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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, 2024
- 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, 2024, 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.

Auditor's 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 auditor's 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.



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- 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 auditor's 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 auditor's 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

March 17, 2025

SHESHEGWANING FIRST NATION

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Year ended March 31, 2024

Financial Statements

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SHESHEGWANING FIRST NATION

Exhibit A - Consolidated Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Financial assets		
Cash and short-term investments (note 2)	\$ 3,037,642	\$ 2,793,725
Restricted cash (note 3)	269,978	596,998
Accounts receivable	2,611,383	891,533
Loans receivable (note 4)	42,642	41,281
Investment in Government Business Enterprises (note 5)	959,190	1,229,368
Investments in business partnerships (note 6)	330,204	302,549
	<u>7,251,039</u>	<u>5,855,454</u>
Financial liabilities		
Accounts payable and accrued liabilities	1,724,296	887,112
Deferred revenue (note 7)	4,201,911	4,087,695
Long-term debt (note 8)	2,929,580	1,861,809
	<u>8,855,787</u>	<u>6,836,616</u>
Net debt	(1,604,748)	(981,162)
Non-financial assets		
Tangible capital assets (note 9)	15,856,607	11,295,287
Prepaid expenses	36,697	245,243
	<u>15,893,304</u>	<u>11,540,530</u>
Contingent liabilities (note 10)		
Subsequent events (note 14)		
Accumulated surplus (note 11)	\$ 14,288,556	\$ 10,559,368

See accompanying notes to consolidated financial statements.

Approved:


Chief Alano Endanawas


Councillor

SHESHEGWANING FIRST NATION

Exhibit B - Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Government transfers - Federal (note 12)	\$ 5,500,625	\$ 3,986,044
- Provincial	1,671,326	778,005
Kinoomaadziwin education body	2,188,689	1,879,783
Investment income	90,884	38,156
Rental income	226,807	259,480
Share of loss in government business enterprises	(431,338)	(178,126)
Other	2,325,632	1,992,711
	11,572,625	8,756,053
Expenses (Schedules):		
Community Services	1,497,010	1,345,893
Social Assistance	453,813	429,640
Education	2,342,930	2,027,815
Band Government	743,573	470,014
Community Infrastructure	736,566	790,637
Employment and Economic Development	744,813	1,722,875
Lands and Resources	487,443	493,584
Community Property	512,957	567,258
Social Housing	324,332	351,456
	7,843,437	8,199,172
Excess of revenue over expenses	3,729,188	556,881
Accumulated surplus, beginning of year	10,559,368	10,002,487
Accumulated surplus, end of year	\$ 14,288,556	\$ 10,559,368

See accompanying notes to consolidated financial statements.

SHESHEGWANING FIRST NATION

Exhibit C - Consolidated Statement of Changes in Net Debt

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Excess of revenue over expenses	\$ 3,729,188	\$ 556,881
Acquisition of tangible capital assets	(5,115,306)	(1,128,030)
Amortization of tangible capital assets	553,985	650,675
	(832,133)	79,526
Use (acquisition) of prepaid expenses	208,547	(225,264)
Change in net financial assets	(623,586)	(145,738)
Net debt, beginning of year	(981,162)	(835,424)
Net debt, end of year	\$ (1,604,748)	\$ (981,162)

See accompanying notes to consolidated financial statements.

SHESHEGWANING FIRST NATION

Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Operating activities:		
Excess of revenue over expenses	\$ 3,729,188	\$ 556,881
Adjustments for:		
Amortization of tangible capital assets	553,985	650,675
Share of loss in government business enterprises	431,338	178,126
	4,714,511	1,385,682
Change in non-cash working capital:		
Increase in accounts receivable	(1,719,850)	(163,938)
Increase (decrease) in accounts payable and accrued liabilities	837,185	(261,580)
Increase in deferred revenue	114,216	429,907
Decrease (increase) in prepaid expenses	208,546	(225,264)
Net change in cash from operating activities	4,154,608	1,164,807
Financing activities:		
Proceeds from long-term debt	1,216,360	-
Principal payments on long-term debt	(148,589)	(166,056)
	1,067,771	(166,056)
Investing activities:		
Purchase of tangible capital assets	(5,115,306)	(1,128,031)
Contributions to government business enterprises	(188,815)	(152,028)
Increase in loans receivable	(1,361)	(7,056)
	(5,305,482)	(1,287,115)
Net decrease in cash and short-term investments	(83,103)	(288,364)
Cash and short-term investments, beginning of year	3,390,723	3,679,087
Cash and short-term investments, end of year	\$ 3,307,620	\$ 3,390,723
Represented by:		
Cash and short-term investments	\$ 3,037,642	\$ 2,793,725
Restricted cash	269,978	596,998
	\$ 3,307,620	\$ 3,390,723

