

Consolidated Financial Statements of

## **SHEGUIANDAH FIRST NATION**

And Independent Auditors' Report thereon

Year ended March 31, 2019

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying consolidated financial statements of Sheguiandah First Nation (the "First Nation") are the responsibility of management and have been approved by the Chief and Council of the First Nation (the "Council").

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. 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 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 Council reviews the First Nation's consolidated financial statements and recommend their approval. The Council meets 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 consolidated financial statements and the external auditors' report. The Council takes this information into consideration when approving the consolidated financial statements for issuance to the members. The Council also considers 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.

W. Lyons

Mark An Hud



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## INDEPENDENT AUDITORS' REPORT

To the Members and Chief and Council of Sheguiandah First Nation

### *Opinion*

We have audited the consolidated financial statements of Sheguiandah First Nation (the "First Nation"), which comprise:

- the consolidated statement of financial position as at March 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets (debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the consolidated notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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



### ***Responsibility of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB), 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.

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the Group First Nation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada  
December 20, 2019

# **SHEGUIANDAH FIRST NATION**

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Year ended March 31, 2019

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# SHEGUIANDAH FIRST NATION

## Exhibit A - Consolidated Statement of Financial Position

March 31, 2019, with comparative information for 2018

	2019	2018
<b>Financial assets</b>		
Cash	\$ 3,115,708	\$ 2,180,193
Restricted cash (note 2)	91,624	91,624
Accounts receivable (note 3)	1,121,671	799,129
Consolidated trust funds (note 4)	40,789	39,863
Investments in Government Business Partnerships (note 5)	117,275	100,113
	4,487,067	3,210,922
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	1,356,455	905,871
Deferred revenue (note 6)	2,151,974	1,555,721
Long-term debt (note 7)	808,171	862,744
	4,316,600	3,324,336
Net financial assets (debt)	170,467	(113,414)
<b>Non-financial assets</b>		
Tangible capital assets (note 9)	8,844,814	8,472,595
Prepaid expenses	18,420	41,784
	8,863,234	8,514,379
Accumulated surplus (note 10)	\$ 9,033,701	\$ 8,400,965

See accompanying notes to consolidated financial statements

Approved:

Alvin  
Elin M

Alison  
Agence  
Pearl Weindorf

# SHEGUIANDAH FIRST NATION

## Exhibit B - Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
<b>Revenue:</b>		
Government transfers		
- Provincial	\$ 792,598	\$ 394,207
- Federal	2,445,641	2,280,672
Rental income	153,568	149,176
Insurance proceeds	142,366	-
Other	1,671,178	1,485,752
	<u>5,205,351</u>	<u>4,309,807</u>
<b>Expenses:</b>		
Band Government	751,575	621,417
Social Assistance	408,202	434,056
Education	892,071	867,897
Community Infrastructure	1,019,115	888,707
Health Services	664,311	657,645
Recreation	51,121	33,454
Housing and Community Property	456,455	594,707
Employment and Economic Development	229,608	136,473
CMHC Social Housing	100,157	233,996
	<u>4,572,615</u>	<u>4,468,352</u>
Excess (deficiency) of revenue over expenses	632,736	(158,545)
Accumulated surplus, beginning of year	8,400,965	8,559,510
Accumulated surplus, end of year	<u>\$ 9,033,701</u>	<u>\$ 8,400,965</u>

See accompanying notes to consolidated financial statements

# SHEGUIANDAH FIRST NATION

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

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Excess (deficiency) of revenue over expenses	\$ 632,736	\$ (158,545)
Acquisition of tangible capital assets	(983,892)	(647,805)
Amortization of tangible capital assets	611,673	610,274
Loss on disposal of tangible capital assets	-	131,924
	260,517	(64,152)
Use (acquisition) of prepaid expenses	23,364	(26,912)
Change in net financial assets (debt)	283,881	(91,064)
Net debt, beginning of year	(113,414)	(22,350)
<b>Net financial assets (debt), end of year</b>	<b>\$ 170,467</b>	<b>\$ (113,414)</b>

