

Consolidated Financial Statements of

SHESEGWANING FIRST NATION

Year ended March 31, 2015

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, 2015, the consolidated statements of operations, changes in net financial assets (net debt) 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 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.

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, 2015 and its consolidated results of operations, consolidated changes in net financial assets (net debt) 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

July 30, 2015
Sudbury, Canada

SHESHEGWANING FIRST NATION

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Year ended March 31, 2015

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SHESHEGWANING FIRST NATION

Exhibit A - Consolidated Statement of Financial Position

March 31, 2015, with comparative information for 2014

	2015	2014
Financial assets:		
Cash and short-term investments (note 2)	\$ 432,991	\$ 576,657
Accounts receivable	434,684	369,447
Loans receivable (note 3)	57,029	41,900
Consolidated revenue trust fund (note 4)	81,998	78,903
Investment in business enterprises (note 5)	100	52,320
Advances to Odawa Stone Limited Partnership (note 6)	546,897	319,900
Investments (note 7)	774,109	701,373
	<u>2,327,808</u>	<u>2,140,500</u>
Financial liabilities:		
Accounts payable and accrued liabilities	340,730	247,345
Demand line of credit (note 8)	145,000	80,000
Deferred revenue	4,100	13,548
Long-term debt (note 9)	1,926,444	1,654,567
	<u>2,416,274</u>	<u>1,995,460</u>
Net financial assets (net debt)	(88,466)	145,040
Non-financial assets:		
Tangible capital assets (note 10)	8,566,582	8,485,430
Prepaid expenses	13,040	14,140
	<u>8,579,622</u>	<u>8,499,570</u>
Contingent liabilities (note 11)		
Accumulated surplus (note 12)	\$ 8,491,156	\$ 8,644,610

See accompanying notes to consolidated financial statements.

Approved:



Chief



Councillor

SHESHEGWANING FIRST NATION

Exhibit B - Consolidated Statement of Operations

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Government transfers - Federal	\$ 1,773,722	\$ 1,772,766
- Provincial	271,693	264,245
Investment income	11,110	773
Rental income	216,636	244,281
Business enterprises	(126,230)	(170,496)
Other	1,427,511	1,161,099
	<u>3,574,442</u>	<u>3,272,668</u>
Expenses:		
Community Services	712,846	715,736
Social Assistance	251,790	230,453
Education	1,011,294	988,292
Band Government	379,022	383,581
Band Memberships and Trusts	3,200	7,000
Business Enterprises	247,928	235,140
Community Infrastructure	625,566	649,387
Employment and Economic Development	244,748	192,453
Community Property	77,204	88,623
Social Housing	174,298	176,927
	<u>3,727,896</u>	<u>3,667,592</u>
Deficiency of revenue over expenses	(153,454)	(394,924)
Accumulated surplus, beginning of year	8,644,610	9,039,534
Accumulated surplus, end of year	\$ 8,491,156	\$ 8,644,610

See accompanying notes to consolidated financial statements.

SHESHEGWANING FIRST NATION

Exhibit C - Consolidated Statement of Changes in Net Financial Assets (Net Debt)

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Deficiency of revenue over expenses	\$ (153,454)	\$ (394,924)
Acquisition of tangible capital assets	(555,118)	(388,171)
Amortization of tangible capital assets	473,966	465,809
Gain on disposal of tangible capital assets	-	(3,200)
Proceeds on disposal of tangible capital assets	-	27,000
	(234,606)	(293,486)
Use of prepaid expenses	1,100	437
Change in net financial assets (net debts)	(233,506)	(293,049)
Net financial assets, beginning of year	145,040	438,089
Net financial assets (net debt), end of year	\$ (88,466)	\$ 145,040

See accompanying notes to consolidated financial statements.

