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**PRIVATE AND CONFIDENTIAL**

**Indigenous Services Canada**

100 Anemki Place, Suite 101  
Fort William First Nation, ON P7J 1A5

November 29, 2023

Dear Sir or Madam:

**Sheshegwaning First Nation**

At the request of our client, Sheshegwaning First Nation, we are submitting the following items regarding the March 31, 2023 year-end, which comply with terms of the FNFTA, and can be made available on your internet site:

- Audited Financial Statements
- Schedule of Remuneration and Expenses – Chief & Council

The following additional required reporting documents will not be published and are for your internal purposes only:

- Schedule of Remuneration and Expenses – Unelected Senior Officials
- Revenues and Expenses – Indigenous Services Canada

We trust this is satisfactory. Should you have any questions or require any additional information, please do not hesitate to contact our office.

Yours very truly

A handwritten signature in blue ink, appearing to read 'Kyle Ellis'.

Kyle Ellis, CPA, CA, CBV  
Partner

/lb  
*Enclosures*

Consolidated Financial Statements of

**SHESHEGWANING  
FIRST NATION**

And Independent Auditor's Report thereon

Year ended March 31, 2023

## 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 auditor's 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



KPMG LLP  
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Canada  
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## INDEPENDENT AUDITOR'S REPORT

To the Members of Sheshegwaning First Nation

### ***Opinion***

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

- the consolidated statement of financial position as at March 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the consolidated notes 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, 2023, and its consolidated results of operations, its consolidated changes in net debt, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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 and Those Charged with Governance 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.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

### ***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.



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- 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 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants  
Sudbury, Canada  
October 17, 2023

# SHESHEGWANING FIRST NATION

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Year ended March 31, 2023

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**Financial Statements**

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# SHESEGWANING FIRST NATION

## Exhibit A - Consolidated Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
<b>Financial assets</b>		
Cash and short-term investments (note 2)	\$ 2,793,725	\$ 3,106,290
Restricted cash (note 3)	596,998	572,797
Accounts receivable	891,533	727,595
Loans receivable (note 4)	41,281	34,225
Investment in Government Business Enterprises (note 5)	1,229,368	1,303,431
Investments in business partnerships (note 6)	302,549	254,584
	<u>5,855,454</u>	<u>5,998,922</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	887,113	1,148,693
Deferred revenue (note 7)	4,087,695	3,657,788
Long-term debt (note 8)	1,861,809	2,027,865
	<u>6,836,617</u>	<u>6,834,346</u>
<b>Net debt</b>	<b>(981,163)</b>	<b>(835,424)</b>
<b>Non-financial assets</b>		
Tangible capital assets (note 9)	11,295,287	10,817,932
Prepaid expenses	245,243	19,979
	<u>11,540,530</u>	<u>10,837,911</u>
<b>Contingent liabilities (note 10)</b>		
<b>Accumulated surplus (note 11)</b>	<b>\$ 10,559,367</b>	<b>\$ 10,002,487</b>

See accompanying notes to consolidated financial statements.

Approved:

  
Chief

  
Councillor



# SHESEGWANING FIRST NATION

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

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Government transfers - Federal (note 12)	\$ 3,940,129	\$ 3,971,377
- Provincial	778,005	1,123,381
Kinoomaadziwin education body	1,879,783	1,591,359
Investment income	38,156	2,311
Rental income	259,480	205,183
Share of loss in government business enterprises	(178,126)	(122,178)
Other	2,038,626	1,180,703
	8,756,053	7,952,136
Expenses (Schedules):		
Community Services	1,345,893	1,132,472
Social Assistance	429,640	470,522
Education	2,027,815	1,713,184
Band Government	417,788	465,064
Community Infrastructure	790,637	766,876
Employment and Economic Development	1,775,103	2,223,339
Lands and Resources	493,584	390,420
Community Property	567,257	399,901
Social Housing	351,456	215,961
	8,199,173	7,777,739
Excess of revenue over expenses	556,880	174,397
Accumulated surplus, beginning of year	10,002,487	9,828,090
Accumulated surplus, end of year	\$ 10,559,367	\$ 10,002,487

See accompanying notes to consolidated financial statements.

