

Financial Statements of

SHESHEGWANING FIRST NATION

Year ended March 31, 2013

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying 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.

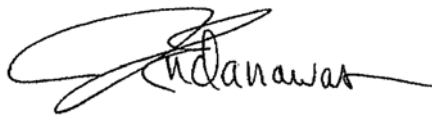
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it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

The Chief and Council review the First Nation's 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 financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The 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 financial statements of **Sheshegwaning First Nation** which comprise the statement of financial position as at March 31, 2013, the 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 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements present fairly, in all material respects, the financial position of Sheshegwaning First Nation as at March 31, 2013 and its results of operations, changes in net financial assets and its 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 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 financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

September 17, 2013
Sudbury, Canada

SHESHEGWANING FIRST NATION

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Year ended March 31, 2013

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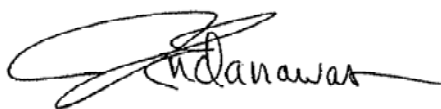
Exhibit A - Statement of Financial Position

March 31, 2013, with comparative figures for 2012

	2013	2012
Financial assets:		
Cash and short-term investments (note 13)	\$ 773,242	\$ 1,905,266
Accounts receivable	332,302	317,636
Loans receivable (note 14)	55,039	38,280
Consolidated revenue trust fund (note 10)	76,954	75,109
Accountable contributions (note 5)	30,361	21,698
Investment in Odawa Stone Limited Partnership (note 11)	222,815	-
Advances to Odawa Stone Limited Partnership (note 11)	180,153	-
Investment (note 2)	610,552	364,562
	<u>2,281,418</u>	<u>2,722,551</u>
Financial liabilities:		
Accounts payable and accrued liabilities	191,939	184,799
Bank loan (note 12)	-	190,000
Deferred revenue (note 3)	8,728	16,149
Long-term debt (note 4)	1,642,662	1,455,424
	<u>1,843,329</u>	<u>1,846,372</u>
Net financial assets	438,089	876,179
Non-financial assets:		
Tangible capital assets (note 6)	8,586,868	8,502,836
Prepaid expenses	14,577	18,669
	<u>8,601,445</u>	<u>8,521,505</u>
Contingent liabilities (note 7)		
Accumulated surplus (note 8)	\$ 9,039,534	\$ 9,397,684

See accompanying notes to financial statements.

Approved:



Chief



Councillor

SHESHEGWANING FIRST NATION

Exhibit B - Statement of Operations

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Aboriginal Affairs and Northern Development Canada (note 9)	\$ 1,523,547	\$ 1,546,617
Ontario First Nations Limited Partnership	477,624	520,893
Health Canada	87,122	128,823
Ministry of Community and Social Services	127,582	138,671
Canada Mortgage and Housing Corporation	90,848	122,504
Interest	20,436	21,372
Mnaamodzawin Health Services	207,733	199,016
Rental income	235,631	179,204
Share of Odawa Stone Limited Partnership (note 11)	(27,284)	-
Other	582,514	600,932
	3,325,753	3,458,032
Expenses:		
Community Services	635,177	570,091
Social Assistance	226,037	223,090
Education	868,578	922,436
Band Government	337,617	471,886
Band Memberships and Trusts	2,900	7,345
Business Enterprises	468,478	492,972
Community Infrastructure	575,136	541,733
Employment and Economic Development	152,961	106,032
Community Property	253,779	160,520
Social Housing	135,666	156,805
Casino Rama Community Projects	27,574	-
	3,683,903	3,652,910
Deficiency of revenue over expenses	(358,150)	(194,878)
Accumulated surplus, beginning of year	9,397,684	9,592,562
Accumulated surplus, end of year	\$ 9,039,534	\$ 9,397,684

See accompanying notes to financial statements.

SHESHEGWANING FIRST NATION

Exhibit C - Statement of Changes in Net Financial Assets

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Deficiency of revenue over expenses	\$ (358,150)	\$ (194,878)
Acquisition of tangible capital assets	(539,929)	(265,692)
Amortization of tangible capital assets	455,897	425,988
	(442,182)	(34,582)
Use of prepaid expenses	4,092	4,456
Change in net financial assets (net debts)	(438,090)	(30,126)
Net financial assets, beginning of year	876,179	906,305
Net financial assets, end of year	\$ 438,089	\$ 876,179

See accompanying notes to financial statements.

