

Seine River First Nation
Consolidated Financial Statements
For the year ended March 31, 2015

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Seine River First Nation Management's Statement of Responsibility for Financial Reporting

March 31, 2015

The accompanying consolidated financial statements of Seine River First Nation are the responsibility of management and have been approved by the Chief and Council.

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible 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.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The external auditors, BDO Canada LLP, conduct an audit, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to financial management of Seine River First Nation and meet when required.

On behalf of Seine River First Nation



Chief



Councilor

Independent Auditor's Report

To the Members Seine River First Nation

We have audited the accompanying consolidated financial statements of Seine River First Nation, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and accumulated surplus, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditor's Report (cont'd)

Basis for Qualified Opinion

Section 1200, Financial Statement Presentation, of Public Sector Accounting Board Handbook requires the disclosure of budgeted information. The First Nation has not prepared or approved consolidated budgets. As a result, we are unable to present budgeted information on the consolidated financial statements for the years ended March 31, 2015 and 2014. Our audit opinion on the financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

Opinion

In our opinion, except for the possible effect of the matters discussed in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Seine River First Nation as at March 31, 2015 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

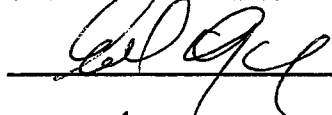
Thunder Bay, Ontario
July 29, 2015

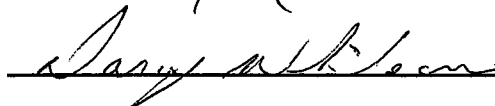
Seine River First Nation Consolidated Statement of Financial Position

March 31 2015 2014

Financial assets		
Cash (Note 2)	\$ 1,796,028	\$ 1,016,293
Due from band members (Note 3)	9,131	22,550
Accounts receivable (Note 4)	441,766	487,171
Due from government (Note 5)	145,319	862,334
Portfolio investments (Note 6)	2,417,236	100
Investments in government business enterprises (Note 7)	533,095	495,901
Trust funds held by federal government (Note 8)	174,872	170,059
	<u>5,517,447</u>	<u>3,054,408</u>
Liabilities		
Accounts payable and accrued liabilities (Note 9)	788,217	601,618
Due to government (Note 10)	73,247	30,675
Deferred revenue (Note 18)	371,799	165,972
Long term debt (Note 11)	3,147,420	3,152,230
	<u>4,380,683</u>	<u>3,950,495</u>
Net financial assets (net debt)	<u>1,136,764</u>	<u>(896,087)</u>
Non-financial assets		
Prepaid expenses	27,988	39,971
Tangible capital assets (Note 13)	5,292,294	5,879,978
	<u>5,320,282</u>	<u>5,919,949</u>
Accumulated Surplus (Note 14)	<u>\$ 6,457,046</u>	<u>\$ 5,023,862</u>

On behalf of the Band:

 Chief

 Councilor

Seine River First Nation Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31

2015

2014

Revenue

Federal government transfers (Note 18)	\$ 3,485,649	\$ 3,450,787
Provincial government transfers (Note 18)	1,084,893	1,046,103
Ontario First Nations Limited Partnership (Note 18)	584,905	572,321
Rental revenue	216,935	140,219
Other	3,522,312	1,064,161
Trust fund revenue	4,813	4,400
Equity earnings (loss) in government business enterprise	37,095	(34,750)
	<u>8,936,602</u>	<u>6,243,241</u>

Expenses

Band management	879,284	853,582
Community services	793,515	784,394
Economic development	328,075	230,266
Education	1,835,814	1,898,629
Employment programs	123,512	94,151
Health	421,094	388,401
Housing	362,547	342,854
Public works	425,433	415,794
Social services	959,080	897,544
Ontario First Nations Limited Partnership	258,479	313,163
Land & flood claims	256,044	166,177
Capital	734,097	674,083
	<u>7,376,974</u>	<u>7,059,038</u>

Annual surplus (deficit) before other items

1,559,628 (815,797)

Other items

Recovery of funding

(126,444) (6,000)

Surplus (deficit) for the year

1,433,184 (821,797)

Accumulated surplus, beginning of year

5,023,862 5,845,659

Accumulated Surplus, end of year

\$ 6,457,046 \$ 5,023,862

The accompanying notes are an integral part of these consolidated financial statements.