See accompanying notes to consolidated financial statements

# SHEGUIANDAH FIRST NATION

## Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
<b>Cash flows from operating activities:</b>		
Excess (deficiency) of revenue over expenses	\$ 632,736	\$ (158,545)
Adjustments for:		
Amortization of tangible capital assets	611,673	610,274
Loss on disposal of tangible capital assets	-	131,924
	<u>1,244,409</u>	<u>583,653</u>
<b>Change in non-cash working capital:</b>		
Increase in accounts receivable	(322,543)	(76,913)
Increase in accounts payable and accrued liabilities	450,584	247,848
Increase in deferred revenue	596,253	306,862
Decrease (increase) in prepaid expenses	23,365	(26,912)
	<u>1,992,068</u>	<u>1,034,538</u>
<b>Cash flows from financing activities:</b>		
Principal payments on long-term debt	(54,573)	(60,739)
Payments on obligations under capital leases	-	(2,952)
	<u>(54,573)</u>	<u>(63,691)</u>
<b>Cash flows from capital activities:</b>		
Purchase of tangible capital assets	(983,892)	(647,805)
<b>Cash flows from investing activities:</b>		
Increase in investment in government business partnerships	(17,162)	(4,627)
Increase in consolidated trust funds	(926)	(828)
	<u>(18,088)</u>	<u>(5,455)</u>
<b>Net increase in cash</b>	<b>935,515</b>	<b>317,587</b>
<b>Cash, beginning of year</b>	<b>2,271,817</b>	<b>1,954,230</b>
<b>Cash, end of year</b>	<b>\$ 3,207,332</b>	<b>\$ 2,271,817</b>
<b>Represented by:</b>		
Cash	\$ 3,115,708	\$ 2,180,193
Restricted cash	91,624	91,624
	<u>\$ 3,207,332</u>	<u>\$ 2,271,817</u>

See accompanying notes to consolidated financial statements

# **SHEGUIANDAH FIRST NATION**

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

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Sheguiandah 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:

##### a. Consolidated entities:

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the First Nation and are owned and controlled by the First Nation.

All interdepartmental and inter-organizational assets, liabilities, revenues and expenses have been eliminated.

##### b. Investment in Government Business Partnerships:

Government Business Partnerships are accounted for using the modified equity method. Government Business Enterprises include the following organizations:

- U.C.C.M. Building Material Supply Limited Partnership ("UCCMLP")
- M'Nidoo M'Nising Power Limited Partnership ("MMPLP")

Under the modified equity method, the business partnership's accounting principles are not adjusted to conform with 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 funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the statement of financial position.

# SHEGUIANDAH FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

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### 1. Significant accounting policies (continued):

#### (c) 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:

Assets	Useful Life - Years
Infrastructure	20 - 40
Buildings and housing	10 - 50
Vehicles and equipment	5 - 10
Computer equipment	1 - 5

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) Prepaid expenses:

Services to be received in the subsequent period, paid for in advance are recognized as prepaid expenses.

# **SHEGUIANDAH FIRST NATION**

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

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### **1. Significant accounting policies (continued):**

#### **(d) 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 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.

In addition, the First Nation's implementation of the Public Sector Accounting Handbook PS3150 requires management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results may differ from these estimates.

#### **(e) 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.

#### **(f) Consolidated Trust Funds:**

Funds held in trust are comprised of funds held in Ottawa Trust accounts and 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

### **2. Restricted cash:**

In accordance with the operating agreements between the First Nation and Canada Mortgage and Housing Corporation ("CMHC"), cash in the amount of \$91,624 (2018 - \$91,624) is restricted for this purpose. Under the agreement, the First Nation is required to set aside funding to maintain a replacement and operating reserve bank account. As of fiscal year end, this First Nation is required to have set aside \$89,339 (2018 - \$112,550).

# SHEGUIANDAH FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

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### 3. Accounts receivable:

	2019	2018
Indigenous Services Canada	\$ 317,911	\$ 560,678
Ontario First Nations Limited Partnership	384,085	-
Canada Mortgage and Housing Corporation	146,950	10,742
Government of Canada – Clean Water and Wastewater Fund	60,833	-
Union of Ontario Indians	60,600	479
Mnido Mnising Employment and Training	41,095	16,674
Canada Revenue Agency – GST/HST	32,454	45,729
Kina Gbezhgomii Child & Family Services	10,082	56,984
Ministry of Community and Social Services	1,983	41,877
Other	65,678	65,966
	<hr/>	<hr/>
	\$ 1,121,671	\$ 799,129

### 4. Consolidated trust funds:

	Revenue	Capital	Total
Balance, beginning of year	\$ 5,768	\$ 34,095	\$ 39,863
Interest	926	-	926
Balance, end of year	<hr/>	<hr/>	<hr/>
	\$ 6,694	\$ 34,095	\$ 40,789

### 5. Investments in Government Business Partnerships:

The First Nation has a 14.28% equity interest in UCCMLP and a 16.66% equity interest in MMPLP. These organizations are government business partnerships of the First Nation and are accounted for on the modified equity method in these consolidated financial statements.

