

**Seine River First Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2017

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

**March 31, 2017**

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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.

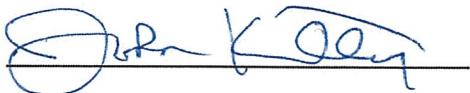
On behalf of Seine River First Nation

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Chief

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Councilor

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## Independent Auditor's Report

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**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, 2017, and the statements of operations and accumulated surplus, changes in net financial assets 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 qualified audit opinion.

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## Independent Auditor's Report (cont'd)

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### Basis for Qualified Opinion

During the year it was determined that there were significant structural issues with construction in progress. Construction was halted and a portion of the construction in progress was determined to be unusable. The decision to halt construction prior to completion as well as the identification of unusable materials and labour indicates that the tangible capital asset may not provide a service nor a future economic benefit to the First Nation. The future benefit of the asset is not determinable pending completion of an engineering report; management therefore, was not able to determine what reduction, if any, should be made to the cost of the tangible capital asset as at the audit report date. Consequently, we were unable to determine whether the measurement of construction in progress was correct.

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, 2017 and 2016. Our audit opinion on the financial statements for the year ended March 31, 2016 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, 2017 and the results of its operations, changes in net financial assets 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

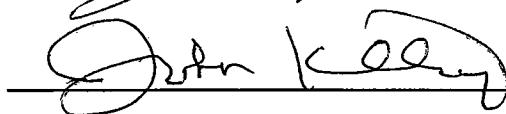
Thunder Bay, Ontario  
August 31, 2017

## Seine River First Nation Consolidated Statement of Financial Position

March 31	2017	2016
<b>Financial assets</b>		
Cash (Note 2)	\$ 2,512,429	\$ 3,138,166
Due from band members (Note 3)	17,441	15,028
Accounts receivable (Note 4)	550,074	481,478
Due from government (Note 5)	668,820	147,236
Portfolio investments (Note 6)	3,397,956	2,485,525
Trust funds held by federal government (Note 7)	192,864	184,022
	<hr/>	<hr/>
	7,339,584	6,451,455
<b>Liabilities</b>		
Demand loan (Note 18)	51,524	48,530
Accounts payable and accrued liabilities (Note 8)	1,189,021	1,504,258
Due to government (Note 9)	470,298	95,896
Deferred revenue (Note 17)	1,791,812	449,216
Long term debt (Note 10)	3,464,190	3,067,164
	<hr/>	<hr/>
	6,966,845	5,165,064
<b>Net financial assets</b>	<hr/>	<hr/>
	372,739	1,286,391
<b>Non-financial assets</b>		
Prepaid expenses	25,158	22,630
Tangible capital assets (Note 12)	6,101,851	5,822,810
	<hr/>	<hr/>
	6,127,009	5,845,440
<b>Accumulated Surplus (Note 13)</b>	<hr/>	<hr/>
	\$ 6,499,748	\$ 7,131,831

On behalf of the Band:

 \_\_\_\_\_ Chief

 \_\_\_\_\_ Councilor

**Seine River First Nation  
Consolidated Statement of Operations  
and Accumulated Surplus**

For the year ended March 31	2017	2016
<b>Revenue</b>		
Federal government transfers (Note 17)	\$ 3,354,363	\$ 4,408,273
Provincial government transfers (Note 17)	1,034,941	1,507,040
Ontario First Nations Limited Partnership (Note 17)	664,152	586,081
Rental revenue	191,219	207,639
Other	1,235,699	1,375,543
Trust fund revenue	8,842	9,150
	<hr/>	<hr/>
	6,489,216	8,093,726
<b>Expenses</b>		
Band management	809,632	854,412
Community services	921,359	884,388
Economic development	189,297	328,281
Education	1,712,130	1,884,177
Employment programs	122,016	95,736
Health	472,343	431,558
Housing	319,762	320,768
Public works	379,014	368,921
Social services	983,210	953,238
Ontario First Nations Limited Partnership	251,061	253,935
Land and flood claims	269,557	230,820
Capital	801,032	773,237
	<hr/>	<hr/>
	7,230,413	7,379,471
<b>Annual surplus (deficit) before other items</b>	<b>(741,197)</b>	<b>714,255</b>
<b>Other items</b>		
Recovery of funding	(10,695)	40,280
Income from portfolio investments	84,231	-
Gain on sale of portfolio investments	255,934	-
Impairment of portfolio investments	(157,528)	-
Equity earnings (loss) in government business enterprise	-	(79,750)
Change in carrying value of portfolio investments	(62,828)	-
	<hr/>	<hr/>
<b>Annual surplus (deficit)</b>	<b>(632,083)</b>	<b>674,785</b>
<b>Accumulated surplus, beginning of year</b>	<b>7,131,831</b>	<b>6,457,046</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 6,499,748</b>	<b>\$ 7,131,831</b>