# SHESHEGWANING FIRST NATION

## Exhibit C - Consolidated Statement of Changes in Net Debt

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Excess of revenue over expenses	\$ 556,880	\$ 174,397
Acquisition of tangible capital assets	(1,128,030)	(956,446)
Amortization of tangible capital assets	650,675	630,742
	79,525	(151,307)
Use (acquisition) of prepaid expenses	(225,264)	3,687
Change in net financial assets	(145,739)	(147,620)
Net debt, beginning of year	(835,424)	(687,804)
Net debt, end of year	\$ (981,163)	\$ (835,424)

See accompanying notes to consolidated financial statements.

# SHESHEGWANING FIRST NATION

## Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Operating activities:		
Excess of revenue over expenses	\$ 556,880	\$ 174,397
Adjustments for:		
Amortization of tangible capital assets	650,675	630,742
Share of loss in government business enterprises	178,126	122,178
	1,385,681	927,317
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	(163,938)	741,550
Increase (decrease) in accounts payable and accrued liabilities	(261,580)	362,677
Increase in deferred revenue	429,907	1,321,219
Decrease (increase) in prepaid expenses	(225,264)	3,687
Net change in cash from operating activities	1,164,806	3,356,450
Financing activities:		
Principal payments on long-term debt	(166,056)	(169,205)
	(166,056)	(169,205)
Investing activities:		
Purchase of tangible capital assets	(1,128,030)	(956,446)
Contributions to government business enterprises	(152,028)	(657,955)
Increase in loans receivable	(7,056)	1,843
	(1,287,114)	(1,612,558)
Net increase (decrease) in cash and short-term investments	(288,364)	1,574,687
Cash and short-term investments, beginning of year	3,679,087	2,104,400
Cash and short-term investments, end of year	\$ 3,390,723	\$ 3,679,087
Represented by:		
Cash and short-term investments	\$ 2,793,725	\$ 3,106,290
Restricted cash	596,998	572,797
	\$ 3,390,723	\$ 3,679,087

See accompanying notes to consolidated financial statements.

# SHESHEGWANING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

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Sheshegwaning First Nation (the “First Nation”) is located on Manitoulin Island and 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:

i) 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 or controlled by the First Nation.

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

ii) Investment in Government Business Enterprises:

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

- Odawa Stone Limited Partnership (“Stone LP”)
- 2294669 Ontario Limited (“Stone GP”)
- Odawa Freshwater Limited Partnership (“Freshwater LP”)
- Odawa Freshwater General Partner Inc. (“Freshwater GP”)

Under the modified equity method, the Government Business Enterprises accounting principles are not adjusted to conform to those of the First Nation and inter-organizational transactions and balances are not eliminated.

iii) Investment in Business Partnerships:

Interests in Partnerships are accounted for using the modified equity method. Interests in Partnerships include the following organizations:

- U.C.C.M Building Material Supply Limited Partnership (“UCCMLP”)
- M’Nidoo M’Nising Power Limited Partnership (“MMPLP”)
- Great Lakes Hospitality Group Limited Partnership (“GLHGLP”)

Under the modified equity method, the interest in partnerships accounting principles are not adjusted to conform to those of the First Nation and inter-organizational transactions and balances are not eliminated.

# SHESEGWANING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

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

#### 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 consolidated 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 consolidated statement of financial position.

#### 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.

# SHESHEGWANING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

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

#### 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 and investment in business enterprises. 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.

#### 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.

#### g) Asset retirement obligations:

The First Nation recognizes the fair value of an Asset Retirement Obligation ("ARO") when all of the following criteria have been met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for asset retirement obligations has not been recorded in these financial statements.