**Seine River First Nation
Consolidated Statement of Changes
in Net Financial Assets (Debt)**

March 31	2015	2014
Annual surplus (deficit)	\$ 1,433,184	\$ (821,797)
Acquisition of tangible capital assets	(303,848)	(411,223)
Amortization of tangible capital assets	891,532	863,248
Change in prepaid expenses	11,983	21,914
Net change in net financial assets (net debt)	2,032,851	(347,858)
Net financial debt), beginning of year	(896,087)	(548,229)
Net financial assets (debt), end of year	\$ 1,136,764	\$ (896,087)

The accompanying notes are an integral part of these consolidated financial statements.

Seine River First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2015	2014
Operating transactions		
Annual surplus (deficit)	\$ 1,433,184	\$ (821,797)
Items not involving cash		
Amortization of tangible capital assets	891,532	863,248
Equity loss (income) on investment in government business enterprise	(37,095)	34,750
	<u>2,287,621</u>	<u>76,201</u>
Changes in:		
Due from band members	13,419	(6,668)
Accounts receivable	45,405	471,899
Due from government and government organizations	717,015	(644,536)
Prepaid expenses	11,983	21,914
Accounts payable and accrued liabilities	186,602	(226,623)
Due to government and government organizations	42,572	(56,538)
Deferred revenue	205,827	19,269
Trust funds held by federal government	(4,813)	(4,400)
	<u>1,218,010</u>	<u>(425,683)</u>
	<u>3,505,631</u>	<u>(349,482)</u>
Capital transactions		
Purchase of tangible capital assets	(303,848)	(411,223)
Investing transactions		
Contributed portfolio investments	-	(98,470)
Proceeds from disposal of portfolio investments	-	151,902
Loss on sale of portfolio investments	-	27,036
Purchase of common shares of 8232121 Canada Ltd.	-	(100)
Purchased shares of Rainy Lake Tribal Resource Management Inc.	(100)	-
Receipt of common shares of New Gold Inc.	(428,572)	-
Receipt of interest in Rainy River District First Nations Trust	(1,988,564)	-
	<u>(2,417,236)</u>	<u>80,368</u>
Financing transactions		
Advances on long term debt	207,208	379,607
Repayment of long term debt	(212,020)	(186,555)
	<u>(4,812)</u>	<u>193,052</u>
Increase (decrease) in cash and cash equivalents	779,735	(487,285)
Cash and cash equivalents, beginning of year	1,016,293	1,503,578
Cash and cash equivalents, end of year	\$ 1,796,028	\$ 1,016,293
Supplementary cash flow information		
Interest received in year	\$ 11,958	\$ 11,453
Interest paid in year	62,889	63,055

The accompanying notes are an integral part of these consolidated financial statements.

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2015

1. Significant Accounting Policies

a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board.

b) Reporting Entity

The Seine River First Nation reporting entity includes the Seine River First Nation government and all related entities that are controlled by the First Nation.

c) Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consideration.

Under the modified equity method of accounting, only Seine River First Nation's investment in the government business enterprise and the First Nation's portion of the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Seine River First Nation and inter-organizational balances and transactions are not eliminated. The following entity has been consolidated in the financial statements:

- i) Seine River First Nation Development Corporation

The following entities have been accounted for using the modified equity method:

- i) Rainy Lake Tribal Development Corporation
- ii) Senic River Mall Inc.
- iii) Rainy Lake Tribal Resource Management Inc.

d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and bank overdrafts with maturities of three months or less.

e) Portfolio investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

f) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2015

1. Significant Accounting Policies (cont'd)

f) Tangible Capital Assets (cont'd)

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Medical van	-	5	years
School bus	-	5	years
Automotive/vehicles	-	5	years
Computer equipment	-	3	years
General equipment	-	5	years
Community playground	-	5	years
Infrastructure and water systems	-	20	years
Buildings and housing	-	20	years

Tangible capital assets are written down when conditions indicate that they no longer contribute to Seine River First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical or cultural artifacts, are not recognized as tangible capital assets.

