
Province of Ontario	22,534	11,067
OTC	35,235	103,203
Union of Ontario Indians	6,742	2,400

Lands	20,315	15,974
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Other	223,702	134,466
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Interest	41,682	46,560
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Less: allowance for doubtful accounts	<u>(11,550)</u>	<u>(11,550)</u>
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	<u>\$ 442,858</u>	<u>\$ 381,164</u>
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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

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March 31, 2016

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### 6. Inventories for resale

	<u>2016</u>	<u>2015</u>
The First Nation had the following inventories for resale:		
Lands	\$ 5,080	\$ 5,807
Virgina Beach Marina	13,438	7,620
Tobacco Trails	103,043	-
Mnookmi Restaurant	<u>6,720</u>	<u>-</u>
	<u>\$ 128,281</u>	<u>\$ 13,427</u>

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### 7. Mortgages receivable

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

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

2017	\$ 4,176
2018	4,532
2019	4,920
2020	5,343
2021	4,054
Thereafter	<u>40,474</u>
	<u>\$ 63,499</u>

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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:

2017	\$ 44,817
2018	46,292
2019	47,821
2020	49,406
2021	51,189
Thereafter	<u>543,832</u>
	<u>\$ 783,357</u>

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

<b>9. Payables and accruals</b>	<u>2016</u>	<u>2015</u>
Accrued liabilities	\$ 671,738	\$ 335,451
Accrued salaries and employee benefits payable	41,614	16,994
Per capita distributions to members	<u>259,278</u>	<u>335,018</u>
	<u>\$ 972,630</u>	<u>\$ 687,463</u>

### 10. Deferred revenue

	<u>2015</u>	Funding Received	Revenue Recognized	<u>2016</u>
Customer deposit	\$ 2,750	\$ 2,911	\$ 2,750	\$ 2,911
HRSDC	39,000	11,000	-	50,000
Lands	231,221	290,878	231,221	290,878
OTC	74,088	9,300	62,333	21,055
Other	45,818	37,701	45,818	37,701
Service Canada	25,000	-	25,000	-
	<u>\$ 417,877</u>	<u>\$ 351,790</u>	<u>\$ 367,122</u>	<u>\$ 402,545</u>

<b>11. Long term debt</b>	<u>2016</u>	<u>2015</u>
Mortgage, 1.65%, due 2022, renewal date 2017, payable in blended monthly payments of \$1,532	\$ 106,313	\$ 122,790
Mortgage, 1.08%, due 2030, renewal date 2020 payable in blended monthly payments of \$ 2,595	413,425	438,606
Mortgage, 1.62% due 2033, renewal date 2018, payable in blended monthly payments of \$2,482	438,785	461,270
Mortgage, 1.05% due 2035, renewal date 2020, payable in blended monthly payments of \$1,429	342,902	355,880
Mortgage, 2.37% due 2036, renewal date 2016, payable in blended monthly payments of \$1,770	296,506	310,252
Mortgage, 1.77% due 2039, renewal date 2019, payable in blended monthly payments of \$1,151	<u>267,102</u>	<u>276,108</u>
	<u>\$ 1,865,033</u>	<u>\$ 1,964,906</u>

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

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

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March 31, 2016

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### 11. Long term debt (continued)

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

2017	\$	432,614	
2018		556,151	
2019		51,294	
2020		281,386	
2021		543,588	
Thereafter		-	
		<u>2016</u>	<u>2015</u>
Interest expense for the year on long term debt	\$	<u>32,272</u>	\$ <u>42,425</u>

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### 12. Pension agreement

The First Nation's provides defined contribution plan for eligible members of its staff. Members may contribute a range of 2.25% to 7.50% of their basic salary. The First Nation matches the member's contributions which are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Chippewas of Georgina Island contributed during the year \$65,494 (2015 - \$45,389) for retirement benefits.

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### 13. Landfill closure and post closure liability

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

The liability for the landfill site is recorded at \$79,029 (2015 - \$169,481) and represents the present value of closure and post-closure costs, using an estimated long term borrowing rate of 4.25% (2015 - 4.0%) and inflation rate of 1.5% (2015 - 2.5%). The liability is recorded based on the capacity of the landfill used to date. The total estimated future expenditures representing the sum of the discounted future cash flows for closure and post-closure care are \$1,421,363 (2015 - \$584,800) leaving an amount to be recognized of \$1,342,337 (2015 - \$415,318). The estimated remaining capacity of the site is approximately 15,548 cubic meters (2015 - 9,919) and the estimated remaining landfill life is 30 years. Post-closure care is estimated to continue for a period of 25 years.