### 2. Cash and short-term investments:

The short-term investments consist of term deposits with a maturity date of July 7, 2023, earn interest at 4.60% per annum and are recorded at cost of \$220,460 (2022 - \$214,965).

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%. In the current year, the demand operating facility was not utilized and had an outstanding balance of \$Nil (2022 - \$Nil) at year end.

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

# SHESHEGWANING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

### 3. Restricted cash:

	2023	2022
Robinson Huron Treaty (i)	\$ 338,350	\$ 338,351
Canadian Mortgage Housing Corporation (ii)	258,648	234,446
	<u>\$ 596,998</u>	<u>\$ 572,797</u>

- i. The First Nation has pledged \$338,350 (2022 - \$338,350) as security for a loan guarantee arrangement with the Bank of Montreal as described in note 10(b).
- ii. In accordance with the operating agreements between the First Nation and Canada Mortgage and Housing Corporation ("CMHC"), cash in the amount of \$258,648 (2022 - \$234,446) is restricted for this purpose. Under the agreement, the First Nation is required to set aside funding to maintain a replacement reserve bank account. As of fiscal year end, this First Nation is required to have set aside \$124,603 (2022 - \$178,896).

### 4. Loans receivable:

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

### 5. Investment in Government Business Enterprises:

The following organizations are government business enterprises of the First Nation and have been accounted for on a modified equity basis in these consolidated financial statements.

#### a) Odawa Stone:

Stone LP and Stone GP are wholly owned and controlled by the First Nation. The First Nation has a 99% interest in Stone LP and a further 1% interest by virtue of its 100% investment in Stone GP. Stone LP is engaged in development and operation of a stone quarry.

#### b) Odawa Freshwater:

Freshwater LP and Freshwater GP are wholly owned and controlled by the First Nation. Freshwater LP has a 25% limited partnership interest in Odawa Island Farm Limited Partnership.

# SHESHEGWANING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

### 5. Investment in Government Business Enterprises (continued):

The investment in Government Business Enterprise consists of the following:

	Odawa Stone	Odawa Freshwater	2023	2022
Balance, at beginning of year	\$ 1,303,429	\$ 2	\$ 1,303,431	\$ 864,133
Contributions	160,774	—	160,774	657,955
Share of income (loss)	(234,837)	—	(234,837)	(218,657)
Balance, end of year	\$ 1,229,366	\$ 2	\$ 1,229,368	\$ 1,303,431

The following tables provide condensed supplementary information for the year ended March 31, 2023 for Odawa Stone.

	2023	2022
Financial Position:		
Current assets	\$ 969,951	\$ 1,042,445
Other assets	447,964	508,699
Total assets	1,417,915	1,551,144
Current liabilities	61,341	70,266
Long-term liabilities	127,206	177,449
Total liabilities	188,547	247,715
Net assets	\$ 1,229,368	\$ 1,303,429
Results of operations		
Revenue	\$ 276,776	\$ 292,643
Expenses	511,613	511,300
Loss	\$ (234,837)	\$ (218,657)



# SHESHEGWANING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

### 6. Investments in business partnerships:

The following organizations are interests in partnerships of the First Nation and have been accounted for on a modified equity basis in these consolidated financial statements:

a) U.C.C.M Building Material Supply Limited Partnership:

The First Nation has a 14.28% ownership interest in UCCMLP. UCCMLP operates a lumber and building materials store.

b) M'Nidoo M'Nising Power Limited Partnership:

The First Nation has a 16.665% ownership interest in MMPLP. MMPLP owns a 50% interest in an electrical power generation and transmissions/distribution project.

c) Great Lakes Hospitality Group:

The First Nation has a 11.75% ownership interest in GLHGLP. GLHGLP provides accommodation, restaurant, catering and event services.