Assets under construction are not amortized until the asset is available to be put into service.

g) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2015

1. Significant Accounting Policies (cont'd)

h) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

g) Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected events results in contamination. A liability for remediation of contaminated sites is recognized when: the First Nation is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

2. Cash and Cash Equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Seine River First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Apartment Replacement and Subsidy Fund. Cash and cash equivalents are comprised of the following:

	2015	2014
Externally Restricted		
Canada Mortgage and Housing Corporation	\$ 49,709	\$ 49,696
Unrestricted	1,746,319	966,597
Total cash and cash equivalents	\$ 1,796,028	\$ 1,016,293

3. Due from Band Members

	2015	2014
Due from band members	\$ 1,044,160	\$ 984,520
Allowance for doubtful accounts	(1,035,029)	(961,970)
	\$ 9,131	\$ 22,550

Seine River First Nation

Notes to Consolidated Financial Statements

March 31, 2015

4. Accounts Receivable

	2015	2014
Accounts receivable	\$ 419,812	\$ 476,550
Public body service rebate	70,349	59,016
	490,161	535,566
Less: Valuation allowance	(48,395)	(48,395)
	<u>\$ 441,766</u>	<u>\$ 487,171</u>

5. Due from Government

	2015	2014
Federal government		
Aboriginal Affairs and Northern Development Canada	\$ 122,666	\$ 461,462
Health Canada	-	328,657
Canada Mortgage and Housing Corporation	16,360	16,956
Environment Canada	-	2,190
Provincial government	6,293	53,069
	<u>\$ 145,319</u>	<u>\$ 862,334</u>

6. Portfolio Investments

	2015	2014
New Gold Inc. (95,450 common shares)	\$ 428,572	\$ -
Rainy River District First Nations Trust	1,988,564	-
8232121 Canada Ltd.	100	100
	<u>\$ 2,417,236</u>	<u>\$ 100</u>

During the year, in accordance with a participation agreement with New Gold Inc., the First Nation received 95,450 common shares of New Gold Inc. valued at \$428,572 based upon the trading price on the date of receipt. The fair market value of the common shares based upon the closing price as at March 31, 2015 is \$405,663.

During the year the First Nation became a beneficiary of the Rainy River District First Nations Trust ("the trust"). The trust was formed for the benefit of seven First Nations. The trust maintains a capital account for each First Nation. The initial capital contributed to the trust for the benefit of the First Nation consisted of cash and common shares of publicly listed companies with a fair market value of \$1,969,631. During the year the investments earned \$18,933 in interest and dividend income. The fair market value of the First Nation's capital trust account as at March 31, 2015 is \$1,681,654 which consists of cash and common shares of publicly traded securities.

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2015

7. Investments in Government Business Enterprises

	Rainy Lake Tribal Resource Management Inc.	Rainy Lake Tribal Development Corporation	Senic River Mall Inc.
Percentage ownership	16.66%	16.66%	33.33%
Carrying value, March 31, 2013	\$ -	\$ 496,384	\$ 34,267
Share of net income (loss)	-	(39,919)	5,169
Carrying value, March 31, 2014	100	456,465	39,436
Share of net income (loss)	(2,175)	23,926	15,343
Carrying value, March 31, 2015	\$ (2,075)	\$ 480,391	\$ 54,779
Balance comprised of:			
Common and preferred shares	\$ 100	\$ 525,548	\$ 10
Share of cumulative net losses	(2,175)	(85,043)	(37,975)
Balance due from investment	-	39,886	92,744
	\$ (2,075)	\$ 480,391	\$ 54,779

The following table presents condensed financial information for these commercial enterprises:

	Rainy Lake Tribal Resource Management Inc.	Rainy Lake Tribal Development Corporation	Senic River Mall Inc.
Balance Sheet			
Current assets	\$ 435,765	\$ 2,278,910	\$ 6,011
Long-term investments	-	859,379	-
Capital assets	-	-	164,085
Other assets	-	-	48,260
	\$ 435,765	\$ 3,138,289	\$ 218,356
Current liabilities	\$ 448,213	\$ 495,264	\$ 44,037
Long term debt	-	-	10,000
Shareholders' loan	-	-	278,229
Equity			
Share capital	600	3,153,294	30
Deficit	(13,045)	(510,269)	(113,940)
	\$ 435,768	\$ 3,138,289	\$ 218,356

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2015

7. Investments in Government Business Enterprises (cont'd)

Income Statement

Revenue	\$ 1,079,282	\$ 118,841	\$ 141,843
Expenses	1,151,192	17,346	95,814
Net income (loss) for the year	(71,910)	101,495	46,029
Deficit, beginning of year	58,865	(611,764)	(159,969)
Deficit, end of year	\$ (13,045)	\$ (510,269)	\$ (113,940)