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

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 14. Tangible capital assets

Cost	2015		2016	
		Additions	Disposals/ Transfers	
Land	\$ 1,246,594	\$ 2,000	\$ -	\$ 1,248,594
Buildings	5,943,151	1,589,871	870,259	8,403,281
Equipment	1,714,304	416,176	-	2,130,480
Boats	6,058,238	409,497	-	6,467,735
Vehicles	1,223,189	103,014	-	1,326,203
Water system	2,172,975	331,053	-	2,504,028
Parking lot	216,250	-	-	216,250
Roads	1,698,237	-	-	1,698,237
Docks	1,861,203	3	-	1,861,206
	<u>22,134,141</u>	<u>2,851,614</u>	<u>870,259</u>	<u>25,856,014</u>
Construction in progress	<u>870,259</u>	<u>-</u>	<u>(870,259)</u>	<u>-</u>
	<u>\$ 23,004,400</u>	<u>\$ 2,851,614</u>	<u>\$ -</u>	<u>\$ 25,856,014</u>
<b>Accumulated Amortization</b>	<b>2015</b>	<b>Additions</b>	<b>Disposals</b>	<b>2016</b>
Land	\$ -	\$ -	\$ -	\$ -
Buildings	2,530,064	213,360	-	2,743,424
Equipment	1,454,678	88,119	-	1,542,797
Boats	4,531,264	96,249	-	4,627,513
Vehicles	1,109,477	61,708	-	1,171,185
Water system	2,172,975	33,105	-	2,206,080
Parking lot	111,232	10,813	-	122,045
Roads	876,863	113,275	-	990,138
Docks	1,857,203	2,003	-	1,859,206
	<u>\$ 14,643,756</u>	<u>\$ 618,632</u>	<u>\$ -</u>	<u>\$ 15,262,388</u>
<b>Net Book Value</b>			<b>2015</b>	<b>2016</b>
Land			\$ 1,246,594	\$ 1,248,594
Buildings			3,413,087	5,659,857
Equipment			259,626	587,683
Boats			1,526,974	1,840,222
Vehicles			113,712	155,018
Water system			-	297,948
Parking lot			105,018	94,205
Roads			821,374	708,099
Docks			4,000	2,000
			<u>7,490,385</u>	<u>10,593,626</u>
Construction in progress			<u>870,259</u>	<u>-</u>
			<u>\$ 8,360,644</u>	<u>\$ 10,593,626</u>

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

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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, 2016

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### 16. Segmented reporting

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

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

#### **General government**

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

#### **Health**

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

#### **Education**

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

#### **Social programs**

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

#### **Public infrastructure**

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

#### **Social housing**

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

#### **Marina**

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

#### **Lands**

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

#### **Trust activities**

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

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 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:

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

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 16. Segmented reporting (continued)

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

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 16. Segmented reporting (continued)

March 31, 2015	General Government	Health	Education	Social Programs	Public Infrastructure
<b>Revenue</b>					
Government of Canada	\$ -	\$ 440,547	\$ -	\$ -	\$ -
INAC	2,506,453	-	1,062,983	104,927	488,393
OFNLP	817,983	-	-	-	-
Province of Ontario	-	-	-	1,012,237	173,393
Interest	15,850	-	-	-	-
Other	666,937	116,698	53,102	111,621	55,418
Gain/(loss)	-	-	-	-	-
Sales	-	-	-	-	-
Leases and fees	-	-	-	-	-
Dividend	-	-	-	-	-
<b>Total revenue</b>	<b>4,007,223</b>	<b>557,245</b>	<b>1,116,085</b>	<b>1,228,785</b>	<b>717,204</b>
<b>Expenditures</b>					
Bank charges and interest	1,978	-	-	-	-
Travel	111,192	35,156	13,397	33,083	10,787
Program expenditures	374,009	164,116	1,317,818	618,298	87,761
Office and general	364,482	94,379	146,670	81,542	342,057
Repairs and maintenance	367,927	3,806	25,654	14,923	630,818
Wages and benefits	2,333,405	287,249	131,053	624,906	383,768
Insurance	97,210	9,526	-	21,876	22,639
Professional fees	140,174	-	-	-	-
Cost of sales	-	-	-	-	-
Amortization	566,294	-	-	-	-
<b>Total expenditures</b>	<b>4,356,671</b>	<b>594,232</b>	<b>1,634,592</b>	<b>1,394,628</b>	<b>1,477,830</b>
<b>Annual surplus (deficit)</b>	<b>\$ (349,448)</b>	<b>\$ (36,987)</b>	<b>\$ (518,507)</b>	<b>\$ (165,843)</b>	<b>\$ (760,626)</b>