The investments in Government Business Partnerships consists of the following:

	MMPLP	UCCMLP	2019	2018
Balance, at beginning of year	\$ 2	100,111	\$ 100,113	\$ 95,486
Share of earnings	4,956	17,162	22,118	9,012
Provision for impairment	(4,956)	-	(4,956)	(4,385)
Balance, end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 2	117,273	\$ 117,275	\$ 100,113

# SHEGUIANDAH FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

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### 6. Deferred revenue:

	2019	2018
Indigenous Services Canada	\$ 1,964,581	\$ 1,451,758
Mnaamodzawin Health Services	140,709	20,000
Union of Ontario Indians	21,569	21,195
Independent Electricity System Operator	18,438	—
Ministry of Indigenous Affairs	6,677	6,667
Ministry of Infrastructure	—	56,101
	<b>\$ 2,151,974</b>	<b>\$ 1,555,721</b>

### 7. Long-term debt:

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

	2019	2018
Canada Mortgage and Housing Corporation mortgage, payable \$1,256 monthly including principal and interest, bearing interest at 1.44 % per annum, due February 2032	\$ 177,627	\$ 190,055
Canada Mortgage and Housing Corporation mortgage, payable \$1,190 monthly including principal and interest, bearing interest at 1.30% per annum, due June 2032	173,753	185,695
Canada Mortgage and Housing Corporation mortgage, payable \$2,227 monthly including principal and interest, bearing interest at 1.77% per annum, due November 2039	451,738	470,129
Toronto Dominion loan, payable \$277 monthly including principal and interest, bearing interest at 4.99% per annum, due August 2019	1,374	4,603
Toronto Dominion loan, payable \$743 monthly including principal and interest, bearing interest at 3.99% per annum, due August 2019	3,679	12,262
	<b>\$ 808,171</b>	<b>\$ 862,744</b>

# SHEGUIANDAH FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

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### 7. Long-term debt (continued):

Principal repayments due are estimated as follows:

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2020	\$ 48,682
2021	44,295
2022	44,982
2023	45,680
2024	46,388
Thereafter	578,144

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### 8. Commitments and contingent liabilities:

In accordance with terms and conditions of a financing arrangement between the Bank of Montreal and the Robinson Huron Treaty Trust (the "Trust"), the First Nation, as a beneficiary of the Trust, has guaranteed borrowings in proportion to its beneficial interest in the Trust in the amount of \$188,500. As of March 31, 2019, its proportional outstanding loan balance as part of the Trust is \$188,500 (2018 - \$188,087).

The loan guarantee is secured by an assignment of the First Nation's distributions from the Ontario First Nation Limited Partnership.

# SHEGUIANDAH FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

## 9. Tangible capital assets:

Cost	Balance at March 31, 2018	Additions	Disposals	Balance at March 31, 2019
Land	\$ 408,791	-	-	408,791
Buildings	3,568,100	216,941	-	3,785,041
Vehicles and equipment	1,224,598	46,847	-	1,271,445
Computers	42,731	-	-	42,731
Infrastructure	7,557,670	-	-	7,557,670
Housing	3,354,944	357,409	-	3,712,353
Assets under construction	462,063	490,424	(127,729)	824,758
<b>Total</b>	<b>\$ 16,618,897</b>	<b>1,111,621</b>	<b>(127,729)</b>	<b>17,602,789</b>

  

Accumulated Amortization	Balance at March 31, 2018	Disposals	Amortization	Balance at March 31, 2019
Land	\$ -	-	-	-
Buildings	1,351,985	-	105,573	1,457,558
Vehicles and equipment	850,516	-	122,377	972,893
Computers	23,970	-	6,074	30,044
Infrastructure	4,743,603	-	284,280	5,027,883
Housing	1,176,228	-	93,369	1,269,597
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 8,146,302</b>	<b>-</b>	<b>611,673</b>	<b>8,757,975</b>

