

Consolidated Financial Statements of

SHESHEGWANING FIRST NATION

Year ended March 31, 2014

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the **Sheshegwaning First Nation** are the responsibility of management and have been approved by the Chief and Council of the First Nation.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council review the First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the members.



Chief



Councilor



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INDEPENDENT AUDITORS' REPORT

To the Chief and Council of Sheshegwaning First Nation

We have audited the accompanying consolidated financial statements of **Sheshegwaning First Nation** which comprise the consolidated statement of financial position as at March 31, 2014, the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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.

Auditors' 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 our 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, we consider 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, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sheshegwaning First Nation as at March 31, 2014 and its consolidated results of operations, consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Other Matters

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedules is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

August 27, 2014
Sudbury, Canada

SHESHEGWANING FIRST NATION

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Year ended March 31, 2014

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SHESHEGWANING FIRST NATION

Exhibit A - Consolidated Statement of Financial Position

March 31, 2014, with comparative information for 2013

	2014	2013
Financial assets:		
Cash and short-term investments (note 2)	\$ 576,657	\$ 773,242
Accounts receivable	369,447	362,663
Loans receivable (note 3)	41,900	55,039
Consolidated revenue trust fund (note 4)	78,903	76,954
Investment in business enterprises (note 5)	52,320	222,816
Advances to Odawa Stone Limited Partnership (note 6)	319,900	180,153
Investments (note 7)	701,372	610,550
	<u>2,140,499</u>	<u>2,281,417</u>
Financial liabilities:		
Accounts payable and accrued liabilities	247,344	191,938
Demand line of credit (note 8)	80,000	-
Deferred revenue	13,548	8,728
Long-term debt (note 9)	1,654,567	1,642,662
	<u>1,995,459</u>	<u>1,843,328</u>
Net financial assets	145,040	438,089
Non-financial assets:		
Tangible capital assets (note 10)	8,485,430	8,586,868
Prepaid expenses	14,140	14,577
	<u>8,499,570</u>	<u>8,601,445</u>
Contingent liabilities (note 11)		
Accumulated surplus (note 12)	\$ 8,644,610	\$ 9,039,534

See accompanying notes to consolidated financial statements.

Approved:



Chief



Councillor

SHESHEGWANING FIRST NATION

Exhibit B - Consolidated Statement of Operations

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Government transfers - Federal	\$ 1,772,766	\$ 1,755,281
- Provincial	264,245	323,783
Investment income	773	18,426
Rental income	244,281	234,921
Odawa Stone Limited Partnership	(170,496)	(27,284)
Other	1,161,099	1,020,626
	<u>3,272,668</u>	<u>3,325,753</u>
Expenses:		
Community Services	715,736	635,177
Social Assistance	230,453	226,037
Education	988,292	868,578
Band Government	356,044	337,617
Band Memberships and Trusts	7,000	2,900
Business Enterprises	235,140	468,478
Community Infrastructure	649,387	575,136
Employment and Economic Development	192,453	152,961
Community Property	88,623	253,779
Social Housing	176,927	135,666
Casino Rama Community Projects	27,537	27,574
	<u>3,667,592</u>	<u>3,683,903</u>
Deficiency of revenue over expenses	(394,924)	(358,150)
Accumulated surplus, beginning of year	9,039,534	9,397,684
Accumulated surplus, end of year	\$ 8,644,610	\$ 9,039,534

See accompanying notes to consolidated financial statements.

SHESHEGWANING FIRST NATION

Exhibit C - Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Deficiency of revenue over expenses	\$ (394,924)	\$ (358,150)
Acquisition of tangible capital assets	(388,171)	(539,929)
Amortization of tangible capital assets	465,809	455,897
Gain on disposal of tangible capital assets	(3,200)	-
Proceeds on disposal of tangible capital assets	27,000	-
	(293,486)	(442,182)
Use of prepaid expenses	437	4,092
Change in net financial assets (net debts)	(293,049)	(438,090)
Net financial assets, beginning of year	438,089	876,179
Net financial assets, end of year	\$ 145,040	\$ 438,089

See accompanying notes to consolidated financial statements.