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

<u>March 31</u>	<u>2017</u>	<u>2016</u>
Annual surplus (deficit)	\$ (632,083)	\$ 674,785
Acquisition of tangible capital assets	(1,193,385)	(1,398,349)
Amortization of tangible capital assets	914,343	867,833
Change in prepaid expenses	(2,527)	5,358
 Net change in net financial assets	 (913,652)	 149,627
Net financial assets, beginning of year	1,286,391	1,136,764
 Net financial assets, end of year	 \$ 372,739	 \$ 1,286,391

**Seine River First Nation  
Consolidated Statement of Cash Flows**

For the year ended March 31	2017	2016
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ (632,083)	\$ 674,785
Items not involving cash		
Amortization of tangible capital assets	914,343	867,833
Equity loss in government business enterprise	-	79,750
Change in carrying value of portfolio investments	62,828	-
Impairment of portfolio investments	<u>157,528</u>	<u>-</u>
	<u>502,616</u>	<u>1,622,368</u>
<b>Changes in:</b>		
Due from band members	(2,413)	(5,897)
Accounts receivable	(68,596)	(38,917)
Due from government and government organizations	(521,584)	(2,712)
Prepaid expenses	(2,528)	5,358
Accounts payable and accrued liabilities	(315,237)	716,042
Due to government and government organizations	374,402	22,649
Deferred revenue	1,342,596	77,417
Trust funds held by federal government	<u>(8,842)</u>	<u>(9,150)</u>
	<u>797,798</u>	<u>764,790</u>
	<u>1,300,414</u>	<u>2,387,158</u>
<b>Capital transactions</b>		
Purchase of tangible capital assets	<u>(1,193,385)</u>	<u>(1,398,349)</u>
<b>Investing transactions</b>		
Gain on sale of portfolio investments	(293,883)	-
Proceeds from sale of portfolio investments	815,788	-
Purchase of portfolio investments	(1,248,800)	-
Purchase of private shares of New Gold Inc.	(379,434)	-
Increase in Rainy River District First Nations Trust	<u>(26,457)</u>	<u>385,055</u>
	<u>(1,132,786)</u>	<u>385,055</u>
<b>Financing transactions</b>		
Advances of long term debt	683,850	157,480
Repayment of long term debt	(286,824)	(237,736)
Demand loan advances	<u>2,994</u>	<u>48,530</u>
	<u>400,020</u>	<u>(31,726)</u>
<b>Increase (decrease) in cash</b>	<b>(625,737)</b>	<b>1,342,138</b>
<b>Cash, beginning of year</b>	<b><u>3,138,166</u></b>	<b><u>1,796,028</u></b>
<b>Cash, end of year</b>	<b><u>\$ 2,512,429</u></b>	<b><u>\$ 3,138,166</u></b>
<b>Supplementary cash flow information</b>		
Interest received in year	\$ 5,719	\$ 5,712
Interest paid in year	<u>52,018</u>	<u>50,522</u>

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## Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2017

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### 1. Significant Accounting Policies

#### a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Chartered Professional Accountants Canada Public Sector Accounting Handbook, and include all organizations, operations and activities that are:

- i) accountable for the administration of their financial affairs and resources directly to the First Nation; and
- ii) owned or controlled by the First Nation.

This includes all aspects of band operations including provision of social, educational, administration and operational services, as well as, the results of First Nation enterprises and partnerships on a modified equity method as disclosed in Note to these consolidated financial statements.