The investments are comprised of the following:

	UCCM Building		Great Lakes							
	Material LP		MMPLP	Hospitality Group	2023	2022				
Balance, at beginning of year	\$	164,960	\$	1	\$	89,623	\$	254,584	\$	158,105
Share of income		37,141		326,390		10,824		374,355		255,014
Provision for impairment		—		(326,390)		—		(326,390)		(158,535)
Balance, end of year	\$	202,101	\$	1	\$	100,447	\$	302,549	\$	254,584

### 7. Deferred revenue:

	2023	2022
Indigenous Services Canada	\$ 2,432,522	\$ 2,228,657
Kinoomaadziwin Education Body	1,426,883	1,078,221
Ministry of Indigenous Affairs	116,000	116,000
Union of Ontario Indians	56,637	—
First Nations Confederacy of Cultural Education	45,920	45,920
Ministry of Children, Community and Social Services	9,733	—
Mnaamodzawin Health Services	—	173,657
Kina Gbezhgomi	—	9,333
Other	—	6,000
	\$ 4,087,695	\$ 3,657,788

# SHESHEGWANING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

### 8. Long-term debt:

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

	2023	2022
1.01% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,825, due December 2030	\$ 163,172	\$ 183,314
0.52% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,199, due November 2031	123,015	135,654
1.75% Canada Mortgage and Housing Corporation, blended monthly payments of \$2,222, due September 2034	277,620	299,234
1.84% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,077, due September 2037	165,128	174,266
2.22% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,873, due May 2028	109,615	129,426
0.79% Canada Mortgage and Housing Corporation, blended monthly payments of \$2,084, due July 2040	404,980	426,698
Toronto Dominion loan, blended monthly payments of \$3,393 including interest at prime plus 1.50%, due September 2023	20,357	58,655
First Nations Finance Authority loan, blended annual payments of \$16,035 including interest at 2.15%, due June 2030	272,743	283,297
First Nations Finance Authority loan, blended annual payments of \$17,787 including interest at 1.90%, due June 2030	325,179	337,321
	<b>\$ 1,861,809</b>	<b>\$ 2,027,865</b>

Borrowings under the Toronto Dominion loan are secured by a general security agreement representing a first charge on the asset which has a net book value of \$Nil (2022 - \$Nil).

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

2024	\$ 146,359
2025	127,537
2026	128,666
2027	130,678
2027	132,295
Thereafter	1,196,274

# SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2023

## 9. Tangible capital assets:

Cost	Balance at March 31, 2022	Additions	Disposals	Balance at March 31, 2023
Land	\$ 692,897	\$ -	\$ -	\$ 692,897
Land improvements	233,063	5,600	-	238,663
Buildings	8,654,534	70,908	-	8,725,442
Infrastructure	8,789,802	47,459	-	8,837,261
Machinery and equipment	3,217,903	827,763	-	4,045,666
Furniture, computers and fixtures	265,310	-	-	265,310
Assets under construction	192,010	176,300	-	368,310
<b>Total</b>	<b>\$ 22,045,519</b>	<b>\$ 1,128,030</b>	<b>\$ -</b>	<b>\$ 23,173,549</b>

Accumulated Amortization	Balance at March 31, 2022	Disposals	Amortization	Balance at March 31, 2023
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	90,930	-	7,925	98,855
Buildings	5,002,858	-	219,309	5,222,167
Infrastructure	4,006,468	-	172,546	4,179,014
Machinery and equipment	1,921,271	-	229,616	2,150,887
Furniture, computers and fixtures	206,060	-	21,279	227,339
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 11,227,587</b>	<b>\$ -</b>	<b>650,675</b>	<b>\$ 11,878,262</b>

	Net book value, March 31, 2022	Net book value, March 31, 2023
Land	\$ 692,897	\$ 692,897
Land improvements	142,133	139,808
Buildings	3,651,676	3,503,275
Infrastructure	4,783,334	4,658,247
Machinery and equipment	1,296,632	1,894,779
Furniture, computers and fixtures	59,250	37,971
Assets under construction	192,010	368,310
<b>Total</b>	<b>\$ 10,817,932</b>	<b>\$ 11,295,287</b>