SHESHEGWANING FIRST NATION

Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Operating activities:		
Deficiency of revenue over expenses	\$ (394,924)	\$ (358,150)
Adjustments for:		
Amortization of tangible capital assets	465,809	455,897
Gain on disposal of tangible capital assets	(3,200)	-
Share of loss in investments	8,950	2,010
Share of loss in Odawa Stone Limited Partnership	170,496	27,284
	<u>247,131</u>	<u>127,041</u>
Change in non-cash working capital:		
Accounts receivable	(6,784)	(23,329)
Accounts payable and accrued liabilities	55,409	7,144
Deferred revenue	4,820	(7,421)
Prepaid expenses	437	4,092
	<u>301,013</u>	<u>107,527</u>
Net change in cash from operating activities		
	301,013	107,527
Financing activities:		
New financing obtained	169,600	259,740
Principal payments on long-term debt	(77,698)	(262,506)
	<u>91,902</u>	<u>(2,766)</u>
Investing activities:		
Purchase of tangible capital assets	(388,171)	(539,929)
Proceeds on disposal of tangible capital assets	27,000	-
Investments	(99,772)	(248,000)
Investment in Odawa Stone Limited Partnership	-	(250,099)
Consolidated revenue trust fund	(1,949)	(1,845)
Advances to Odawa Stone Limited Partnership	(139,747)	(180,153)
Loans receivable	13,139	(16,759)
	<u>(589,500)</u>	<u>(1,236,785)</u>
	<u>(196,585)</u>	<u>(1,132,024)</u>
Net decrease in cash and short-term investments	(196,585)	(1,132,024)
Cash and short-term investments, beginning of year	773,242	1,905,266
	<u>\$ 576,657</u>	<u>\$ 773,242</u>
Cash and short-term investments, end of year	\$ 576,657	\$ 773,242

See accompanying notes to consolidated financial statements.

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2014

Sheshegwaning First Nation (the “First Nation”) located on Manitoulin Island administers programs and provides services on behalf of its members.

1. Significant accounting policies:

These consolidated financial statements of the First Nation are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these consolidated financial statements:

(a) Reporting entity:

The reporting entity includes the activities of all committees of Council under the control of the First Nation including Odawa Stone Limited Partnership (“Odawa Stone”).

Odawa Stone is accounted for using the modified equity method. Under the modified equity method, the business enterprise accounting policies are not adjusted to conform to those of the First Nation and inter-organizational transactions and balances are not eliminated.

(b) Revenue recognition:

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue on the statement of financial position.

(c) Consolidated revenue trust funds:

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 and are subject to audit by the office of the Auditor General of Canada.

Funds held by the Government of Canada on behalf of the First Nation are included on the statement of financial position.

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2014

1. Significant accounting policies (continued):

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Estimated Life - Years
Land improvements	10 - 30 years
Buildings	10 - 40 years
Infrastructure	10 - 40 years
Machinery and equipment	5 - 15 years
Furniture, computers and fixtures	4 - 10 years

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

(iii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(e) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management 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 revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets and valuation allowances for accounts receivable. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2014

1. Significant accounting policies (continued):

(f) Prior year funding adjustments:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with audit adjustments repayable to the government.

Adjustments made under funding arrangements relating to prior years are charged to operations in the year during which the adjustments are made.

2. Cash and short-term investments:

The short-term investments consisting of term deposits with a maturity date of less than a year are recorded at cost of \$482,083 (2013 - \$476,000) and earn 1.25% per annum

3. Loans receivable

The loans receivable are unsecured, non-interest bearing and are due in 12 monthly payments from the date of issue.

4. Consolidated revenue trust fund:

	Revenue	Capital	Total
Balance, beginning of year	\$ 45,357	31,597	76,954
Interest	1,949	–	1,949
Balance, end of year	\$ 47,306	31,597	78,903

5. Investment in Odawa Stone Limited Partnership:

The First Nation has a 99% interest in Odawa Stone Limited Partnership (“Odawa Stone”) and a further 1% interest by virtue of its 100% investment in 2294669 Ontario Limited (the general partner for Odawa Stone). Odawa Stone is engaged in development and operation of a stone quarry. The First Nation’s interest in Odawa Stone’s results of operations for the year ended March 31, 2014 is included in the First Nation’s statement of operations.

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Notes to Consolidated Financial Statements

Year ended March 31, 2014

5. Investment in Odawa Stone Limited Partnership (continued):

During the year, the First Nation provided Odawa Stone with labour, contract support, accounting services and equipment rental totaling \$175,140. These transactions were entered into during the normal course of operations and these transactions were recorded at their exchange amount.