  

	Net book value, March 31, 2018	Net book value, March 31, 2019
Land	\$ 408,791	408,791
Buildings	2,216,115	2,327,483
Vehicles and equipment	374,082	298,552
Computers	18,761	12,687
Infrastructure	2,814,067	2,529,787
Housing	2,178,716	2,442,756
Assets under construction	462,063	824,758
<b>Total</b>	<b>\$ 8,472,595</b>	<b>8,844,814</b>

# SHEGUIANDAH FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

## 9. Tangible capital assets (continued):

Cost	Balance at March 31, 2017	Additions	Disposals	Balance at March 31, 2018
Land	\$ 408,791	-	-	408,791
Buildings	3,425,728	142,372	-	3,568,100
Vehicles and equipment	1,194,167	67,431	(37,000)	1,224,598
Computers	22,969	19,762	-	42,731
Infrastructure	7,557,670	-	-	7,557,670
Housing	3,253,174	249,711	(147,941)	3,354,944
Assets under construction	293,538	168,525	-	462,063
<b>Total</b>	<b>\$ 16,156,037</b>	<b>647,801</b>	<b>(184,941)</b>	<b>16,618,897</b>

  

Accumulated Amortization	Balance at March 31, 2017	Disposals	Amortization	Balance at March 31, 2018
Land	\$ -	-	-	-
Buildings	1,251,518	-	100,467	1,351,985
Vehicles and equipment	749,877	(33,600)	134,239	850,516
Computers	17,118	-	6,852	23,970
Infrastructure	4,459,323	-	284,280	4,743,603
Housing	1,111,212	(19,417)	84,433	1,176,228
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 7,589,048</b>	<b>(53,017)</b>	<b>610,271</b>	<b>8,146,302</b>

  

	Net book value, March 31, 2017	Net book value, March 31, 2018
Land	\$ 408,791	408,791
Buildings	2,174,210	2,216,115
Vehicles and equipment	444,290	374,082
Computers	5,851	18,761
Infrastructure	3,098,347	2,814,067
Housing	2,141,962	2,178,716
Assets under construction	293,538	462,063
<b>Total</b>	<b>\$ 8,566,989</b>	<b>8,472,595</b>

# SHEGUIANDAH FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

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### 10. Accumulated surplus:

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

	2019	2018
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 8,036,506	\$ 7,609,851
Section 95 Housing	(41,609)	(41,609)
Operations	(174,478)	(252,519)
Consolidated revenue fund	40,788	39,863
Investment government business partnerships	117,275	100,113
<b>Reserves:</b>		
Committed reserve – band housing	249,132	249,132
Committed reserve – M'Nidoo M'Nising Power	741,820	648,093
Committed reserve – unfunded capital	31,242	–
Section 95 Replacement reserve	33,025	48,041
	<hr/> <b>\$ 9,033,701</b>	<hr/> <b>\$ 8,400,965</b>

### 11. Line of credit:

The First Nation has a line of credit available in the amount of \$40,000 which has not been utilized (2018 - \$Nil). The interest rate on the line of credit is prime plus 2.5%.

### 12. Comparative information:

Certain 2018 comparative information have been reclassified where necessary to conform to the current year presentation.

# **SHEGUIANDAH FIRST NATION**

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

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### **13. Segmented information:**

The First Nation is a diversified governmental institution that provides a wide range of services to its Members, including band government, social assistance, education, community infrastructure, health services, recreation, housing and community property, employment and economic development and social 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:

#### **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. In addition, this department includes the governance activities of chief and council.

#### **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 transitional support programs.

#### **Education**

The education department enters into service contracts with provincially funded area school boards for elementary and secondary students. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post secondary institutions.

#### **Community Infrastructure**

The community infrastructure department provides public services that contribute to sustainability through the provision of maintenance and operating services such as roads, water and sanitation, fire protection, street lighting, community buildings and band owned equipment.

#### **Health Services**

The health services department provides a diverse bundle of services directed towards the well being of the members including the delivery of programming such as the community health representative, medical transportation, healthy communities, community care, and many other smaller programs designed to enhance the health of members.