SHESHEGWANING FIRST NATION

Exhibit D - Statement of Cash Flows

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Operating activities:		
Deficiency of revenue over expenses	\$ (358,150)	\$ (194,878)
Adjustment for:		
Amortization of tangible capital assets	455,897	425,988
	<u>97,747</u>	<u>231,110</u>
Change in non-cash working capital:		
Accounts receivable	(14,666)	(80,270)
Accounts payable and accrued liabilities	7,144	(7,923)
Deferred revenue	(7,421)	-
Prepaid expenses	4,092	4,456
Accountable contributions	(8,663)	(2,495)
Net change in cash from operating activities	<u>78,233</u>	<u>144,878</u>
Financing activities:		
New financing obtained	259,740	211,819
Principal payments on long-term debt	(262,506)	(68,544)
	<u>(2,766)</u>	<u>143,275</u>
Investing activities:		
Purchase of tangible capital assets	(539,929)	(265,692)
Investments	(245,990)	(257,379)
Investment in Odawa Stone Limited Partnership	(222,815)	-
Consolidated revenue trust fund	(1,845)	(2,509)
Advances to Odawa Stone Limited Partnership	(180,153)	-
Loans receivable	(16,759)	9,922
	<u>(1,207,491)</u>	<u>(515,658)</u>
Net decrease in cash	(1,132,024)	(227,505)
Cash and short-term investments, beginning of year	1,905,266	2,132,771
Cash and short-term investments, end of year	\$ 773,242	\$ 1,905,266

See accompanying notes to financial statements.

SHESHEGWANING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2013

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 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 Canadian Institute of Chartered Accountants. The following is a summary of the significant accounting policies followed in the preparation of these 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 Financial Statements

Year ended March 31, 2013

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
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 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 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 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 receivables. 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 Financial Statements

Year ended March 31, 2013

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. Investment:

The following investments are recorded at cost:

	2013	2012
Investment in U.C.C.M. Building Material Supply Limited Partnership	\$ 110,551	112,561
Investment in Great Lakes Hospitality Group Partnership	500,000	252,000
Investment in 2294669 Ontario Ltd	1	1
	\$ 610,552	364,562

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 2294669 Ontario Ltd. is reflected at adjusted cost and represents 100% ownership and is accounted for using the cost method.

3. Deferred revenue:

The details of the deferred revenue are as follows:

	2013	2012
Minor capital	\$ –	16,149
Education – Tuition Zhiibaahaasing First Nation	1,409	–
Mnaamodzawin Health Services	7,319	–
	\$ 8,728	16,149

SHESHEGWANING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2013

4. Long-term debt:

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

	2013	2012
5% Waubetek term loan, repayable in blended monthly payments of \$815, due June 2014	\$ 24,145	32,507
0% General Motors Acceptance Corporation loan, secured by specific vehicle, having blended monthly payments of \$486, due 2013	894	6,725
3.16% Canada Mortgage and Housing Corporation, blended monthly payments of \$2,027, due June 2013	293,132	306,809
2.56% Canada Mortgage and Housing Corporation, blended monthly payments of \$2,039, due December 2015	349,160	363,292
1.64% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,277, due December 2016	246,287	256,569
2.61% Canada Mortgage and Housing Corporation, blended monthly payments of \$2,408, due September 2014	474,478	489,522
1.71% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,065, due September 2017	254,566	–
	<u>\$ 1,642,662</u>	<u>1,455,424</u>

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

2014	\$ 355,220
2015	509,524
2016	337,709
2017	440,209

5. Accountable contributions:

The balance of accountable contributions receivable from Aboriginal Affairs and Northern Development Canada ("AANDC") for education for 2013 is \$30,361 (2012 - \$21,698).

SHESHEGWANING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2013

6. Tangible capital assets:

Cost	Balance at 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 at 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	169,872	163,441
Buildings	4,141,682	4,357,118
Infrastructure	2,803,432	2,681,578
Machinery and equipment	451,163	685,364
Furniture, computers and fixtures	23,733	6,470
Assets under construction	220,057	-
Total	\$ 8,502,836	\$ 8,586,868