	2014	2013
Financial Position:		
Current assets	\$ 79,328	82,117
Other assets	568,986	551,910
Total assets	648,314	634,027
Current liabilities	408,061	221,547
Long-term liabilities	187,933	189,664
Total liabilities	595,994	411,211
Net assets	\$ 52,320	222,816
Sheshegwaning First Nation interest	\$ 52,320	222,816

Results of operations	2014	2013
Revenue	\$ –	20,090
Expenses	170,496	47,374
Share in operations	\$ (170,496)	(27,284)

The investment at March 31, 2014 consists of the following:

	2014	2013
Balance, beginning of year	\$ 222,815	–
Share of operating loss for the year	(170,496)	(27,284)
Investment in partners' capital	–	250,099
Balance, end of year	\$ 52,319	222,815

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Notes to Consolidated Financial Statements

Year ended March 31, 2014

5. Investment in Odawa Stone Limited Partnership (continued):

	2014	2013
Investment in business enterprises:		
100% interest in 2294669 Ontario Ltd.	\$ 1	1
99% Interest in Odawa Stone Limited Partnership	52,319	222,815
	<u>\$ 52,320</u>	<u>222,816</u>

6. Advances to Odawa Stone Limited Partnership:

Advances to Odawa Stone Limited Partnership are unsecured, non-interest bearing and have no specified terms of repayment.

7. Investments:

The following investments are recorded at cost:

	2014	2013
Investment in U.C.C.M. Building Material Supply Limited Partnership	\$ 101,601	110,550
Investment in Great Lakes Hospitality Group Partnership	599,771	500,000
	<u>\$ 701,372</u>	<u>610,550</u>

The investment in U.C.C.M. Building Material Limited Partnership represents a 14.28% ownership interest and is accounted for using the equity method.

The investment in the Great Lakes Hospitality Group Partnership represents an 11% ownership interest and is accounted for using the equity method.

8. Demand line of credit:

Under its credit agreement, the First Nation has a demand operating facility to a maximum of \$150,000, bearing interest at prime plus 2.0% (2013 - prime plus 2.0%).

Borrowings under the credit facility are secured by a general security agreement.

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Notes to Consolidated Financial Statements

Year ended March 31, 2014

9. Long-term debt:

The details of the long-term debt are as follows:

	2014	2013
5% Waubetek term loan, repayable in blended monthly payments of \$815, due June 2014	\$ 15,362	24,145
0% General Motors Acceptance Corporation loan, secured by specific vehicle, having blended monthly payments of \$486	–	894
2.56% Canada Mortgage and Housing Corporation, blended monthly payments of \$2,039, due December 2030	333,397	349,160
1.64% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,277, due November 2031	234,910	246,287
2.61% Canada Mortgage and Housing Corporation, blended monthly payments of \$2,408, due September 2034	457,703	474,478
1.71% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,065, due September 2037	247,142	254,566
1.67% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,827, due May 2028	276,453	293,132
Canada Mortgage and Housing Corporation terms and conditions not determined	89,600	–
	<u>\$ 1,654,567</u>	<u>1,642,662</u>

Principal repayments due within each of the next five years are estimated as follows:

2015	\$ 86,389
2016	72,526
2017	74,059
2018	75,526
2019	77,228

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Notes to Consolidated Financial Statements

Year ended March 31, 2014

10. Tangible capital assets:

Cost	Balance at March 31, 2013	Additions	Disposals	Balance at March 31, 2014
Land	\$ 692,897	\$ -	\$ -	\$ 692,897
Land improvements	192,922	-	-	192,922
Buildings	7,343,894	50,735	-	7,394,629
Infrastructure	5,523,100	-	-	5,523,100
Machinery and equipment	1,434,344	63,079	(28,000)	1,469,423
Furniture, computers and fixtures	105,717	-	-	105,717
Assets under construction	-	274,357	-	274,357
Total	\$ 15,292,874	\$ 388,171	\$ (28,000)	\$ 15,653,045

Accumulated amortization	Balance at March 31, 2013	Disposals	Amortization expense	Balance at March 31, 2014
Land improvements	\$ 29,481	\$ -	\$ 6,431	\$ 35,912
Buildings	2,986,776	-	208,310	3,195,086
Infrastructure	2,841,522	-	135,410	2,976,932
Machinery and equipment	748,980	(4,200)	109,453	854,233
Furniture, computers and fixtures	99,247	-	6,205	105,452
Total	\$ 6,706,006	\$ (4,200)	\$ 465,809	\$ 7,167,615