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

### 16. Segmented reporting (continued)

March 31, 2015	Social Housing	Marina	Lands	Trust Activities	<b>Consolidated</b>
<b>Revenue</b>					
Government of Canada	\$ 115,576	\$ -	\$ -	\$ -	\$ 556,123
INAC	-	-	323,686	-	4,486,442
OFNLP	-	-	-	-	817,983
Province of Ontario	-	-	20,564	-	1,206,194
Interest	4,115	2	30,131	1,330,605	1,380,703
Other	78,330	-	16,215	79,966	1,178,287
Gain/(loss)	-	-	-	1,668,682	1,668,682
Sales	-	561,714	20,427	-	582,141
Leases and fees	-	-	1,358,248	-	1,358,248
Dividend	-	-	-	1,364,279	1,364,279
<b>Total revenue</b>	<b>198,021</b>	<b>561,716</b>	<b>1,769,271</b>	<b>4,443,532</b>	<b>14,599,082</b>
<b>Expenditures</b>					
Bank charges and interest	-	7,972	-	71,585	81,535
Travel	-	-	3,011	-	206,626
Program expenditures	247,635	-	127,079	1,507,427	4,444,143
Office and general	307	32,769	50,970	-	1,113,176
Repairs and maintenance	-	593	41,492	-	1,085,213
Wages and benefits	-	97,598	265,398	-	4,123,377
Insurance	34,240	10,505	-	-	195,996
Professional fees	13,378	13,321	498,754	587,244	1,252,871
Cost of sales	-	425,719	18,201	-	443,920
Amortization	38,221	2,542	31,874	-	638,931
<b>Total expenditures</b>	<b>333,781</b>	<b>591,019</b>	<b>1,036,779</b>	<b>2,166,256</b>	<b>13,585,788</b>
<b>Annual surplus (deficit)</b>	<b>\$ (135,760)</b>	<b>\$ (29,303)</b>	<b>\$ 732,492</b>	<b>\$ 2,277,276</b>	<b>\$ 1,013,294</b>

# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

March 31, 2016

<b>17. Accumulated surplus</b>	<b>2016</b>	<b>2015</b>
The accumulated surplus is represented by:		
Unrestricted		
Operating	\$ 5,495,329	\$ 4,888,830
Internally restricted		
Social Housing	(11,097)	(84,797)
Virginia Beach Marina	(470,011)	(484,270)
Georgina Island First Nation Communications	(27,286)	(27,286)
Lands	3,613,802	3,373,154
Trust Funds held by Federal Government	12,905	12,905
Coldwater Narrows Trust Funds held by Canada Trust Company	67,301,428	67,917,291
OFNLP Revenue Fund	2,826,274	2,506,240
Per Capita Distribution Fund	42,772	39,876
Trust Revenue Fund	4,960,882	4,112,246
2458582 Ontario Ltd	(5,181)	-
Mnookmi Restaurant	(17,805)	-
Nish Radio Inc.	(8,750)	-
Tobacco Trails	20,362	-
Virginia Beach Marina - Business Centre	(210)	-
	<b>\$ 83,733,414</b>	<b>\$ 82,254,189</b>

<b>18. Change in non-cash working capital</b>	<b>2016</b>	<b>2015</b>
Receivables	\$ (61,694)	\$ 123,204
Inventories for resale	(114,854)	256,715
Payments received for investment in leases	66,660	63,895
Prepaid expenses	29,506	(92)
Accounts payables and accrued liabilities	285,167	(74,357)
Deferred revenue	(15,332)	114,493
	<b>\$ 189,453</b>	<b>\$ 483,858</b>
Interest paid during the year	<b>\$ 38,893</b>	<b>\$ 49,577</b>
Interest received during the year	<b>\$ 1,288,430</b>	<b>\$ 1,380,703</b>

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# Chippewas of Georgina Island First Nation

## Notes to the Consolidated Financial Statements

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March 31, 2016

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### 19. Budgeted figures

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

	Approved Fiscal Plan	Amortization	Fiscal Plan on a PSAS Basis
Revenue	\$ 9,400,145	\$ -	\$ 9,400,145
Expenditures	9,275,011	638,931	9,913,942
Annual (deficiency) surplus	\$ 125,134	\$ (638,931)	\$ (513,797)

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### 20. Comparative figures

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

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