SHESHEGWANING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2013

6. Tangible capital assets (continued):

Cost	Balance			Balance at March 31, 2012
	March 31, 2011	Additions	Disposals	
Land	\$ 692,897	\$ -	\$ -	\$ 692,897
Land improvements	192,922	-	-	192,922
Buildings	6,871,203	53,361	-	6,924,564
Infrastructure	5,523,100	-	-	5,523,100
Machinery and equipment	1,093,670	-	-	1,093,670
Furniture, computers and fixtures	105,717	-	-	105,717
Assets under construction	7,726	212,331	-	220,057
Total	\$ 14,487,235	\$ 265,692	\$ -	\$ 14,752,927

Accumulated amortization	Balance			Balance at March 31, 2012
	March 31, 2011	Disposals	Amortization expense	
Land improvements	\$ 16,619	\$ -	\$ 6,431	\$ 23,050
Buildings	2,585,103	-	197,797	2,782,900
Infrastructure	2,557,147	-	148,965	2,706,112
Machinery and equipment	601,816	-	54,230	656,046
Furniture, computers and fixtures	63,418	-	18,565	81,983
Total	\$ 5,824,103	\$ -	\$ 425,988	\$ 6,250,091

	Net book value	
	March 31, 2011	March 31, 2012
Land	\$ 692,897	\$ 692,897
Land improvements	176,303	169,872
Buildings	4,286,100	4,141,664
Infrastructure	2,952,397	2,816,988
Machinery and equipment	505,411	437,624
Furniture, computers and fixtures	42,298	23,734
Assets under construction	7,726	220,057
Total	\$ 8,663,132	\$ 8,502,836

SHESHEGWANING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2013

7. 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 \$209,903.

8. Accumulated surplus:

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

	2013	2012
Surplus:		
Invested in tangible capital assets	\$ 6,944,206	7,032,789
Section 95 Housing	(18,652)	(30,817)
Operations	(421,105)	(382,427)
Robinson Huron Treaty Defense Fund contributions	(130,100)	(110,100)
Investment – U.C.C.M Building Material Supply Limited Partnership	110,551	112,561
Investment – Great Lakes Hospitality Group Partnership	500,000	–
Investment – Odawa Stone Limited Partnership	322,716	99
Total surplus	7,307,616	6,622,105
Reserves set aside by Council:		
Minor capital	131,778	131,778
Employment and Economic Development	7,613	7,613
	139,391	139,391
Reserve funds set aside for specific purpose by Council:		
Consolidated revenue fund	76,954	75,109
Ontario First Nations Limited Partnership	1,134,972	2,195,263
Land Settlement Trust	283,852	283,852
Section 95 Replacement reserve	96,749	81,964
	1,592,527	2,636,188
	\$ 9,039,534	9,397,684

SHESHEGWANING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2013

9. Aboriginal Affairs and Northern Development Canada:

	2013	2012
Revenue per funding confirmation	\$ 1,498,734	1,536,482
Add: Prior year deferred revenue	16,149	–
Add: Education contribution funding adjustment	8,664	10,135
Revenue per financial statements	\$ 1,523,547	1,546,617

Included in accounts receivable are amounts due from AANDC of \$12,431 (2012 - \$15,677).

10. Consolidated revenue trust fund:

	Revenue	Capital	Total
Balance, beginning of year	\$ 43,512	31,597	75,109
Interest	1,845	–	1,845
Balance, end of year	\$ 43,357	31,597	76,954

11. Investment in Odawa Stone Limited Partnership:

The First Nation has a 99% interest in Odawa Stone Limited Partnership (“Odawa Stone”). Odawa Stone is in development of a stone quarry. The First Nation’s interest in Odawa Stone’s results of operations for the year ended March 31, 2013 is included in the First Nation’s statement of operations.

During the year, the First Nation provided Odawa Stone with labour, contract support, accounting services and equipment rental totaling \$33,831. These transactions were entered into during the normal course of operations and these transactions were recorded at their exchange amount.

	2013
Financial Position:	
Current assets	\$ 82,117
Other assets	551,910
Total assets	634,027
Current liabilities	41,394
Long-term liabilities	369,817
Total liabilities	411,211
Net assets	\$ 222,816

SHESHEGWANING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2013

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

	2013
Results of operations	
Revenue	\$ 20,090
Expenses	47,374
Net loss for the year	(27,284)
Share in operations	\$ (27,284)

The investment at March 31, 2013 consists of the following

	2013
Balance, beginning of year	\$ -
Share of operating loss for the year	(27,284)
Investment in partners' capital	250,099
Balance, end of year	\$ 222,815

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

12. Bank indebtedness:

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% (2012 – prime plus 2.0%).