	Net book value March 31, 2013	Net book value March 31, 2014
Land	\$ 692,897	\$ 692,897
Land improvements	163,441	157,010
Buildings	4,357,118	4,199,543
Infrastructure	2,681,578	2,546,168
Machinery and equipment	685,364	615,190
Furniture, computers and fixtures	6,470	265
Assets under construction	-	274,357
Total	\$ 8,586,868	\$ 8,485,430

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2014

10. Tangible capital assets (continued):

Cost	Balance March 31, 2012	Additions	Disposals	Balance at March 31, 2013
Land	\$ 692,897	\$ -	\$ -	\$ 692,897
Land improvements	192,922	-	-	192,922
Buildings	6,924,566	419,328	-	7,343,894
Infrastructure	5,523,100	-	-	5,523,100
Machinery and equipment	1,093,686	340,658	-	1,434,344
Furniture, computers and fixtures	105,717	-	-	105,717
Assets under construction	220,057	(220,057)	-	-
Total	\$ 14,752,945	\$ 539,929	\$ -	\$ 15,292,874

Accumulated amortization	Balance March 31, 2012	Disposals	Amortization expense	Balance at March 31, 2013
Land improvements	\$ 23,050	\$ -	\$ 6,431	\$ 29,481
Buildings	2,782,900	-	203,876	2,986,776
Infrastructure	2,706,112	-	135,410	2,841,522
Machinery and equipment	656,064	-	92,916	748,980
Furniture, computers and fixtures	81,983	-	17,264	99,247
Total	\$ 6,250,109	\$ -	\$ 455,897	\$ 6,706,006

	Net book value March 31, 2012	Net book value March 31, 2013
Land	\$ 692,897	\$ 692,897
Land improvements	176,303	163,441
Buildings	4,286,100	4,357,118
Infrastructure	2,952,397	2,681,578
Machinery and equipment	505,411	685,364
Furniture, computers and fixtures	42,298	6,470
Assets under construction	7,726	-
Total	\$ 8,663,132	\$ 8,586,868

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Notes to Consolidated Financial Statements

Year ended March 31, 2014

11. Contingent liabilities:

- a) The First Nation has endorsed CMHC loans made to various members under the Rural Rehabilitation Assistance Program and is contingently liable for same.
- b) The First Nation provided a limited guarantee of 25% on a loan issued to Odawa Stone Limited Partnership in the amount of \$222,629.

12. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 6,830,863	6,944,206
Operations	(87,096)	363,410
Total surplus	6,743,767	7,307,616
Reserves set aside by Council	139,391	139,391
Reserve funds set aside for specific purpose by Council	1,761,452	1,592,527
	\$ 8,644,610	9,039,534

13. Comparative information:

Certain 2013 comparative information have been reclassified where necessary to conform to the current year presentation.

14. Budget information:

Budget information was unavailable and has not been presented

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2014

15. Segmented information:

Sheshegwaning First Nation is a diversified governmental institution that provides a wide range of services to its Members, including community services, social services, education, band government, infrastructure, economic and community development, business enterprises, capital and rental housing. For management reporting purposes the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Community Services

The community services department provides a wide range of support services for children and families.

Social Assistance

The social assistance department delivers a variety of programming including Ontario Works and offers employment support services. In addition, the department manages the homemakers and national child benefit programs.

Education

The education department provides services to elementary students through the operation of an on reserve elementary school for students up to Grade 4. A service contract with M'Chigeeng First Nation has been entered into for students attending Grade 5 to 8. Service contracts with provincially funded area school boards are entered into for secondary students. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

Band Government

The band government department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities.

Community Infrastructure

The community infrastructure or public works department provides the First Nation with support services for the repair and maintenance of all First Nation owned assets including buildings, roads, water systems and equipment. In addition, the department arranges for fire protection services to be provided to the First Nation.

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2014

15. Segmented information (continued):

Employment and Economic Development

This department is responsible for identifying and developing economic opportunities for the benefit of the First Nation and its Members. The department also secures and delivers employment training funding for the First Nation. In addition the department manages the operations of the Complex.

Business Enterprises and Other

Business ventures undertaken by the First Nation are managed through the business enterprise department of the First Nation.

Community Property

This department is responsible for managing all capital asset activities occurring in the First Nation during the year, including housing construction and renovations as well as major projects such as water and building construction.