8. Trust Funds Held by Federal Government

	2014	Additions	2015
Revenue	\$ 114,831	\$ 4,813	\$ 119,644
Capital	55,228	-	55,228
	\$ 170,059	\$ 4,813	\$ 174,872

The 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. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

9. Accounts Payable and Accrued Liabilities

	2015	2014
Trade payables	\$ 542,863	\$ 344,275
Vacation pay	48,094	52,469
Tuition payable	197,260	204,874
	\$ 788,217	\$ 601,618

10. Due to Government

	2015	2014
Federal government	\$ 41,029	\$ 30,675
Provincial government	32,218	-
	\$ 73,247	\$ 30,675

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2015

11. Long Term Debt

	2015	2014
CMHC mortgage, payable \$4,836 monthly including interest at 1.67%, maturing April 1, 2017	\$ 379,457	\$ 430,795
CMHC mortgage, payable \$2,428 monthly including interest at 1.77%, maturing April 1 2017	59,641	87,499
TD Canada Trust mortgage, payable \$3,742 monthly including interest at 4.71%, maturing December 1, 2015	203,562	238,262
CMHC mortgage, payable \$2,268 monthly including interest at 1.71%, maturing September 1, 2017	412,203	432,252
CMHC mortgage, payable \$3,685 monthly including interest at 1.12%, maturing February 1, 2020	790,028	821,571
CMHC mortgage, payable \$3,010 monthly including interest at 2.00%, maturing November 1, 2018	681,957	704,313
TD Canada Trust term loan, payable \$3,453 monthly plus interest at prime plus 1.75% (4.60%), maturing August 29, 2019, secured by specific vehicles	183,034	-
Aboriginal Affairs and Northern Development Canada, Native Claims Loan, non-interest bearing, maturing at the earliest of March 31, 2016 or the date on which the claim is settled	235,180	235,180
Aboriginal Affairs and Northern Development Canada, Flood Claims Loan, non-interest bearing, maturing at the earliest of March 31, 2018 or the date on which the claim is settled	43,955	43,955
Aboriginal Affairs and Northern Development Canada, Treaty Land Entitlement Claim Loan, non-interest bearing unless the loan matures, maturing at the earliest of March 31, 2017 or the date on which the claim is settled	46,680	46,680
Aboriginal Affairs and Northern Development Canada, Treaty Land Entitlement Claim Loan, non-interest bearing unless the loan matures, maturing at the earliest of March 31, 2018 or the date on which the claim is settled	111,723	111,723
	3,147,420	3,152,230
Current portion	402,812	1,415,175
	\$ 2,744,608	\$ 1,737,055

Should any of the Aboriginal Affairs and Northern Development Canada Native Claims, Flood Claims or Treaty Land Entitlement loans mature while the claims are still in negotiation, the loan repayment dates will be extended by 5 years, or a period that coincides with an anticipated settlement date.

The mortgages are guaranteed by Aboriginal Affairs and Northern Development Canada and secured by specific buildings.

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2015

11. Long Term Debt (cont'd)

Principal payments due in the next five years and thereafter are as follows:

	<u>Current Banking Agreements</u>	<u>Assuming Refinancing on Maturity</u>
<u>Year</u>	<u>Amount</u>	<u>Amount</u>
2016	\$ 402,812	\$ 234,108
2017	761,840	520,161
2018	628,197	372,195
2019	691,172	217,454
2020	663,399	197,322
Thereafter	-	1,606,180
	<u>\$ 3,147,420</u>	<u>\$ 3,147,420</u>

12. Contaminated Site

In November 2013, Seine River First Nation engaged a consulting firm to conduct a remedial investigation and option analysis for the Band. One area was identified (oil change area) with contamination issues.

PSAB 3260.08 states that a liability for contaminated sites should be recognized when all of the following criteria have been met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the government is directly responsible or accepts responsibility;
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

As at the reporting date, it was not determinable if the government is directly responsible, accepts responsibility or it is expected that future economic benefits will be given up. Consequently no liability has been accrued in these financial statements.