SHESHEGWANING FIRST NATION

Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Operating activities:		
Deficiency of revenue over expenses	\$ (153,454)	\$ (394,924)
Adjustments for:		
Amortization of tangible capital assets	473,966	465,809
Gain on disposal of tangible capital assets	-	(3,200)
Share of loss in business enterprises	126,230	179,446
	<u>446,742</u>	<u>247,131</u>
Change in non-cash working capital:		
Accounts receivable	(65,237)	(6,784)
Accounts payable and accrued liabilities	93,388	55,409
Deferred revenue	(9,448)	4,820
Prepaid expenses	1,100	437
Bank loan	65,000	-
Net change in cash from operating activities	<u>531,545</u>	<u>301,013</u>
Financing activities:		
New financing obtained	352,821	169,600
Principal payments on long-term debt	(80,947)	(77,698)
	<u>271,874</u>	<u>91,902</u>
Investing activities:		
Purchase of tangible capital assets	(555,118)	(388,171)
Proceeds on disposal of tangible capital assets	-	27,000
Investments	(146,746)	(99,772)
Consolidated revenue trust fund	(3,095)	(1,949)
Advances to Odawa Stone Limited Partnership	(226,997)	(139,747)
Loans receivable	(15,129)	13,139
	<u>(947,085)</u>	<u>(589,500)</u>
Net decrease in cash and short-term investments	(143,666)	(196,585)
Cash and short-term investments, beginning of year	576,657	773,242
Cash and short-term investments, end of year	\$ 432,991	\$ 576,657

See accompanying notes to consolidated financial statements.

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2015

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, 2015

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, 2015

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 \$357,717 (2014 - \$482,083) and earn 1.25% per annum

3. Loans receivable

The loans receivable are secured by an assignment of wages bearing interest at rates up to 10% and require monthly payments.

4. Consolidated revenue trust fund:

	Revenue	Capital	Total
Balance, beginning of year	\$ 47,306	31,597	78,903
Interest	3,095	–	3,095
Balance, end of year	\$ 50,401	31,597	81,998

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, 2015 is included in the First Nation’s statement of operations.

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2015

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 \$226,997. These transactions were entered into during the normal course of operations and these transactions were recorded at their exchange amount.

	2015	2014
Financial Position:		
Current assets	\$ 115,731	79,328
Other assets	561,771	568,986
Total assets	677,502	648,314
Current liabilities	612,504	408,061
Long-term liabilities	187,933	187,933
Total liabilities	800,437	595,994
Net assets	\$ 122,935	52,320
Sheshegwaning First Nation interest	\$ 100	52,320

	2015	2014
Results of operations		
Revenue	\$ 21,409	38,438
Expenses	196,666	208,934
Share in operations	\$ (175,257)	(170,496)

The investment at March 31, 2015 consists of the following:

	2015	2014
Balance, beginning of year	\$ 52,319	222,815
Share of operating loss for the year	(175,257)	(170,496)
Provision for impairment in value	123,037	–
Balance, end of year	\$ 99	52,319

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Notes to Consolidated Financial Statements

Year ended March 31, 2015

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

	2015	2014
Investment in business enterprises:		
100% interest in 2294669 Ontario Ltd.	\$ 1	1
99% Interest in Odawa Stone Limited Partnership	99	52,319
	\$ 100	52,320

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:

	2015	2014
Investment in U.C.C.M. Building Material Supply Limited Partnership	\$ 85,594	101,601
Investment in Great Lakes Hospitality Group Partnership	688,514	599,771
Investment in M'Nidoo M'Nising Power Limited Partnership	1	1
	\$ 774,109	701,373

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.

The investment in the M'Nidoo M'Nising Power Limited Partnership (MMPLP) represents a 16.665% 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% (2014 - 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, 2015

9. Long-term debt:

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

	2015	2014
5% Waubetek term loan, repayable in blended monthly payments of \$815, due June 2014	\$ 6,134	15,362
2.56% Canada Mortgage and Housing Corporation, blended monthly payments of \$2,039, due December 2030	317,228	333,397
1.64% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,277, due November 2031	223,345	234,910
2.61% Canada Mortgage and Housing Corporation, blended monthly payments of \$2,408, due September 2034	439,806	457,703
1.71% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,065, due September 2037	238,507	247,142
1.67% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,827, due May 2028	259,003	276,453
Canada Mortgage and Housing Corporation terms and conditions not determined	442,421	89,600
	<u>\$ 1,926,444</u>	<u>1,654,567</u>