See accompanying notes to consolidated financial statements.

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2024

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”)

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

a) Reporting entity (continued):

iii) Investment in Business Partnerships (continued):

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.

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

SHESEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

d) Non-financial assets (continued):

i) Tangible capital assets (continued):

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.

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.

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

2. Cash and short-term investments:

The short-term investments consist of term deposits with a maturity date of June 20, 2024, earn interest at 5.05% per annum and are recorded at cost of \$232,061 (2023 - \$220,460).

Under its credit agreement, the First Nation has a demand operating facility to a maximum of \$1,200,000, bearing interest at prime plus 0.5%. In the current year, the demand operating facility was not utilized and had an outstanding balance of \$Nil (2023 - \$Nil) at year end.

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

3. Restricted cash:

	2024	2023
Robinson Huron Treaty	\$ –	\$ 338,350
Canadian Mortgage Housing Corporation (i)	269,978	258,648
	\$ 269,978	\$ 596,998

- i. In accordance with the operating agreements between the First Nation and Canada Mortgage and Housing Corporation (“CMHC”), cash in the amount of \$269,978 (2023 - \$258,648) 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 \$145,218 (2023 - \$124,603).

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.

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

5. Investment in Government Business Enterprises (continued):

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.

The investment in Government Business Enterprise consists of the following:

	Odawa Stone	Odawa Freshwater	2024	2023
Balance, beginning of year	\$ 1,229,366	\$ 2	\$ 1,229,368	\$ 1,303,431
Contributions	188,815	—	188,815	160,774
Share of income (loss)	(458,993)	—	(458,993)	(234,837)
Balance, end of year	\$ 959,188	\$ 2	\$ 959,190	\$ 1,229,368

The following tables provide condensed supplementary information for the year ended March 31, 2024 for Odawa Stone.

	2024	2023
Financial Position:		
Current assets	\$ 420,090	\$ 969,951
Other assets	945,206	447,964
Total assets	1,365,296	1,417,915
Current liabilities	145,077	61,341
Long-term liabilities	261,031	127,206
Total liabilities	406,108	188,547
Net assets	\$ 959,188	\$ 1,229,368

	2024	2023
Results of operations:		
Revenue	\$ 300,534	\$ 276,776
Expenses	759,527	511,613
Loss	\$ (458,993)	\$ (234,837)

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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 Material LP	MMPLP	Great Lakes Hospitality Group	2024	2023
Balance, at beginning of year	\$ 202,101	\$ 1	\$ 100,447	\$ 302,549	\$ 254,584
Share of income	18,833	371,505	8,822	399,160	374,355
Provision for impairment	—	(371,505)	—	(371,505)	(326,390)
Balance, end of year	\$ 220,934	\$ 1	\$ 109,269	\$ 330,204	\$ 302,549

7. Deferred revenue:

	2024	2023
Indigenous Services Canada	\$ 2,126,170	\$ 2,386,607
Kinoomaadziwin Education Body	1,310,898	1,426,883
Ministry of Indigenous Affairs	363,483	116,000
First Nations Confederacy of Cultural Education	—	45,920
Ministry of Children, Community and Social Services	—	9,733
Mnaamodzawin Health Services	201,119	45,915
CMHC	141,274	—
Other	58,967	56,637
	\$ 4,201,911	\$ 4,087,695