Seine River First Nation Notes to Consolidated Financial Statement

March 31, 2015

13. Tangible Capital Assets

								2015
	Commercial Buildings	General Equipment	Housing Assets	Infrastructure	Vehicles	Water Systems	Other	Total
Cost, beginning of year	\$ 3,556,125	\$ 869,401	\$ 6,479,982	\$ 289,357	\$ 876,005	\$ 6,905,215	\$ 379,719	\$ 19,355,804
Additions	-	-	-	-	303,848	-	-	303,848
Cost, end of year	3,556,125	869,401	6,479,982	289,357	1,179,853	6,905,215	379,719	19,659,652
Accumulated amortization, beginning of year	2,289,372	561,726	3,683,914	154,236	825,177	5,867,329	94,072	13,475,826
Amortization	166,625	47,996	220,995	11,574	52,038	345,137	47,167	891,532
Accumulated amortization, end of year	2,455,997	609,722	3,904,909	165,810	877,215	6,212,466	141,239	14,367,358
Net carrying amount, end of year	\$ 1,100,128	\$ 259,679	\$ 2,575,073	\$ 123,547	\$ 302,638	\$ 692,749	\$ 238,480	\$ 5,292,294

Seine River First Nation Notes to Consolidated Financial Statement

March 31, 2015

13. Tangible Capital Assets (cont'd)

									2014
	Commercial Buildings	General Equipment	Housing Assets	Infrastructure	Vehicles	Water Systems	Other	Construction in Progress	Total
Cost, beginning of year	\$ 3,556,125	\$ 869,401	\$ 5,271,979	\$ 289,357	\$ 848,550	\$ 6,905,183	\$ 379,719	\$ 824,267	\$ 18,944,581
Additions	-	-	383,736	-	27,455	32	-	-	411,223
Transfer from construction in progress to housing	-	-	824,267	-	-	-	-	(824,267)	-
Cost, end of year	3,556,125	869,401	6,479,982	289,357	876,005	6,905,215	379,719	-	19,355,804
Accumulated amortization, beginning of year	2,126,072	495,811	3,500,905	142,662	755,028	5,522,192	69,908	-	12,612,578
Amortization	163,300	65,915	183,009	11,574	70,149	345,137	24,164	-	863,248
Accumulated amortization, end of year	2,289,372	561,726	3,683,914	154,236	825,177	5,867,329	94,072	-	13,475,826
Net carrying amount, end of year	\$ 1,266,753	\$ 307,675	\$ 2,796,068	\$ 135,121	\$ 50,828	\$ 1,037,886	\$ 285,647	\$ -	\$ 5,879,978

Seine River First Nation

Notes to Consolidated Financial Statements

March 31, 2015

14. Accumulated Surplus

The First Nation segregates its accumulated surplus in the following categories:

	2015	2014
Fund balances		
Unrestricted		
Fund balance - General	\$ 5,852,478	\$ 4,453,543
Internally restricted		
Band trust funds (Note 8)	174,872	170,059
Equity in long term investment	44,962	44,962
Externally restricted		
Replacement reserve - CMHC	384,734	355,298
Accumulated Surplus	\$ 6,457,046	\$ 5,023,862

15. Contingencies

Seine River First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Seine River First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Seine River First Nation's financial statements.

Retention or repayment of individual program expenses will be determined and negotiated with the appropriate funding agencies upon receipt of these financial statements. It is not possible at this time to determine the amount, if any, of retention or repayment of excesses.

16. Intangibles

All intangibles, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recognized in the financial statements.

Seine River First Nation

Notes to Consolidated Financial Statements

March 31, 2015

17. Comparative Amounts

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

18. Deferred Revenue and Government Transfers

	Balance March 31, 2014	Funding Received 2015	Revenue Recognized 2015	Balance March 31, 2015
<u>Federal Government</u>				
Aboriginal Affairs and Northern Development Canada	\$ 165,972	\$ 2,647,156	\$ 2,852,983	\$ 371,799
Health Canada	-	413,038	413,038	-
CMHC	-	219,628	219,628	-
	<u>165,972</u>	<u>3,279,822</u>	<u>3,485,649</u>	<u>371,799</u>
<u>Provincial Government</u>				
Ministry of Aboriginal Affairs	-	241,002	241,002	-
Ministry of Community and Social Services (AHWS)	-	775,047	775,047	-
Ministry of Natural Resources	-	45,274	45,274	-
Ministry of Education	-	4,465	4,465	-
Northern Ontario Heritage Fund Corporation	-	19,105	19,105	-
	<u>-</u>	<u>1,084,893</u>	<u>1,084,893</u>	<u>-</u>
<u>First Nation and Organization</u>				
Ontario First Nations Limited Partnership	-	584,905	584,905	-
<u>Rent and Other</u>				
	<u>-</u>	<u>3,744,060</u>	<u>3,744,060</u>	<u>-</u>
	<u>\$ 165,972</u>	<u>\$ 8,693,680</u>	<u>\$ 8,899,507</u>	<u>\$ 371,799</u>