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

2016	\$ 80,002
2017	75,284
2018	76,729
2019	78,203
2020	79,705
Thereafter	1,536,521

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2015

10. Tangible capital assets:

Cost	Balance at March 31, 2014	Additions	Disposals	Balance at March 31, 2015
Land	\$ 692,897	\$ -	\$ -	\$ 692,897
Land improvements	192,922	10,738	-	203,660
Buildings	7,394,629	-	-	7,394,629
Infrastructure	5,523,100	-	-	5,523,100
Machinery and equipment	1,469,423	51,800	-	1,521,223
Furniture, computers and fixtures	105,717	-	-	105,717
Assets under construction	274,357	492,580	-	766,937
Total	\$ 15,653,045	\$ 555,118	\$ -	\$ 16,208,163

Accumulated amortization	Balance at March 31, 2014	Disposals	Amortization expense	Balance at March 31, 2015
Land improvements	\$ 35,912	\$ -	\$ 6,431	\$ 42,343
Buildings	3,195,086	-	213,719	3,408,805
Infrastructure	2,976,932	-	135,812	3,112,744
Machinery and equipment	854,233	-	117,740	971,973
Furniture, computers and fixtures	105,452	-	264	105,716
Total	\$ 7,167,615	\$ -	\$ 473,966	\$ 7,641,581

	Net book value March 31, 2014	Net book value March 31, 2015
Land	\$ 692,897	\$ 692,897
Land improvements	157,010	161,317
Buildings	4,199,543	3,985,824
Infrastructure	2,546,168	2,410,356
Machinery and equipment	615,190	549,250
Furniture, computers and fixtures	265	1
Assets under construction	274,357	766,937
Total	\$ 8,485,430	\$ 8,566,582

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2015

10. Tangible capital assets (continued):

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

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Notes to Consolidated Financial Statements

Year ended March 31, 2015

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 \$187,933.
- c) Under terms of a loan facility agreement between the Bank of Montreal and the Great Lakes Hospitality Limited Partnership (the "GLHLP") the First Nation has guaranteed an amount proportional to its 11% equity interest in the partnership. The principal amount of the loan was for \$4,700,000. In addition, the First Nation in conjunction with the other limited partners has guaranteed on a joint and several basis obligations to make any payments due by the GLHLP under terms of the loan facility.

12. Accumulated surplus:

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

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 6,640,138	6,830,863
Unfinanced capital	(335,254)	(184,757)
Operations	46,225	(87,096)
Total surplus	6,351,109	6,743,767
Reserves set aside by Council	139,391	139,391
Reserve funds set aside for specific purpose by Council	2,000,656	1,761,452
	<u>\$ 8,491,156</u>	<u>8,644,610</u>

13. Comparative information:

Certain 2014 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, 2015

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.

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Notes to Consolidated Financial Statements

Year ended March 31, 2015

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.

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Notes to Consolidated Financial Statements

Note 15 - Segmented Information (continued)

Year ended March 31, 2015

	Community Services	Social Assistance	Education	Band Government	Community Infrastructure	Employment and Economic Development	Business Enterprises and Other	Community Property	Social Housing	2015 Total
Revenue	\$ 568,891	236,639	957,578	260,189	267,148	442,907	519,988	138,215	182,887	3,574,442
Expenses:										
Salaries, wages and benefits	400,342	50,731	354,266	268,143	203,286	156,872	24,749	45,316	-	1,503,705
Materials, supplies, rentals and general	236,797	196,439	261,788	256,528	166,968	73,324	105,469	15,649	79,219	1,392,181
Contractual services	-	-	-	-	37,825	1,702	14,233	12,184	20,429	86,373
Administration	34,625	4,620	83,623	(175,474)	26,017	12,850	-	4,055	9,684	-
Tuition	-	-	271,671	-	-	-	-	-	-	271,671
Amortization of tangible capital assets	41,082	-	39,946	33,025	191,470	-	103,477	-	64,966	473,966
	712,846	251,790	1,011,294	382,222	625,566	244,748	247,928	77,204	174,298	3,727,896
Excess (deficiency) of revenue over expenses	\$ (143,955)	(15,151)	(53,716)	(122,033)	(358,418)	198,159	272,060	61,011	8,589	(153,454)