Government business enterprises and partnerships are separate legal entities which do not rely on the government for funding. These investments are accounted for using the modified equity basis of accounting.

#### 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 or partnership. Inter-organizational balances and transactions are eliminated upon consolidation.

The following entity has been consolidated in the financial statements:

- i) Seine River First Nation Development Corporation

## Seine River First Nation

### Notes to Consolidated Financial Statements

**March 31, 2017**

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#### **1. Significant Accounting Policies (cont'd)**

##### **d) Cash**

Cash consists of cash on hand.

##### **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) Investments**

The modified equity method of accounting is used to account for investments in the First Nation's government business enterprises and partnerships which the First Nation owns and controls. Under this method, the investment is initially recorded at cost and the carrying value is adjusted annually thereafter to include the First Nation's pro rata share of post acquisition earnings. 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.

##### **g) 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.

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

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.

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## Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2017

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### 1. Significant Accounting Policies (cont'd)

#### h) 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.

#### i) 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. Significant estimates include estimated useful lives of tangible capital assets and allowance for doubtful accounts.

#### j) 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.

## Seine River First Nation Notes to Consolidated Financial Statements

**March 31, 2017**

### 2. Cash

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 is comprised of the following:

	2017	2016
<b>Externally Restricted</b>		
Canada Mortgage and Housing Corporation	\$ 49,734	\$ 49,722
<b>Unrestricted</b>	<u>2,462,695</u>	<u>3,088,444</u>
	<u><u>\$ 2,512,429</u></u>	<u><u>\$ 3,138,166</u></u>

### 3. Due from Band Members

	2017	2016
Due from band members	\$ 1,143,999	\$ 1,088,105
Allowance for doubtful accounts	<u>(1,126,558)</u>	<u>(1,073,077)</u>
	<u><u>\$ 17,441</u></u>	<u><u>\$ 15,028</u></u>

### 4. Accounts Receivable

	2017	2016
Accounts receivable	\$ 374,880	\$ 445,044
Public body service rebate	<u>223,589</u>	<u>84,829</u>
	<u><u>598,469</u></u>	<u><u>529,873</u></u>
Less: valuation allowance	<u>(48,395)</u>	<u>(48,395)</u>
	<u><u>\$ 550,074</u></u>	<u><u>\$ 481,478</u></u>

**Seine River First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2017**

**5. Due from Government**

	<b>2017</b>	<b>2016</b>
Federal government		
Indigenous and Northern Affairs Canada	\$ 441,014	\$ 25,192
Health Canada	-	14,451
Canada Mortgage and Housing Corporation	197,662	15,246
Provincial government	30,144	92,347
	<hr/>	<hr/>
	<b>\$ 668,820</b>	<b>\$ 147,236</b>

**6. Portfolio Investments**

	Fair Market Value	2017	2016
New Gold Inc. (100,000 common shares)	\$ 396,340	\$ 379,434	\$ 428,572
TD Investment Portfolio	2,190,926	2,551,368	1,395,901
Rainy River District First Nations Trust	234,065	234,065	207,608
8232121 Canada Ltd.	-	100	100
Rainy Lake Tribal Resource Management Inc.	-	100	7,034
Rainy Lake Tribal Development Corporation	-	100,000	257,528
Loan to Rainy Lake Tribal Development Corporation	-	39,886	39,886
Senic River Mall Inc.	-	10	(24,781)
Loan to Senic River Mall Inc.	-	92,743	92,743
Boundary Waters Anishinaabeg Development, LP	-	250	80,934
	<hr/>	<hr/>	<hr/>
	<b>\$ 2,821,331</b>	<b>\$ 3,397,956</b>	<b>\$ 2,485,525</b>

During the year it was determined the investment in Rainy Lake Tribal Development of \$257,529 was impaired. Consequently a reduction in the carrying value of the investment of \$157,529 was recorded.