# SHESHEGWANING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

### 9. Tangible capital assets (continued):

Cost	Balance at March 31, 2021	Additions	Disposals	Balance at March 31, 2022
Land	\$ 692,897	\$ -	\$ -	\$ 692,897
Land improvements	226,126	6,937	-	233,063
Buildings	8,564,548	89,986	-	8,654,534
Infrastructure	8,507,943	281,859	-	8,789,802
Machinery and equipment	2,801,951	415,952	-	3,217,903
Furniture, computers and fixtures	225,108	40,202	-	265,310
Assets under construction	70,500	121,510	-	192,010
<b>Total</b>	<b>\$ 21,089,073</b>	<b>\$ 956,446</b>	<b>\$ -</b>	<b>\$ 22,045,519</b>

Accumulated Amortization	Balance at March 31, 2021	Disposals	Amortization	Balance at March 31, 2022
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	83,233	-	7,697	90,930
Buildings	4,784,895	-	217,963	5,002,858
Infrastructure	3,833,922	-	172,546	4,006,468
Machinery and equipment	1,713,325	-	207,946	1,921,271
Furniture, computers and fixtures	181,470	-	24,590	206,060
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 10,596,845</b>	<b>\$ -</b>	<b>\$ 630,742</b>	<b>\$ 11,227,587</b>

	Net book value, March 31, 2021	Net book value, March 31, 2022
Land	\$ 692,897	\$ 692,897
Land improvements	142,893	142,133
Buildings	3,779,653	3,651,676
Infrastructure	4,674,021	4,783,334
Machinery and equipment	1,088,626	1,296,632
Furniture, computers and fixtures	43,638	59,250
Assets under construction	70,500	192,010
<b>Total</b>	<b>\$ 10,492,228</b>	<b>\$ 10,817,932</b>

# SHESHEGWANING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

### 10. Contingent liabilities:

- a) 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 11.75% ownership interest in the partnership. As of the year end, the outstanding balance on the facility was \$1,478,277 (2022 - \$1,628,610). 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 GLHLP under terms of the loan facility.
- b) 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 borrowing in proportion to its beneficial interest in the Trust in the amount of \$479,250 (2022 - \$479,250). As of March 31, 2023, its proportional outstanding loan balance as part of the Trust is \$338,350 (2022 - \$338,350).

### 11. Accumulated surplus:

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

	2023	2022
Surplus:		
Invested in Tangible Capital Assets	\$ 9,433,842	\$ 8,790,630
Robinson Huron Treaty	(190,100)	(190,100)
Operations	(4,219,602)	(3,987,009)
	5,024,140	4,613,521
Government business enterprises and partnerships in non-controlled entities:		
Great Lakes Hospitality LP	100,447	89,623
UCCM Building Supply LP	202,101	164,960
MMPLP	1	1
Odawa Freshwater LP & GP	2	2
Odawa Stone LP & GP	1,229,366	1,303,429
	1,531,917	1,558,015
Reserves funds set aside for specific purpose by Council	4,003,310	3,830,951
	\$ 10,559,367	\$ 10,002,487

# SHESHEGWANING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

### 12. Government transfers - Federal:

	2023	2022
Indigenous Services Canada		
Deferred revenue, opening	\$ 2,228,657	\$ 1,234,919
Indigenous Services Canada, per confirmation	4,247,894	5,133,326
Band Representative receivable	—	6,195
Q3XJ Construction gross up	(206,400)	(119,196)
Q38L Planning Design & Construction gross up	—	(176,644)
Q3H1 Awareness Raising gross up	(3,000)	—
Q3VT Community Opportunity Readiness gross up	(23,911)	—
Q22G CPNP gross up	(454)	—
Deferred revenue, ending	(2,432,522)	(2,228,657)
	3,810,264	3,849,943
Canada Mortgage and Housing Corporation	111,851	110,670
Health and Welfare Canada	18,014	—
Agricultural Canada	—	10,764
	\$ 3,940,129	\$ 3,971,377

### 13. Comparative information:

Certain 2022 comparative information have been reclassified where necessary to conform to the current year presentation.