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

13. Cash and short-term investments:

The short-term investments consisting of cash and term deposits are recorded at cost and earn 1.25% per annum.

14. Loans receivable:

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

15. Comparative figures:

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

SHESHEGWANING FIRST NATION

Notes to Financial Statements

Year ended March 31, 2013

16. 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 Services

The social services 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.

Infrastructure

The infrastructure or public works department provides the First Nation with support services for the repair and maintenance of all First Nation owed 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 Financial Statements

Year ended March 31, 2013

16. Segmented information (continued):

Economic and Community 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

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.

Rental Housing

The rental 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 Financial Statements

Note 16 - Segmented Information (continued)

Year ended March 31, 2013

	Community Services	Social Services	Education	Band Government	Infrastructure	Economic and Community Development	Business Enterprises	Community Property	Rental Housing	Other	Total
Revenue	\$ 537,318	176,583	883,345	245,111	256,761	56,600	347,493	200,072	163,589	458,881	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	189,183	2,700	156,724	106,608	141,516	7,964	278,687	318,428	34,436	8,752	1,244,998
Contractual services	37,870	-	8,471	-	41,581	2,061	29,880	183,038	5,488	7,865	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
Travel	25,801	3,466	10,107	59,657	11,028	17,248	13,048	3,087	692	957	145,091
Other	48,163	147,913	156,252	38,430	8,422	4,042	3,564	2,867	37,483	10,000	457,136
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	468,478	253,779	135,666	27,574	3,683,903
Excess (deficiency) of revenue over expenses	\$ (97,859)	(49,454)	14,767	(95,406)	(318,375)	(96,361)	(120,985)	(53,707)	27,923	431,307	(358,150)

SHESHEGWANING FIRST NATION

Notes to Financial Statements

Note 16 - Segmented Information (continued)

Year ended March 31, 2012

	Community Services	Social Services	Education	Band Government	Infrastructure	Economic and Community Development	Business Enterprises	Community Property	Rental Housing	Other	Total
Revenue	\$ 541,250	214,895	885,410	314,744	257,963	77,982	305,355	163,575	156,551	540,307	3,458,032
Expenses:											
Salaries, wages and benefits	289,137	-	305,741	247,931	149,514	75,233	148,897	57,913	914	-	1,275,280
Materials, supplies, rentals and general	102,095	-	32,292	130,550	145,376	11,188	170,280	48,242	29,102	-	669,125
Contractual services	43,535	-	1,796	-	-	-	-	21,458	-	-	66,789
Administration	20,276	-	41,476	(104,576)	22,155	5,040	14,894	21,001	28,706	-	48,972
Tuition	-	-	247,534	-	-	-	-	-	-	-	247,534
Travel	40,297	-	5,888	81,230	11,612	10,758	26,394	3,953	75	-	180,207
Other	33,319	220,474	259,709	86,144	38,985	-	45,477	7,953	46,954	-	739,015
Amortization	41,432	2,616	28,000	37,952	174,091	3,813	87,030	-	51,054	-	425,988
	570,091	223,090	922,436	479,231	541,733	106,032	492,972	160,520	156,805	-	3,652,910
Excess (deficiency) of revenue over expenses	\$ (28,841)	(8,195)	(37,026)	(164,487)	(283,770)	(28,050)	(187,617)	3,055	(254)	540,307	(194,878)

SHESHEGWANING FIRST NATION

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

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 3,000	\$ 3,000
Health Canada	87,122	128,823
Mnaamodzawin Health Services	207,733	199,016
Ministry of Health and Long-Term Care	8,359	9,508
Union of Ontario Indians	62,553	60,373
Kina Gbezhgomi Child and Family Services	75,612	50,290
Other revenue	92,939	90,240
	<u>537,318</u>	<u>541,250</u>
Expenses:		
Medical services	197,468	192,540
Medical transportation	99,301	66,843
Native child welfare/Family Support	92,712	47,383
Aboriginal healing and wellness	56,278	58,441
Community recreation	37,208	49,504
Healthy Child Development	15,947	11,685
Long-term care	24,014	18,768
Family violence	6,347	3,557
Elders assistance	59,745	56,377
Community mentor	44,093	23,561
Amortization of tangible capital assets	46,147	41,432
Investment in tangible capital assets	(44,083)	-
	<u>635,177</u>	<u>570,091</u>
Capital transactions:		
Amortization of tangible capital assets	(46,147)	(41,432)
Investment in tangible capital assets	44,083	-
	<u>633,113</u>	<u>528,659</u>
Excess (deficiency) of revenue over expenses before undernoted		
	(95,795)	12,591
Transfers:		
Transfer - Ontario First Nations Limited Partnership	95,089	80,382
Transfer (to) from other programs	(4,938)	-
Change in program balance	<u>\$ (5,644)</u>	<u>\$ 92,973</u>