Social Housing

The social housing department manages the operations of the various rental housing stock owned by the First Nation including both CMHC and other housing. This includes tenant identification, rent collection and maintenance management.

For each report segment, revenues and expenses include amounts that are directly attributable to the segment and amounts that are allocated on the reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information, including transfers that have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in the summary of significant accounting policies.

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Note 15 - Segmented Information (continued)

Year ended March 31, 2014

	Community Services	Social Assistance	Education	Band Government	Community Infrastructure	Employment and Economic Development	Business Enterprises and Other	Community Property	Social Housing	2014 Total
Revenue	\$ 580,691	226,318	995,524	263,908	276,500	105,992	487,820	161,342	174,573	3,272,668
Expenses:										
Salaries, wages and benefits	385,137	50,648	342,992	270,420	221,395	140,463	21,690	65,481	3,779	1,502,005
Materials, supplies, rentals and general	283,969	175,185	281,785	217,460	209,013	27,481	131,308	170,555	91,567	1,588,323
Contractual services	-	-	7,817	-	57,234	19,000	12,568	159,963	9,644	266,226
Administration	33,714	4,620	81,558	(161,986)	22,130	5,509	-	4,055	10,400	-
Tuition	-	-	233,400	-	-	-	-	-	-	233,400
Amortization	41,082	-	40,740	37,150	188,189	-	97,111	-	61,537	465,809
Investment in tangible capital assets	(28,166)	-	-	-	(48,574)	-	-	(311,431)	-	(388,171)
	715,736	230,453	988,292	363,044	649,387	192,453	262,677	88,623	176,927	3,667,592
Excess (deficiency) of revenue over expenses	\$ (135,045)	(4,135)	7,232	(99,136)	(372,887)	(86,461)	225,143	72,719	(2,354)	(394,924)

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Note 15 - Segmented Information (continued)

Year ended March 31, 2013

	Community Services	Social Assistance	Education	Band Government	Community Infrastructure	Employment and Economic Development	Business Enterprises and Other	Community Property	Social Housing	2013 Total
Revenue	\$ 537,318	176,583	883,345	245,111	256,761	56,600	806,374	200,072	163,589	3,325,753
Expenses:										
Salaries, wages and benefits	305,923	64,481	292,855	221,563	174,734	112,746	135,399	65,394	398	1,373,493
Materials, supplies, rentals and general	263,147	154,079	323,083	204,695	160,966	29,254	315,008	324,382	72,611	1,847,225
Contractual services	37,870	-	8,471	-	41,581	2,061	37,745	183,038	5,488.00	316,254
Administration	26,173	4,859	38,571	(122,725)	20,894	5,040	11,667	8,050	-	(7,471)
Tuition	-	-	238,434	-	-	-	-	-	-	238,434
Amortization	46,147	2,618	35,664	36,984	176,961	3,860	96,494	-	57,169	455,897
Investment in tangible capital assets	(44,083)	-	(68,500)	-	-	-	(100,261)	(327,085)	-	(539,929)
	635,177	226,037	868,578	340,517	575,136	152,961	496,052	253,779	135,666	3,683,903
Excess (deficiency) of revenue over expenses	\$ (97,859)	(49,454)	14,767	(95,406)	(318,375)	(96,361)	310,322	(53,707)	27,923	(358,150)

SHESHEGWANING FIRST NATION

Schedule 1 - Schedule of Financial Activity and Change in Program Balance Community Services

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 3,000	\$ 3,000
Health Canada	93,388	87,122
Mnaamodzawin Health Services	233,115	207,733
Ministry of Health and Long-Term Care	5,446	8,359
Union of Ontario Indians	56,303	62,553
Kina Gbezhgomi Child and Family Services	78,516	75,612
Other revenue	110,923	92,939
	<u>580,691</u>	<u>537,318</u>
Expenses:		
Medical services	237,473	197,468
Medical transportation	100,930	99,301
Native child welfare/Family Support	101,932	92,712
Aboriginal healing and wellness	57,134	56,278
Community recreation	43,701	37,208
Healthy Child Development	5,135	15,947
Long-term care	15,957	24,014
Family violence	-	6,347
Elders assistance	87,544	59,745
Community mentor	53,014	44,093
Amortization of tangible capital assets	41,082	46,147
Investment in tangible capital assets	(28,166)	(44,083)
	<u>715,736</u>	<u>635,177</u>
Capital transactions:		
Amortization of tangible capital assets	(41,082)	(46,147)
Investment in tangible capital assets	28,166	44,083
	<u>702,820</u>	<u>633,113</u>
Deficiency of revenue over expenses before undernoted		
	(122,129)	(95,795)
Transfers:		
Transfer - Ontario First Nations Limited Partnership	135,363	95,089
Transfer (to) from other programs	-	(4,938)
Change in program balance	<u>\$ 13,234</u>	<u>\$ (5,644)</u>