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	244,997	209,013	27,481	103,771	170,555	91,567	1,588,323
Contractual services	-	-	7,817	-	57,234	19,000	12,568	159,963	9,644.00	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 of tangible capital assets	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	390,581	649,387	192,453	235,140	88,623	176,927	3,667,592
Excess (deficiency) of revenue over expenses	\$ (135,045)	(4,135)	7,232	(126,673)	(372,887)	(86,461)	252,680	72,719	(2,354)	(394,924)

SHESHEGWANING FIRST NATION

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

Community Services

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 3,000	\$ 3,000
Health Canada	84,483	93,388
Mnaamodzawin Health Services	240,380	233,115
Ministry of Health and Long-Term Care	9,432	5,446
Union of Ontario Indians	59,745	56,303
Kina Gbezhgomi Child and Family Services	88,325	78,516
Other revenue	83,526	110,923
	<u>568,891</u>	<u>580,691</u>
Expenses:		
Medical services	241,595	237,473
Medical transportation	65,290	100,930
Native child welfare/Family Support	98,877	101,932
Aboriginal healing and wellness	61,978	57,134
Community recreation	40,358	43,701
Healthy Child Development	16,491	5,135
Long-term care	19,473	15,957
Elders assistance	78,031	87,544
Community mentor	49,671	53,014
Amortization of tangible capital assets	41,082	41,082
Investment in tangible capital assets	-	(28,166)
	<u>712,846</u>	<u>715,736</u>
Capital transactions:		
Amortization of tangible capital assets	(41,082)	(41,082)
Investment in tangible capital assets	-	28,166
	<u>671,764</u>	<u>702,820</u>
Deficiency of revenue over expenses before undernoted		
	(102,873)	(122,129)
Transfer:		
Transfer - Ontario First Nations Limited Partnership	122,298	135,363
Change in program balance	<u>\$ 19,425</u>	<u>\$ 13,234</u>

SHESHEGWANING FIRST NATION

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

Social Assistance

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 48,964	\$ 43,900
Ministry of Community and Social Services	187,675	182,418
	<u>236,639</u>	<u>226,318</u>
Expenses:		
Basic Needs	134,762	121,494
Service delivery	69,711	68,106
Employment and training	20,433	8,050
National Child Benefit	6,408	17,794
Transitional Support	20,476	15,009
	<u>251,790</u>	<u>230,453</u>
Change in program balance	\$ (15,151)	\$ (4,135)

SHESHEGWANING FIRST NATION

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

Education

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 765,285	\$ 826,315
Tuition	97,561	127,558
Ontario Library Service	12,816	14,611
Over-expended accountable contributions	81,916	27,040
	<u>957,578</u>	<u>995,524</u>
Expenses:		
Post Secondary	246,423	269,940
Direct Services	111,500	112,112
Provincial Schools		
- tuition	184,270	150,170
- transportation	73,627	59,621
Council operated school	282,056	286,482
New Paths	-	9,312
Council operated school operations and maintenance	54,556	50,990
Library	18,916	8,925
Amortization of tangible capital assets	39,946	40,740
	<u>1,011,294</u>	<u>988,292</u>
Capital transactions:		
Amortization of tangible capital assets	(39,946)	(40,740)
Change in program balance	\$ (13,770)	\$ 47,972