# SHESHEGWANING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

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### 14. Segmented information:

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

The accompanying Schedules of Financial Activity and Change in Program Balances (the "Schedules") detail the programming delivered by the First Nation.

Services are provided by functional areas and their activities and are reported in these programs. Certain functional areas that have been separately disclosed in the accompanying Schedules, along with the service they provide.

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

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 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.

# SHESEGWANING FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2023

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### 14. Segmented information (continued):

#### **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 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.

#### **Lands 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.

#### **Community Property**

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

#### **Social Housing**

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

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

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



# SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Note 14 - Segmented Information (continued)

Year ended March 31, 2023

	Community Services	Social Assistance	Education	Band Government	Community Infrastructure	Lands and Economic Development	OFNLP Community Projects	Community Property	Social Housing	2023 Total
Revenue	\$ 1,401,966	429,640	1,984,305	443,941	704,045	2,086,971	514,695	953,407	237,083	\$ 8,756,053
Expenses:										
Salaries, wages and benefits	613,292	52,310	873,340	452,371	268,392	544,943	-	107,253	-	2,911,901
Materials, supplies, rentals and general	679,348	367,486	672,517	278,272	384,887	371,697	-	714,896	336,954	3,806,057
Contractual services	-	-	-	-	11,623	1,381,388	-	224,121	-	1,617,132
Administration	158,945	9,844	178,892	(350,440)	36,346	46,975	-	5,820	-	86,382
Tuition	-	-	255,056	-	-	-	-	-	-	255,056
Amortization of tangible capital assets	48,223	-	49,426	37,585	185,392	51,939	-	192,701	85,409	650,675
Investment in tangible capital assets	(153,915)	-	(1,416)	-	(96,003)	(128,255)	-	(677,534)	(70,907)	(1,128,030)
	1,345,893	429,640	2,027,815	417,788	790,637	2,268,687	-	567,257	351,456	8,199,173
Excess (deficiency) of revenue over expenses	\$ 56,073	-	(43,510)	26,153	(86,592)	(181,716)	514,695	386,150	(114,373)	\$ 556,880

# SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Note 14 - Segmented Information (continued)

Year ended March 31, 2023

	Community Services	Social Assistance	Education	Band Government	Community Infrastructure	Lands and Economic Development	OFNLP Community Projects	Community Property	Social Housing	2022 Total
Revenue	\$ 1,020,775	470,522	1,694,543	297,548	636,237	2,335,016	360,841	916,284	220,370	\$ 7,952,136
Expenses:										
Salaries, wages and benefits	571,371	73,775	839,828	475,123	276,705	436,417	-	77,358	-	2,750,577
Materials, supplies, rentals and general	455,035	390,694	463,159	312,781	297,558	576,975	-	573,817	177,258	3,247,277
Contractual services	-	-	-	-	16,375	1,490,066	-	330,866	-	1,837,307
Administration	99,920	6,053	157,803	(364,038)	36,469	93,675	-	4,647	-	34,529
Tuition	-	-	233,753	-	-	-	-	-	-	233,753
Amortization of tangible capital assets	45,672	-	51,465	43,613	177,033	44,862	-	184,465	83,632	630,742
Investment in tangible capital assets	(39,526)	-	(32,824)	(2,415)	(37,264)	(28,236)	-	(771,252)	(44,929)	(956,446)
	1,132,472	470,522	1,713,184	465,064	766,876	2,613,759	-	399,901	215,961	7,777,739
Excess (deficiency) of revenue over expenses	\$ (111,697)	-	(18,641)	(167,516)	(130,639)	(278,743)	360,841	516,383	4,409	\$ 174,397