SHESHEGWANING FIRST NATION

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

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 46,600	\$ 74,872
Ministry of Community and Social Services	127,582	138,671
Ontario Native Affairs	1,352	1,352
Other revenue	1,049	-
	<u>176,583</u>	<u>214,895</u>
Expenses:		
Basic Needs	122,891	118,993
Service delivery	78,162	68,930
Employment and training	3,100	10,664
National Child Benefit	17,639	16,756
Emergency Assistance	1,627	-
Funder recovery	-	5,131
Amortization of tangible capital assets	2,618	2,616
	<u>226,037</u>	<u>223,090</u>
Capital transactions:		
Amortization of tangible capital assets	(2,618)	(2,616)
	<u>223,419</u>	<u>220,474</u>
Deficiency of revenue over expenses before undernoted	(46,836)	(5,579)
Transfers (to) from other programs	-	(10,036)
Change in program balance	\$ (46,836)	\$ (15,615)

SHESHEGWANING FIRST NATION

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

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 809,567	\$ 792,195
Other revenue	49,885	69,487
Ontario Library Service	15,229	13,593
Over-expended accountable contributions	8,664	10,135
	<u>883,345</u>	<u>885,410</u>
Expenses:		
Post Secondary	220,945	271,082
Direct Services	113,495	58,230
Provincial Schools		
- tuition	153,664	151,335
- transportation and other	131,045	54,665
Council operated school	204,362	262,969
New Paths	21,838	12,294
Council operated school operations and maintenance	50,071	58,251
Library	5,994	25,610
Amortization of tangible capital assets	35,664	28,000
Investment in tangible capital assets	(68,500)	-
	<u>868,578</u>	<u>922,436</u>
Capital transactions:		
Amortization of tangible capital assets	(35,664)	(28,000)
Investment in tangible capital assets	68,500	-
	<u>901,414</u>	<u>894,436</u>
Deficiency of revenue over expenses before undernoted		
	(18,069)	(9,026)
Transfers from Ontario First Nations Limited Partnership		
	18,069	-
Change in program balance	\$ -	\$ (9,026)

SHESHEGWANING FIRST NATION

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

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 223,932	\$ 244,603
Interest	11,894	9,945
Other	6,384	57,296
	<u>242,210</u>	<u>311,844</u>
Expenses:		
Salaries and benefits	221,563	247,931
Travel	59,657	78,711
Professional fees	32,323	50,274
Robinson Huron Treaty Defense Fund contributions	20,000	70,100
Office and general	3,412	4,368
Telephone	14,000	15,765
Materials, supplies and subcontracting	28,143	43,668
Council	23,700	18,451
Workshops	3,454	3,708
Insurance	8,620	6,802
Bad debts	-	(2,749)
Interest and bank charges	8,486	6,532
Administration chargebacks	(122,725)	(104,576)
Amortization of tangible capital assets	36,984	37,952
Investment in tangible capital assets	-	(5,051)
	<u>337,617</u>	<u>471,886</u>
Capital transactions:		
Amortization of tangible capital assets	(36,984)	(37,952)
Investment in tangible capital assets	-	5,051
	<u>300,633</u>	<u>438,985</u>
Deficiency of revenue over expenses before undernoted		
	(58,423)	(127,141)
Transfers:		
Transfer - Ontario First Nations Limited Partnership	53,734	127,141
Transfers to reserves	(2,015)	-
Change in program balance	<u>\$ (6,704)</u>	<u>\$ -</u>

SHESHEGWANING FIRST NATION

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

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 2,900	\$ 2,900
Expenses:		
Professional fees	-	7,000
Materials and supplies	110	-
Travel	-	345
Administration	2,790	-
	2,900	7,345
Change in program balance	\$ -	\$ (4,445)