SHESHEGWANING FIRST NATION

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

Band Government

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 246,397	\$ 233,633
Interest	7,331	3,640
Other	3,261	23,435
	<u>256,989</u>	<u>260,708</u>
Expenses:		
Salaries and benefits	268,143	270,420
Travel	67,145	63,046
Professional fees	33,300	34,914
Robinson Huron Treaty Defense Fund contributions	20,000	20,000
Telephone	14,066	14,804
Materials, supplies and subcontracting	46,762	34,934
Council	22,000	21,600
Insurance	13,013	12,254
Bad debts	2,772	-
Interest and bank charges	16,961	14,267
Training and workshops	1,509	5,776
Donations and advertising	15,800	16,402
Administration chargebacks	(175,474)	(161,986)
Amortization of tangible capital assets	33,025	37,150
	<u>379,022</u>	<u>383,581</u>
Capital transactions:		
Amortization of tangible capital assets	(33,025)	(37,150)
	<u>345,997</u>	<u>346,431</u>
Deficiency of revenue over expenses before undernoted	(89,008)	(85,723)
Transfer:		
Transfer - Ontario First Nations Limited Partnership	34,950	66,233
Change in program balance	\$ (54,058)	\$ (19,490)

SHESHEGWANING FIRST NATION

Schedule 5 - Schedule of Financial Activity and Change in Program Balance Band Memberships and Trusts

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 3,200	\$ 3,200
Expenses:		
Professional fees	3,200	7,000
Materials and supplies	-	-
	<u>3,200</u>	<u>7,000</u>
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, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 235,953	\$ 232,193
Health Canada	7,500	7,500
Ministry of Transportation and Communication	16,770	16,770
Other	6,925	20,037
	<u>267,148</u>	<u>276,500</u>
Expenses:		
Water and sanitation	126,332	133,657
Roads	119,188	116,484
Community buildings	89,318	141,432
Operations and maintenance management	47,669	47,586
Protection	69,989	70,613
Amortization of tangible capital assets	191,470	188,189
Investment in tangible capital assets	<u>(18,400)</u>	<u>(48,574)</u>
	625,566	649,387
Capital transactions:		
Amortization of tangible capital assets	(191,470)	(188,189)
Investment in tangible capital assets	<u>18,400</u>	<u>48,574</u>
	452,496	509,772
Deficiency of revenue over expenses before undernoted	(185,348)	(233,272)
Transfer:		
Transfer - Ontario First Nations Limited Partnership	52,293	48,093
Change in program balance	<u>\$ (133,055)</u>	<u>\$ (185,179)</u>

SHESHEGWANING FIRST NATION

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

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 62,400	\$ 47,500
Mnidoo Mnising Manitoulin Area Management Board	-	51,540
Other	380,507	6,952
	<u>442,907</u>	<u>105,992</u>
Expenses:		
Cultural	40,708	46,427
Nimkee's Trail	52,615	54,362
Employment programs	14,408	24,613
Economic development	67,287	67,051
Aquaculture	15,860	-
Aquaculture protocol	53,870	-
	<u>244,748</u>	<u>192,453</u>
Deficiency of revenue over expenses before undernoted	198,159	(86,461)
Transfer and other:		
Transfer - Ontario First Nations Limited Partnership	64,313	44,573
Increase in advances to Odawa Stone	(226,997)	-
Increase in investment in Great Lakes Hospitality Limited Partnership	(146,746)	-
Change in program balance	\$ (111,271)	\$ (41,888)

SHESHEGWANING FIRST NATION

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

Business Enterprises

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Rental income	\$ 124,164	\$ 163,463
Other	13,373	10,842
	<u>137,537</u>	<u>174,305</u>
Expenses:		
Equipment rental	149,863	97,155
Nishin Lodge	6,721	14,546
Band housing	16,579	26,328
Snack Bar	4,688	-
Amortization of tangible capital assets	103,477	97,111
Investment in tangible capital assets	<u>(33,400)</u>	<u>-</u>
	247,928	235,140
Capital transactions:		
Amortization of tangible capital assets	(103,477)	(97,111)
Investment in tangible capital assets	<u>33,400</u>	<u>-</u>
	177,851	138,029
Excess (deficiency) of revenue over expenses before undernoted	(40,314)	36,276
Financing and transfers:		
Principal payments on long-term debt	(9,228)	(9,682)
Transfer - Ontario First Nations Limited Partnership	25,031	-
Change in program balance	<u>\$ (24,511)</u>	<u>\$ 26,594</u>