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

8. Long-term debt:

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

	2024	2023
1.01% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,825, due December 2030	\$ 142,830	\$ 163,172
3.04% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,346, due November 2031	110,415	123,015
1.75% Canada Mortgage and Housing Corporation, blended monthly payments of \$2,222, due September 2034	255,636	277,620
3.81% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,234, due September 2037	156,425	165,128
3.93% Canada Mortgage and Housing Corporation, blended monthly payments of \$1,942, due May 2028	89,482	109,615
0.79% Canada Mortgage and Housing Corporation, blended monthly payments of \$2,084, due July 2040	383,096	404,980
Canada Mortgage and Housing Corporation advance for Phase 7 construction	1,216,360	–
Toronto Dominion loan, blended monthly payments of \$3,393 including interest at prime plus 1.50%, due September 2023	–	20,357
First Nations Finance Authority loan, blended annual payments of \$16,035 including interest at 2.15%, due June 2030	262,238	272,743
First Nations Finance Authority loan, blended annual payments of \$17,787 including interest at 1.90%, due June 2030	313,098	325,179
	\$ 2,929,580	\$ 1,861,809

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

2025	\$ 1,343,239
2026	128,775
2027	130,718
2027	132,295
2028	119,043
Thereafter	1,075,510

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

9. Tangible capital assets:

Cost	Balance at March 31, 2023	Additions	Disposals	Balance at March 31, 2024
Land	\$ 692,897	\$ -	\$ -	\$ 692,897
Land improvements	238,663	-	-	238,663
Buildings	8,725,442	21,391	-	8,746,833
Infrastructure	8,837,261	53,265	-	8,890,526
Machinery and equipment	4,045,666	215,852	-	4,261,518
Furniture, computers and fixtures	265,310	29,557	-	294,867
Assets under construction	368,310	4,816,631	-	5,184,941
Total	\$ 23,173,549	\$ 5,136,696	\$ -	\$ 28,310,245

Accumulated Amortization	Balance at March 31, 2023	Disposals	Amortization	Balance at March 31, 2024
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	98,855	-	8,037	106,892
Buildings	5,222,167	-	192,768	5,414,935
Infrastructure	4,179,014	-	119,095	4,298,109
Machinery and equipment	2,150,887	-	232,766	2,383,653
Furniture, computers and fixtures	227,339	-	22,710	250,049
Assets under construction	-	-	-	-
Total	\$ 11,878,262	\$ -	575,376	\$ 12,453,638

	Net book value, March 31, 2023	Net book value, March 31, 2024
Land	\$ 692,897	\$ 692,897
Land improvements	139,808	131,771
Buildings	3,503,275	3,331,898
Infrastructure	4,658,247	4,592,417
Machinery and equipment	1,894,779	1,877,865
Furniture, computers and fixtures	37,971	44,818
Assets under construction	368,310	5,184,941
Total	\$ 11,295,287	\$ 15,856,607

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

9. Tangible capital assets (continued):

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
Total	\$ 22,045,519	\$ 1,128,030	\$ -	\$ 23,173,549

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	-	-	-	-
Total	\$ 11,227,587	\$ -	650,675	\$ 11,878,262

	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
Total	\$ 10,817,932	\$ 11,295,287

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

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 \$1,340,471 (2023 - \$1,90,804). 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 \$Nil (2023 - \$479,250). As of March 31, 2024, its proportional outstanding loan balance as part of the Trust is \$Nil (2023 - \$338,350).
- c) The First Nation is contingently liable for letters of credit up to an aggregate amount of \$107,884 (2023 - \$Nil) granted in favor of Hydro One to support the installation of overhead powerlines. The letters of credit expire on November 24, 2024.

11. Accumulated surplus:

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

	2024	2023
Surplus:		
Invested in tangible capital assets	\$ 12,927,394	\$ 9,433,842
Robinson Huron Treaty	(190,100)	(190,100)
Operations	(4,143,194)	(4,219,601)
	8,594,100	5,024,141
Government business enterprises and partnerships		
in non-controlled entities:		
Great Lakes Hospitality LP	109,269	100,447
UCCM Building Supply LP	220,934	202,101
MMPLP	1	1
Odawa Freshwater LP & GP	2	2
Odawa Stone LP & GP	770,372	1,229,366
	1,100,578	1,531,917
Reserves funds set aside for specific purpose by Council	4,593,878	4,003,310
	\$ 14,288,556	\$ 10,559,368