SHESHEGWANING FIRST NATION

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

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 228,565	\$ 234,172
Ministry of Transportation and Communication	16,720	16,770
Rental income	260	2,021
Other	11,216	5,000
	<u>256,761</u>	<u>257,963</u>
Expenses:		
Water and sanitation	105,618	95,888
Roads	96,978	96,900
Community buildings	85,724	79,017
Operations and maintenance management	47,350	46,756
Fire protection	62,505	49,081
Amortization of tangible capital assets	176,961	174,091
	<u>575,136</u>	<u>541,733</u>
Capital transactions:		
Amortization of tangible capital assets	(176,961)	(174,091)
	<u>398,175</u>	<u>367,642</u>
Deficiency of revenue over expenses before undernoted		
	(141,414)	(109,679)
Transfers:		
Transfer from other programs	4,938	-
Transfer - Ontario First Nations Limited Partnership	83,565	18,738
Change in program balance	\$ (52,911)	\$ (90,941)

SHESHEGWANING FIRST NATION

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

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Aboriginal Affairs and Northern Development Canada	\$ 56,600	\$ 57,750
Other government funding	-	2,402
Other	-	15,894
Mnidoo Mnising Manitoulin Area Management Board	-	1,936
	<u>56,600</u>	<u>77,982</u>
Expenses:		
Cultural	46,435	13,912
Employment programs	24,040	20,872
Economic development	78,626	67,435
Amortization of tangible capital assets	3,860	3,813
	<u>152,961</u>	<u>106,032</u>
Capital transactions:		
Amortization of tangible capital assets	(3,860)	(3,813)
	<u>149,101</u>	<u>102,219</u>
Deficiency of revenue over expenses before undernoted	(92,501)	(24,237)
Transfers:		
Transfers from committed reserves	-	12,009
Transfer - Ontario First Nations Limited Partnership	80,139	12,228
Change in program balance	\$ (12,362)	\$ -

SHESHEGWANING FIRST NATION

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

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Mnidoo Mnising Employment & Training	\$ 55,790	\$ 32,271
Rental income	162,180	179,204
Other	129,523	93,880
	<u>347,493</u>	<u>305,355</u>
Expenses:		
Equipment rental	246,362	99,747
Nishin Lodge	-	22,461
Band housing	42,088	109,581
Quarry	5,600	67,871
Surface Miner Training Program	178,195	136,419
Amortization of tangible capital assets	96,494	87,030
Investment in tangible capital assets	(100,261)	(30,137)
	<u>468,478</u>	<u>492,972</u>
Capital transactions:		
Amortization of tangible capital assets	(96,494)	(87,030)
Investment in tangible capital assets	100,261	30,137
	<u>472,245</u>	<u>436,079</u>
Deficiency of revenue over expenses before undernoted	(124,752)	(130,724)
Financing and transfers:		
Principal payments on long-term debt	(14,194)	(13,784)
Transfers from other programs	-	10,036
Transfer - Ontario First Nations Limited Partnership	138,946	73,614
Change in program balance	<u>\$ -</u>	<u>\$ (60,858)</u>

SHESHEGWANING FIRST NATION

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

Year ended March 31, 2013, with comparative figures for 2012

	Minor Capital	Water and Sanitation	Housing Renovations	Housing	2013	2012
Revenue:						
Aboriginal Affairs and Northern Development Canada	\$ 81,321	16,149	-	46,249	143,719	126,990
Canada Mortgage and Housing Corporation	-	-	-	-	-	35,685
Rental income	450	-	-	-	450	450
Other	55,903	-	-	-	55,903	450
	<u>137,674</u>	<u>16,149</u>	<u>-</u>	<u>46,249</u>	<u>200,072</u>	<u>163,575</u>
Expenses:						
Salaries and benefits	19,403	-	3,100	42,891	65,394	57,913
Repairs and maintenance	11,856	-	-	-	11,856	44,536
Contractual services	28,259	-	9,336	145,443	183,038	21,458
Materials and supplies	210,935	16,149	19,111	25,315	271,510	234,211
Travel	1,309	-	-	1,778	3,087	3,953
Equipment rental	4,622	-	135	27,884	32,641	5,268
Utilities	-	-	-	-	-	-
Office and general	2,421	-	-	-	2,421	2,685
Committee honorarium	-	-	-	-	-	-
Administration	1,250	-	1,250	5,550	8,050	21,001
Training	-	-	-	242	242	-
Miscellaneous	-	-	-	2,625	2,625	-
Invested in tangible capital assets	(106,614)	(16,149)	-	(204,322)	(327,085)	(230,505)
	<u>173,441</u>	<u>-</u>	<u>32,932</u>	<u>47,406</u>	<u>253,779</u>	<u>160,520</u>
Capital adjustments:						
Invested in tangible capital assets	106,614	16,149	-	204,322	327,085	230,505
	<u>280,055</u>	<u>16,149</u>	<u>32,932</u>	<u>251,728</u>	<u>580,864</u>	<u>391,025</u>
Change in program balance before undernoted	(142,381)	-	(32,932)	(205,479)	(380,792)	(227,450)
Financing and transfers:						
Issue of long term debt	-	-	-	259,740	259,740	14,623
Transfers from Ontario First Nations Limited Partnership	128,341	-	-	71,000	199,341	-
Change in program balance	\$ (14,040)	-	(32,932)	125,261	78,289	(212,827)