SHESHEGWANING FIRST NATION

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

Community Property

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 129,567	\$ 130,340
Canada Mortgage and Housing Corporation	8,648	31,002
	<u>138,215</u>	<u>161,342</u>
Expenses:		
Minor capital	-	43,713
Water and sanitation	5,755	-
Housing renovations	18,543	31,002
Housing	52,906	50,982
CMHC Phases	503,318	274,357
Investment in tangible capital assets	<u>(503,318)</u>	<u>(311,431)</u>
	77,204	88,623
Capital transactions:		
Investment in tangible capital assets	<u>503,318</u>	<u>311,431</u>
	580,522	400,054
Deficiency of revenue over expenses before undernoted	(442,307)	(238,712)
Financing and transfers:		
Issuance of long-term debt	352,821	89,600
Transfer - Ontario First Nations Limited Partnership	-	10,000
Change in program balance	\$ (89,486)	\$ (139,112)

SHESHEGWANING FIRST NATION

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

Social Housing

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Canada Mortgage and Housing Corporation	\$ 92,130	\$ 93,755
Rental income	90,757	80,818
	<u>182,887</u>	<u>174,573</u>
Expenses:		
Mortgage interest	30,610	35,525
Insurance	7,274	7,409
Repairs and maintenance	7,101	2,913
Tenant counsellor	1,642	3,779
Utilities	25,959	15,480
Travel	217	299
Professional fees	-	14,901
Materials and supplies	6,416	15,040
Subcontractual services	20,429	9,644
Administration	9,684	10,400
Amortization of tangible capital assets	64,966	61,537
	<u>174,298</u>	<u>176,927</u>
Capital transactions:		
Amortization of tangible capital assets	(64,966)	(61,537)
	<u>109,332</u>	<u>115,390</u>
Excess of revenue over expenses before undernoted	73,555	59,183
Financing and transfers:		
Principal payment on debt	(71,718)	(68,017)
Transfer to replacement reserve	(14,615)	(14,615)
Change in program balance	<u>(12,778)</u>	<u>(23,449)</u>
Program balance, beginning of year	(45,703)	(22,254)
Program balance, end of year	<u>\$ (58,481)</u>	<u>\$ (45,703)</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, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Interest earned	\$ 3,779	\$ 6,083
<u>Ontario First Nations Limited Partnership</u>	<u>488,895</u>	<u>477,928</u>
	492,674	484,011
Transfers:		
Transfer to Band Government	(34,950)	(93,770)
Transfer to Community Services	(122,298)	(135,363)
Transfer to Community Infrastructure	-	(48,093)
Transfer to Employment and Economic Development	(64,313)	(44,573)
Transfer to Business Enterprises	(25,031)	-
<u>Transfer to Community Property</u>	<u>(52,293)</u>	<u>(10,000)</u>
	(298,885)	(331,799)
Change in program balance	193,789	152,212
Program balance, beginning of year	1,287,184	1,134,972
Program balance, end of year	\$ 1,480,973	\$ 1,287,184

SHESHEGWANING FIRST NATION

Schedule 12 - Accumulated Surplus

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 6,640,138	\$ 6,830,863
Section 95 Housing	(58,481)	(45,703)
Operations	(1,018,594)	(780,128)
Unfinanced capital	(335,254)	(184,757)
Robinson Huron Treaty Defense Fund contributions	(170,100)	(150,100)
Investment - U.C.C.M Building Material Supply Limited Partnership	85,594	101,601
Investment - Great Lakes Hospitality Group Partnership	688,514	599,771
Investment - Odawa Stone Limited Partnership	546,997	372,220
	<u>6,378,814</u>	<u>6,743,767</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	81,998	78,903
Ontario First Nations Limited Partnership	1,480,973	1,287,184
Land Settlement Trust	283,852	283,852
Section 95 Replacement reserve	126,128	111,513
	<u>1,972,951</u>	<u>1,761,452</u>
Accumulated Surplus	\$ 8,491,156	\$ 8,644,610