SHESHEGWANING FIRST NATION

Schedule 2 - Schedule of Financial Activity and Change in Program Balance

Social Assistance

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 43,900	\$ 46,600
Ministry of Community and Social Services	182,418	127,582
Ontario Native Affairs	-	1,352
Other revenue	-	1,049
	<u>226,318</u>	<u>176,583</u>
Expenses:		
Basic Needs	121,494	122,891
Service delivery	68,106	78,162
Employment and training	8,050	3,100
National Child Benefit	17,794	17,639
Transitional Support	15,009	-
Emergency Assistance	-	1,627
Amortization of tangible capital assets	-	2,618
	<u>230,453</u>	<u>226,037</u>
Capital transactions:		
Amortization of tangible capital assets	-	(2,618)
	<u>230,453</u>	<u>223,419</u>
Change in program balance	\$ (4,135)	\$ (46,836)

SHESHEGWANING FIRST NATION

Schedule 3 - Schedule of Financial Activity and Change in Program Balance

Education

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 826,315	\$ 809,567
Other revenue	127,558	49,885
Ontario Library Service	14,611	15,229
Over-expended accountable contributions	27,040	8,664
	<u>995,524</u>	<u>883,345</u>
Expenses:		
Post Secondary	269,940	220,945
Direct Services	112,112	113,495
Provincial Schools		
- tuition	150,170	153,664
- transportation	59,621	131,045
Council operated school	286,482	204,362
New Paths	9,312	21,838
Council operated school operations and maintenance	50,990	50,071
Library	8,925	5,994
Amortization of tangible capital assets	40,740	35,664
Investment in tangible capital assets	-	(68,500)
	<u>988,292</u>	<u>868,578</u>
Capital transactions:		
Amortization of tangible capital assets	(40,740)	(35,664)
Investment in tangible capital assets	-	68,500
	<u>947,552</u>	<u>901,414</u>
Excess (deficiency) of revenue over expenses		
before undernoted	47,972	(18,069)
Transfers from Ontario First Nations Limited Partnership	-	18,069
Change in program balance	\$ 47,972	\$ -

SHESHEGWANING FIRST NATION

Schedule 4 - Schedule of Financial Activity and Change in Program Balance Band Government

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 233,633	\$ 223,932
Interest	3,640	11,894
Other	23,435	6,384
	<u>260,708</u>	<u>242,210</u>
Expenses:		
Salaries and benefits	270,420	221,563
Travel	51,184	59,657
Professional fees	33,414	32,323
Robinson Huron Treaty Defense Fund contributions	20,000	20,000
Office and general	1,822	3,412
Telephone	14,804	14,000
Materials, supplies and subcontracting	33,112	28,143
Council	21,600	23,700
Insurance	12,254	8,620
Interest and bank charges	14,267	8,486
Training and workshops	5,776	3,454
Donations and advertising	2,227	-
Administration chargebacks	(161,986)	(122,725)
Amortization of tangible capital assets	37,150	36,984
	<u>356,044</u>	<u>337,617</u>
Capital transactions:		
Amortization of tangible capital assets	(37,150)	(36,984)
	<u>318,894</u>	<u>300,633</u>
Deficiency of revenue over expenses before undernoted		
	(58,186)	(58,423)
Transfers:		
Transfer - Ontario First Nations Limited Partnership	66,233	53,734
Transfers to reserves	-	(2,015)
Change in program balance	\$ 8,047	\$ (6,704)

SHESHEGWANING FIRST NATION

Schedule 5 - Schedule of Financial Activity and Change in Program Balance

Band Memberships and Trusts

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 3,200	\$ 2,900
Expenses:		
Professional fees	7,000	-
Materials and supplies	-	110
Administration	-	2,790
	7,000	2,900
Change in program balance	\$ (3,800)	\$ -