SHESHEGWANING FIRST NATION

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

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Canada Mortgage and Housing Corporation	\$ 90,848	\$ 86,819
Rental income	72,741	69,732
	<u>163,589</u>	<u>156,551</u>
Expenses:		
Mortgage interest	37,439	44,453
Insurance	6,669	3,625
Repairs and maintenance	2,924	2,501
Tenant counsellor	398	914
Utilities	14,993	17,224
Travel	692	75
Professional fees	8,510	8,220
Materials and supplies	1,340	28,706
Subcontractual services	5,488	-
Interest and bank charges	44	33
Amortization of tangible capital assets	57,169	51,054
	<u>135,666</u>	<u>156,805</u>
Capital transactions:		
Amortization of tangible capital assets	(57,169)	(51,054)
	<u>78,497</u>	<u>105,751</u>
Excess of revenue over expenses before undernoted		
	85,092	50,800
Financing and transfers:		
Principal payment on debt	(58,312)	(54,761)
Transfer to replacement reserve	(14,615)	(12,415)
Change in program balance	12,165	(16,376)
Program balance, beginning of year	(30,817)	(14,441)
Program balance, end of year	\$ (18,652)	\$ (30,817)

SHESHEGWANING FIRST NATION

Schedule 11 - Schedule of Financial Activity and Changes in Program Balance
Casino Rama Community Projects

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
Revenue:		
Interest earned	\$ 8,542	\$ 11,427
Ontario First Nations Limited Partnership	477,624	520,893
	486,166	532,320
Deduct:		
Transfer to Band Government	53,734	127,141
Transfer to Education	18,069	-
Transfer to Community Services	95,089	80,382
Transfer to Community Infrastructure	83,565	18,738
Transfer to Employment and Economic Development	80,139	12,228
Transfer to Business Enterprises	138,946	73,614
Transfer to Community Property	199,341	-
Investment to Great Lakes Hospitality Group Partnership	500,000	-
Investment to Odawa Stone Limited Partnership	350,000	-
Expenses	27,574	-
	1,546,457	312,103
Change in program balance	(1,060,291)	220,217
Program balance, beginning of year	2,195,263	1,975,046
Program balance, end of year	\$ 1,134,972	\$ 2,195,263

SHESHEGWANING FIRST NATION

Schedule 12

Schedule of salaries, honoraria, travel and other remuneration
Chief and Council

Year ended March 31, 2013

Name of Individual	Number of Months*	Position Title	Salary	Honoraria	Other Remuneration	Total	Travel Expenses
Joe Endanawas	12	Chief	\$ 56,384	-	-	\$ 56,384	\$ 31,412
Gregory Sampson	12	Councillor	14,943	5,400	-	20,343	560
Gene Cada	12	Councillor	44,256	5,400	-	49,656	3,919
Emilio Tomaselli	12	Councillor	45,905	5,400	-	51,305	3,004
Albert Cada	12	Councillor	29,322	5,400	-	34,722	12,845

* The number of months during the fiscal year that the individual was an elected or appointed official.

SHESHEGWANING FIRST NATION

Schedule 13

Schedule of salaries, honoraria, travel and other remuneration
Unelected Senior officials

Year ended March 31, 2013

Name of Individual	Position Position Title	Number of Months*	Salary	Honoraria	Other Remuneration	Travel Expenses
Dennis Blackburn	Executive Director	12	\$ 53,300	-	-	\$ 1,038

* The number of months during the fiscal year that the individual was an elected or appointed official.