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2015

19. Operating Loan

The First Nation has an operating loan with a credit limit of \$500,000. The credit line bears interest at the Toronto-Dominion's prime lending rate plus 1.50% for an effective rate of 4.50% at March 31, 2015 and is secured by a general security agreement. As at March 31, 2015, the balance available on the credit line was \$500,000 (2014 - \$500,000).

20. Pension Plan

The First Nation has a defined contribution plan for full-time employees. The First Nation matches employee contributions to a maximum of 5.5% of employees salary. As a defined contribution plan, the First Nation has no further liability or obligation for future contributions to fund future benefits to plan members. The expense to the First Nation for the year was \$54,043 (2014 - \$47,281).

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2015

21. Segmented Information

Seine River First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes, the Seine River 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 specific regulations, restrictions or limitations. The services are provided by several entities of Seine River First Nation. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

Band Management

Band Management contains activities that are needed to run the Seine River First Nation organization.

Community Services

Community Services contains activities that provide a benefit to the community.

Economic Development

Economic Development contains all the activities that provide economic support for the community.

Education

Education Services contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

Employment Programs

Employment programs contains activities that provide employment and training services.

Health Services

Health Services contains activities that provide medical services to band members.

Housing

Housing contains activities that provide housing and repairs and maintenance to band members' housing.

Public Works

Public Works contains all activities that relate to the maintenance of infrastructure, buildings and land of the First Nation.

Social Services

Social Services contains activities that provide financial support or support by other means to band members that are aimed at developing both the individual as well as the community.

Projects

Projects contains capital and other activities for which a specific project has been set up and separately monitored.

Seine River First Nation Notes to Consolidated Financial Statements

21. Segmented Information (cont'd)

For the year ended March 31, 2015	Band Management	Community Services	Economic Development	Education	Employment Programs	Health	Housing	Balance Forward
Revenue								
Federal government transfers	\$ 347,636	\$ -	\$ 46,505	\$ 1,751,952	\$ 23,679	\$ 387,990	\$ 202,278	\$ 2,760,040
Provincial government transfers	-	10,274	125,000	-	19,105	-	-	154,379
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	-
Other	188,675	702,815	2,601,994	17,994	52,742	-	-	3,564,220
Rent	62,273	-	-	-	-	-	154,662	216,935
	<u>\$ 598,584</u>	<u>\$ 713,089</u>	<u>\$ 2,773,499</u>	<u>\$ 1,769,946</u>	<u>\$ 95,526</u>	<u>\$ 387,990</u>	<u>\$ 356,940</u>	<u>\$ 6,695,574</u>
Expenses								
Amortization	\$ 90,022	\$ 12,470	\$ 3,504	\$ 25,876	\$ 403	\$ 7,730	\$ 194,458	\$ 334,463
Audit	83,500	-	-	-	-	-	11,500	95,000
Bad debt	22,698	-	-	-	-	-	50,361	73,059
Honoraria	-	-	-	-	-	-	-	-
Insurance	40,427	9,000	-	-	-	2,000	20,150	71,577
Interest	10,496	-	-	-	-	-	58,356	68,852
Maintenance	10,406	17,970	2,531	16,711	-	9,662	1,340	58,620
Meetings	31,753	7,354	11,355	1,060	-	420	-	51,942
Office supplies	26,287	-	-	-	-	-	-	26,287
Professional services	73,920	3,525	-	-	-	-	-	77,445
Program expenses	103,876	109,806	118,345	213,971	22,979	105,728	22,293	696,998
Service charges	-	-	-	4,533	-	-	-	4,533
Social assistance	-	11,951	-	-	-	-	-	11,951
Telephone and internet	-	-	-	-	-	-	-	-
Training	3,135	1,551	13,717	-	5,236	1,615	-	25,254
Travel	153,158	47,507	18,504	41,619	2,719	49,734	95	313,336
Tuition	-	-	-	1,171,619	18,100	-	-	1,189,719
Utilities	47,639	42,452	1,871	48,539	-	16,818	506	157,825
Wages and benefits	314,075	495,027	150,323	291,820	72,025	193,904	-	1,517,174
Replacement reserve expenditures	-	-	-	-	-	-	3,489	3,489
Administration	(132,108)	34,902	7,925	20,066	2,050	33,483	-	(33,682)
	<u>\$ 879,284</u>	<u>\$ 793,515</u>	<u>\$ 328,075</u>	<u>\$ 1,835,814</u>	<u>\$ 123,512</u>	<u>\$ 421,094</u>	<u>\$ 362,548</u>	<u>\$ 4,743,842</u>