#### **Recreation**

The recreation department provides cultural and recreational activities for the benefit of the Members of the First Nation.

# **SHEGUIANDAH FIRST NATION**

## Notes to Consolidated Financial Statements

Year ended March 31, 2019

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### **13. Segmented information (continued):**

#### **Housing and Community Property**

The housing and community property department manages the construction and renovation of homes owned by the First Nation and its members.

#### **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.

#### **CMHC Social Housing**

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

For each reported segment, revenues and expenses, include amounts that are directly attributable to the segment and amounts that are allocated on a 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 consolidated financial statements as disclosed in the summary of significant accounting policies.

# SHEGUIANDAH FIRST NATION

Notes to Consolidated Financial Statements

## Note 13 - Segmented Information (continued)

Year ended March 31, 2019

	Band Government	Social Assistance	Education	Community Infrastructure	Health Services	Recreation	Housing and Community Property	Employment and Economic Development	CMHC Social Housing	2019 Total
<b>Revenue</b>	\$ 1,259,562	422,418	949,588	807,606	748,528	24,866	538,307	354,799	99,677	5,205,351
<b>Expenses:</b>										
Salaries, benefits and honoraria	374,132	63,115	154,036	267,167	279,645	23,065	109,227	151,070	-	1,421,457
Travel and training	101,294	17,386	17,337	10,295	109,041	2,166	5,859	19,828	-	283,206
Materials, supplies and rentals	107,425	25,707	21,955	236,641	152,145	25,890	159,825	22,404	21,134	773,126
Contractual and professional	172,668	786	64,870	21,203	8,387	-	5,027	22,022	2,915	297,878
Interest on long-term debt	-	-	-	-	-	-	-	-	14,420	14,420
Tuition	-	-	69,223	-	-	-	-	-	-	69,223
Administration charges (recoveries)	(56,964)	8,520	2,076	3,092	34,276	-	-	9,000	-	-
Program related expenditures	33,420	292,688	547,738	39,602	66,170	-	97,254	869	23,891	1,101,632
Amortization of tangible capital assets	19,600	-	14,836	441,115	14,647	-	79,263	4,415	37,797	611,673
	751,575	408,202	892,071	1,019,115	664,311	51,121	456,455	229,608	100,157	4,572,615
<b>Excess (deficiency) of revenue over expenses</b>	\$ 507,987	14,216	57,517	(211,509)	84,217	(26,255)	81,852	125,191	(480)	632,736

# SHEGUIANDAH FIRST NATION

Notes to Consolidated Financial Statements

## Note 13 - Segmented Information (continued)

Year ended March 31, 2019

	Band Government	Social Assistance	Education	Community Infrastructure	Health Services	Recreation	Housing and Community Property	Employment and Economic Development	CMHC Social Housing	2018 Total
Revenue	\$ 835,618	428,378	863,901	270,180	833,408	27,242	616,222	339,806	95,052	4,309,807
Expenses:										
Salaries, benefits and honoraria	269,670	64,698	194,575	180,763	307,516	20,503	99,804	99,288	-	1,236,817
Travel and training	67,874	11,131	30,296	7,318	123,044	1,810	54,991	5,473	-	301,937
Materials, supplies and rentals	162,330	39,459	7,995	197,774	122,063	11,042	184,326	9,353	153,759	888,101
Contractual and professional	124,564	194	18,060	10,532	5,153	99	83,303	100	2,915	244,920
Interest on long-term debt	-	-	-	-	-	-	-	-	15,301	15,301
Tuition	-	-	426,183	-	-	-	-	-	-	425,183
Administration charges (recoveries)	(60,356)	8,960	6,223	-	42,173	-	-	3,000	-	-
Program related expenditures	37,659	309,614	166,808	36,252	57,696	-	97,129	15,651	25,010	745,819
Amortization of tangible capital assets	19,676	-	18,757	456,068	-	-	75,154	3,608	37,011	610,274
	621,417	434,056	867,897	888,707	657,645	33,454	594,707	136,473	233,996	4,468,352
Excess (deficiency) of revenue over expenses	\$ 214,201	(5,678)	(3,996)	(618,527)	175,763	(6,212)	21,515	203,333	(138,944)	(158,545)