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

12. Government transfers - Federal:

	2024	2023
Indigenous Services Canada		
Deferred revenue, opening	\$ 2,386,607	\$ 2,228,657
Indigenous Services Canada, per confirmation	3,802,282	4,247,894
Q3XJ Construction gross up (2023)	206,400	(206,400)
Q3XJ Construction gross up (2022)	176,644	—
Q38L Planning Design & Construction gross up (2022)	119,196	—
Q3H1 Awareness Raising gross up	—	(3,000)
Q3VT Community Opportunity Readiness gross up	—	(23,911)
Q22G CPNP gross up	—	(454)
Q01 MT	(2,269)	—
Q3AU Fire protection	(2,000)	—
QA1E Project Admin	(1,625)	—
QA1V O&M Housing	(14,001)	—
Deferred revenue, ending	(2,126,170)	(2,386,607)
	4,545,064	3,856,179
Canada Mortgage and Housing Corporation	190,743	111,851
Health and Welfare Canada	—	18,014
Agriculture Canada	3,931	—
FedNor	760,887	—
	\$ 5,500,625	\$ 3,986,044

13. Comparative information:

Certain 2023 comparative information have been reclassified where necessary to conform to the current year presentation.

14. Subsequent events:

Subsequent to year-end, the First Nation received their share of the compensation from the Robinson Huron Treaty settlement between the Government of Canada and the Province of Ontario in the amount of \$236,707,496.

15. 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.

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

15. Segmented information (continued):

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.

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.

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

15. Segmented information (continued):

Community Infrastructure

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

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 (continued)

Year ended March 31, 2024

15. Segmented information (continued):

	Community Services	Social Assistance	Education	Band Government	Community Infrastructure	Lands and Economic Development	OFNLP Community Projects	Community Property	Social Housing	2024 Total
Revenue	\$ 1,789,481	567,517	2,295,872	555,727	1,095,515	1,198,285	731,274	3,046,555	292,399	\$ 11,572,625
Expenses:										
Salaries, wages and benefits	651,112	56,758	840,263	1,048,951	270,673	537,882	-	135,232	-	3,540,871
Materials, supplies, rentals and general	976,675	387,005	799,813	228,446	375,073	393,840	-	1,063,869	238,037	4,462,758
Contractual services	-	-	-	-	11,723	240,908	-	3,729,456	-	3,982,087
Administration	141,673	10,050	220,063	(597,435)	83,805	61,868	-	64,390	-	(15,586)
Tuition	-	-	434,628	-	-	-	-	-	-	434,628
Amortization of tangible capital assets	49,382	-	50,536	63,611	82,507	-	-	221,654	86,295	553,985
Investment in tangible capital assets	(321,832)	-	(2,373)	-	(87,215)	(2,242)	-	(4,701,644)	-	(5,115,306)
	1,497,010	453,813	2,342,930	743,573	736,566	1,232,256	-	512,957	324,332	7,843,437
Excess (deficiency) of revenue over expenses	\$ 292,471	113,704	(47,058)	(187,846)	358,949	(33,971)	731,274	2,533,598	(31,933)	\$ 3,729,188

SHESHEGWANING FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2024

15. Segmented information (continued):

	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	444,231	704,045	2,086,681	514,695	953,407	237,083	\$ 8,756,053
Expenses:										
Salaries, wages and benefits	613,292	52,310	873,340	697,278	268,392	544,943	-	107,254	-	3,156,809
Materials, supplies, rentals and general	679,348	367,486	672,517	95,591	384,887	371,697	-	714,896	336,954	3,623,376
Contractual services	-	-	-	-	11,623	1,329,160	-	224,121	-	1,564,904
Administration	158,945	9,844	178,892	(360,440)	36,346	46,975	-	5,820	-	76,382
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	470,014	790,637	2,216,459	-	567,258	351,456	8,199,172
Excess (deficiency) of revenue over expenses	\$ 56,073	-	(43,510)	(25,783)	(86,592)	(129,778)	514,695	386,149	(114,373)	\$ 556,881