SHESHEGWANING FIRST NATION

Schedule 6 - Schedule of Financial Activity and Change in Program Balance

Community Infrastructure

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 232,193	\$ 228,565
Health Canada	7,500	-
Ministry of Transportation and Communication	16,770	16,720
Other	20,037	11,476
	<u>276,500</u>	<u>256,761</u>
Expenses:		
Water and sanitation	133,657	105,618
Roads	116,484	96,978
Community buildings	141,432	85,724
Operations and maintenance management	47,586	47,350
Protection	70,613	62,505
Amortization of tangible capital assets	188,189	176,961
Investment in tangible capital assets	(48,574)	-
	<u>649,387</u>	<u>575,136</u>
Capital transactions:		
Amortization of tangible capital assets	(188,189)	(176,961)
Investment in tangible capital assets	48,574	-
	<u>509,772</u>	<u>398,175</u>
Deficiency of revenue over expenses before undernoted	(233,272)	(141,414)
Transfers:		
Transfer from other programs	-	4,938
Transfer - Ontario First Nations Limited Partnership	48,093	83,565
Change in program balance	\$ (185,179)	\$ (52,911)

SHESHEGWANING FIRST NATION

Schedule 7 - Schedule of Financial Activity and Change in Program Balance Employment and Economic Development

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 47,500	\$ 56,600
Mnidoo Mnising Manitoulin Area Management Board	51,540	-
Other	6,952	-
	<u>105,992</u>	<u>56,600</u>
Expenses:		
Cultural	46,427	44,404
Nimkee's Trail	54,362	2,031
Employment programs	24,613	24,040
Economic development	67,051	78,626
Skills Link	-	-
Amortization of tangible capital assets	-	3,860
	<u>192,453</u>	<u>152,961</u>
Capital transactions:		
Amortization of tangible capital assets	-	(3,860)
	<u>192,453</u>	<u>149,101</u>
Deficiency of revenue over expenses before undernoted	(86,461)	(92,501)
Transfer:		
Transfer - Ontario First Nations Limited Partnership	44,573	80,139
Change in program balance	<u>\$ (41,888)</u>	<u>\$ (12,362)</u>

SHESHEGWANING FIRST NATION

Schedule 8 - Schedule of Financial Activity and Change in Program Balance

Business Enterprises

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Rental income	\$ 163,463	\$ 162,180
Other	10,842	129,523
<u>Mnidoo Mnising Employment & Training</u>	<u>-</u>	<u>55,790</u>
	174,305	347,493
Expenses:		
Equipment rental	97,155	246,362
Nishin Lodge	14,546	12,587
Band housing	26,328	29,501
Quarry	-	5,600
Surface Miner Training Program	-	178,195
Amortization of tangible capital assets	97,111	96,494
<u>Investment in tangible capital assets</u>	<u>-</u>	<u>(100,261)</u>
	235,140	468,478
Capital transactions:		
Amortization of tangible capital assets	(97,111)	(96,494)
<u>Investment in tangible capital assets</u>	<u>-</u>	<u>100,261</u>
	138,029	472,245
Excess (deficiency) of revenue over expenses before undernoted	36,276	(124,752)
Financing and transfers:		
Principal payments on long-term debt	(9,682)	(14,194)
Transfer - Ontario First Nations Limited Partnership	-	138,946
Change in program balance	\$ 26,594	\$ -

SHESHEGWANING FIRST NATION

Schedule 9 - Schedule of Financial Activity and Change in Program Balance

Community Property

Year ended March 31, 2014, with comparative information for 2013

	Minor Capital	Housing Renovations	Housing	CMHC Phase VI	2014	2013
Revenue:						
Aboriginal Affairs and Northern Development Canada	\$ 82,152	-	48,188	-	130,340	143,719
Canada Mortgage and Housing Corporation	-	31,002	-	-	31,002	-
Other	-	-	-	-	-	56,353
	82,152	31,002	48,188	-	161,342	200,072
Expenses:						
Salaries and benefits	1,471	6,832	42,911	14,267	65,481	65,394
Repairs and maintenance	-	-	-	-	-	11,856
Contractual services	1,890	13,699	1,140	143,234	159,963	183,038
Materials and supplies	38,109	9,880	-	98,321	146,310	271,510
Travel	-	591	626	506	1,723	3,087
Equipment rental	-	-	-	18,029	18,029	32,641
Office and general	2,243	-	-	-	2,243	2,421
Administration	-	-	4,055	-	4,055	8,050
Training	-	-	-	-	-	242
Miscellaneous	-	-	2,250	-	2,250	2,625
Invested in tangible capital assets	(37,074)	-	-	(274,357)	(311,431)	(327,085)
	6,639	31,002	50,982	-	88,623	253,779
Capital transactions:						
Invested in tangible capital assets	37,074	-	-	274,357	311,431	327,085
	43,713	31,002	50,982	274,357	400,054	580,864
Excess (deficiency) if revenues over expenses before undernoted						
	38,439	-	(2,794)	(274,357)	(238,712)	(380,792)
Financing and transfers:						
Issue of long-term debt	-	-	-	89,600	89,600	259,740
Transfers from Ontario First Nations Limited Partnership	10,000	-	-	-	10,000	199,341
Change in program balance	\$ 48,439	-	(2,794)	(184,757)	(139,112)	78,289