Seine River First Nation Notes to Consolidated Financial Statements

21. Segmented Information (cont'd)

For the year ended March 31, 2015	Balance Forward	Land & Flood Claims	Public Works	Social Services	Ontario First Nations Limited Partnership	Projects	2015 Total
Revenue							
Federal government transfers	\$ 2,760,040	\$ -	\$ 324,114	\$ 203,846	\$ -	\$ 197,649	\$ 3,485,649
Provincial government transfers	154,379	151,002	-	779,512	-	-	1,084,893
Ontario First Nations Limited Partnership	-	-	-	-	584,905	-	584,905
Other	3,564,220	-	-	-	-	-	3,564,220
Rent	216,935	-	-	-	-	-	216,935
	<u>\$ 6,695,574</u>	<u>\$ 151,002</u>	<u>\$ 324,114</u>	<u>\$ 983,358</u>	<u>\$ 584,905</u>	<u>\$ 197,649</u>	<u>\$ 8,936,602</u>
Expenses							
Amortization	\$ 334,463	\$ 4,391	\$ 17,288	\$ -	\$ -	\$ 535,390	\$ 891,532
Audit	95,000	-	-	-	-	-	95,000
Bad debt	73,059	-	-	-	-	-	73,059
Honoraria	-	-	-	-	-	-	-
Insurance	71,577	-	-	-	-	-	71,577
Interest	68,852	-	-	-	-	-	68,852
Maintenance	58,620	-	16,395	1,505	-	628	77,148
Meetings	51,942	4,810	2,938	35,590	-	450	95,730
Office supplies	26,287	-	135	-	-	-	26,422
Professional services	77,445	139,763	-	-	-	576	217,784
Program expenses	696,998	22,957	99,556	38,678	258,479	66,311	1,182,979
Service charges	4,533	-	-	-	-	-	4,533
Social assistance	11,951	-	-	686,586	-	-	698,537
Training	25,254	-	3,797	3,376	-	-	32,427
Travel	313,336	24,787	14,929	21,177	-	9,130	383,359
Tuition	1,189,719	-	-	-	-	-	1,189,719
Utilities	157,825	-	122,368	3,000	-	31	283,224
Wages and benefits	1,517,174	39,695	144,986	158,168	-	121,580	1,981,603
Replacement reserve expenditures	3,489	-	-	-	-	-	3,489
Administration	(33,682)	19,642	3,040	11,000	-	-	-
	<u>\$ 4,743,842</u>	<u>\$ 256,045</u>	<u>\$ 425,432</u>	<u>\$ 959,080</u>	<u>\$ 258,479</u>	<u>\$ 734,096</u>	<u>\$ 7,376,974</u>

Seine River First Nation Notes to Consolidated Financial Statements

21. Segmented Information (cont'd)

For the year ended March 31, 2014	Band Management	Community Services	Economic Development	Education	Employment Programs	Health	Housing	Balance Forward
Revenue								
Federal government transfers	\$ 382,220	\$ 49,080	\$ 64,344	\$ 1,677,102	\$ 20,100	\$ 364,214	\$ 181,096	\$ 2,738,156
Provincial government transfers	-	(26,688)	113,500	-	22,025	-	-	108,837
Other	186,047	688,728	80,601	17,280	52,184	3,783	4,814	1,033,437
Rent	-	-	-	-	-	-	140,219	140,219
	<u>\$ 568,267</u>	<u>\$ 711,120</u>	<u>\$ 258,445</u>	<u>\$ 1,694,382</u>	<u>\$ 94,309</u>	<u>\$ 367,997</u>	<u>\$ 326,129</u>	<u>\$ 4,020,649</u>
Expenses								
Amortization	\$ 84,989	\$ 28,907	\$ 1,189	\$ 43,783	\$ -	\$ 11,840	\$ 169,652	\$ 340,360
Audit	75,295	-	-	-	-	-	11,500	86,795
Bad debt	15,782	-	-	-	-	-	35,697	51,479
Honoraria	60,792	450	5,360	200	200	-	-	67,002
Insurance	9,223	-	-	5,753	-	1,500	20,150	36,626
Interest	-	-	-	-	-	-	62,711	62,711
Maintenance	10,119	19,315	6,861	30,173	99	7,871	220	74,658
Meetings	13,603	2,305	2,587	4,145	1,906	379	-	24,925
Office supplies	37,604	486	1,513	-	910	-	158	40,671
Professional services	86,804	55,549	32,683	13,643	10,106	12,780	7,104	218,669
Program expenses	56,628	63,670	38,991	285,364	5,878	66,121	4,142	520,794
Service charges	13,858	-	-	-	-	-	-	13,858
Telephone and internet	32,351	22,928	261	1,992	-	2,737	-	60,269
Training	8,224	1,550	11,476	3,014	-	1,400	-	25,664
Travel	99,833	58,458	24,395	40,052	320	93,486	81	316,625
Tuition	-	-	2,000	1,129,927	-	-	-	1,131,927
Utilities	3,093	48,484	1,860	44,981	538	20,187	2,092	121,235
Wages and benefits	245,383	482,292	101,088	295,603	74,194	170,100	565	1,369,225
Replacement reserve expenditures	-	-	-	-	-	-	28,782	28,782
	<u>\$ 853,581</u>	<u>\$ 784,394</u>	<u>\$ 230,264</u>	<u>\$ 1,898,630</u>	<u>\$ 94,151</u>	<u>\$ 388,401</u>	<u>\$ 342,854</u>	<u>\$ 4,592,275</u>

Seine River First Nation Notes to Consolidated Financial Statements

21. Segmented Information (cont'd)

For the year ended March 31, 2014	Balance Forward	Land & Flood Claims	Public Works	Social Services	Ontario First Nations Limited Partnership	Projects	2014 Total
Revenue							
Federal government transfers	\$ 2,738,156	\$ -	\$ 279,824	\$ 162,300	\$ -	\$ 264,215	\$ 3,444,495
Provincial government transfers	108,837	196,648	-	740,618	-	-	1,046,103
Ontario First Nations Limited Partnership	-	-	-	-	572,321	-	572,321
Other	1,033,437	-	-	-	666	-	1,034,103
Rent	140,219	-	-	-	-	-	140,219
	<u>\$ 4,020,649</u>	<u>\$ 196,648</u>	<u>\$ 279,824</u>	<u>\$ 902,918</u>	<u>\$ 572,987</u>	<u>\$ 264,215</u>	<u>\$ 6,237,241</u>
Expenses							
Amortization	\$ 340,360	\$ 4,391	\$ 25,961	\$ 739	\$ -	\$ 491,798	\$ 863,249
Audit	86,795	-	-	-	-	-	86,795
Bad debt	51,479	-	-	-	-	-	51,479
Honoraria	67,002	1,500	200	-	-	-	68,702
Insurance	36,626	-	-	-	-	-	36,626
Interest expense	62,711	-	-	-	-	-	62,711
Maintenance	74,658	-	17,520	1,878	-	280	94,336
Meetings	24,925	432	1,526	-	-	1,179	28,062
Office supplies	40,671	-	28	-	-	15,404	56,103
Professional services	218,669	131,175	26,509	44,772	-	32,646	453,771
Program expenses	520,794	865	43,706	50,816	313,164	29,384	958,729
Service charges	13,858	-	-	-	-	344	14,202
Social assistance	-	-	-	640,059	-	-	640,059
Telephone and internet	60,269	-	7,148	5,000	-	-	72,417
Training	25,664	-	2,767	1,400	-	-	29,831
Travel	316,625	14,071	11,236	21,087	-	6,380	369,399
Tuition	1,131,927	-	-	-	-	-	1,131,927
Utilities	121,235	-	115,461	-	-	20,947	257,643
Wages and benefits	1,369,225	13,743	163,732	131,793	-	75,722	1,754,215
Replacement reserve expenditures	28,782	-	-	-	-	-	28,782
	<u>\$ 4,592,275</u>	<u>\$ 166,177</u>	<u>\$ 415,794</u>	<u>\$ 897,544</u>	<u>\$ 313,164</u>	<u>\$ 674,084</u>	<u>\$ 7,059,038</u>