SHESHEGWANING FIRST NATION

Schedule 10 - Schedule of Financial Activity and Change in Program Balance

Social Housing

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Canada Mortgage and Housing Corporation	\$ 93,755	\$ 90,848
Rental income	80,818	72,741
	<u>174,573</u>	<u>163,589</u>
Expenses:		
Mortgage interest	35,525	37,439
Insurance	7,409	6,669
Repairs and maintenance	2,913	2,924
Tenant counsellor	3,779	398
Utilities	15,480	14,993
Travel	299	692
Professional fees	14,901	8,510
Materials and supplies	15,040	1,340
Subcontractual services	9,644	5,488
Interest and bank charges	-	44
Administration	10,400	-
Amortization of tangible capital assets	61,537	57,169
	<u>176,927</u>	<u>135,666</u>
Capital transactions:		
Amortization of tangible capital assets	(61,537)	(57,169)
	<u>115,390</u>	<u>78,497</u>
Excess of revenue over expenses before undernoted	59,183	85,092
Financing and transfers:		
Principal payment on debt	(68,017)	(58,312)
Transfer to replacement reserve	(14,615)	(14,615)
Change in program balance	<u>(23,449)</u>	<u>12,165</u>
Program balance, beginning of year	(22,254)	(34,419)
Program balance, end of year	<u>\$ (45,703)</u>	<u>\$ (22,254)</u>

SHESHEGWANING FIRST NATION

Schedule 11 - Schedule of Financial Activity and Changes in Program Balance Ontario First Nation Limited Partnership Community Projects

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Interest earned	\$ 6,083	\$ 8,542
Ontario First Nations Limited Partnership	477,928	477,624
	484,011	486,166
Deduct:		
Transfer to Band Government	66,233	53,734
Transfer to Education	-	18,069
Transfer to Community Services	135,363	95,089
Transfer to Community Infrastructure	48,093	83,565
Transfer to Employment and Economic Development	44,573	80,139
Transfer to Business Enterprises	-	138,946
Transfer to Community Property	10,000	199,341
Investment to Great Lakes Hospitality Group Partnership	-	500,000
Investment to Odawa Stone Limited Partnership	-	350,000
Expenses	27,537	27,574
	331,799	1,546,457
Change in program balance	152,212	(1,060,291)
Program balance, beginning of year	1,134,972	2,195,263
Program balance, end of year	\$ 1,287,184	\$ 1,134,972

SHESHEGWANING FIRST NATION

Schedule 12 - Accumulated Surplus

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 6,830,863	\$ 6,944,206
Section 95 Housing	(45,703)	(22,254)
Operations	(780,128)	(417,503)
Unfinanced capital	(184,757)	-
Robinson Huron Treaty Defense Fund contributions	(150,100)	(130,100)
Investment - U.C.C.M Building Material Supply Limited Partnership	101,601	110,551
Investment - Great Lakes Hospitality Group Partnership	599,771	500,000
Investment - Odawa Stone Limited Partnership	372,220	322,716
	<u>6,743,767</u>	<u>7,307,616</u>
Reserves set aside by Council:		
Minor capital	131,778	131,778
Employment and Economic Development	7,613	7,613
	<u>139,391</u>	<u>139,391</u>
Reserve funds set aside for specific purpose by Council:		
Consolidated revenue fund	78,903	76,954
Ontario First Nations Limited Partnership	1,287,184	1,134,972
Land Settlement Trust	283,852	283,852
Section 95 Replacement reserve	111,513	96,749
	<u>1,761,452</u>	<u>1,592,527</u>
Accumulated Surplus	\$ 8,644,610	\$ 9,039,534