**Seine River First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2017**

**7. Trust Funds Held by Federal Government**

	2016	Additions	2017
Revenue Capital	\$ 128,794 55,228	\$ 8,842 -	\$ 137,636 55,228
	<b>\$ 184,022</b>	<b>\$ 8,842</b>	<b>\$ 192,864</b>

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*.

**8. Accounts Payable and Accrued Liabilities**

	2017	2016
Trade payables	\$ 734,238	\$ 835,636
Vacation pay	45,790	40,263
Tuition payable	408,988	628,360
	<b>\$ 1,189,016</b>	<b>\$ 1,504,259</b>

**9. Due to Government**

	2017	2016
Federal government	\$ 396,531	\$ 72,709
Provincial government	73,767	23,187
	<b>\$ 470,298</b>	<b>\$ 95,896</b>

**Seine River First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2017**

**10. Long Term Debt**

	<b>2017</b>	<b>2016</b>
CMHC mortgage, payable \$4,809 monthly including interest at 1.43%, maturing April 2017	\$ 274,186	\$ 327,270
CMHC mortgage, payable \$2,428 monthly including interest at 1.77%, maturing March 2017	2,430	31,369
TD Canada Trust mortgage, principal reduction \$1,012 monthly plus interest at 0.97%, maturing December 2020	126,317	166,486
CMHC mortgage, payable \$2,268 monthly including interest at 1.71%, maturing September 2017	371,066	391,823
CMHC mortgage, payable \$3,685 monthly including interest at 1.12%, maturing February 2020	718,391	754,427
CMHC mortgage, payable \$3,010 monthly including interest at 2.00%, maturing November 2018	635,890	659,179
TD Canada Trust term loan, payable \$3,453 monthly plus interest at prime plus 1.75% (4.45%), maturing August 2019, secured by specific vehicles	100,150	141,592
Indigenous and Northern Affairs Canada Claim Loans non-interest bearing, maturing at the earliest of March 2018 or the date on which the claims are settled	595,018	595,018
TD Canada Trust term loan, payable \$9,266 monthly including interest at 3.75%, maturing September 2023	640,742	-
	<b>3,464,190</b>	<b>3,067,164</b>
Current portion	<b>(655,480)</b>	<b>(491,453)</b>
	<b>\$ 2,808,710</b>	<b>\$ 2,575,711</b>

## Seine River First Nation Notes to Consolidated Financial Statements

**March 31, 2017**

### **10. Long Term Debt (cont'd)**

Should any of the Indigenous and Northern Affairs 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 above balances are all recorded as long term.

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

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

	<u>Year</u>	<u>Amount</u>	<u>Assuming Refinancing on Maturity</u>
	2018	\$ 655,480	\$ 305,146
	2019	876,024	308,366
	2020	853,104	289,999
	2021	157,633	241,287
	2022	155,925	240,382
	Thereafter	<u>766,024</u>	<u>2,079,010</u>
		<u>\$ 3,464,190</u>	<u>\$ 3,464,190</u>

During the year the First Nation began construction of a new housing project. The First Nation has secured \$707,509 in financing from Canada Mortgage and Housing Corporation which is payable upon completion of certain construction milestones.

### **11. 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, 2017

**12. Tangible Capital Assets**

	<b>2017</b>								
	<b>Buildings</b>	<b>Commercial Buildings</b>	<b>General Equipment</b>	<b>Housing</b>	<b>Infrastructure</b>	<b>Vehicles</b>	<b>Water Systems</b>	<b>Construction in Progress</b>	<b>Total</b>
Cost, beginning of year	\$ 3,556,125	\$ -	\$ 888,841	\$ 6,479	\$ 289,	\$ 1,179,853	\$ 6,905,215	\$ 405,350	\$ 21,058,001
Additions	-	631,600	28,957	6,000	-	164,754	-	90,139	271,934
Cost, end of year	<u>3,556,125</u>	<u>631,600</u>	<u>917,798</u>	<u>6,485</u>	<u>289,</u>	<u>1,344,607</u>	<u>6,905,215</u>	<u>495,489</u>	<u>1,625,212</u>
Accumulated amortization and impairment, beginning of year	2,622,622	-	636,911	4,125,904	173,932	948,715	6,557,603	169,504	-
Amortization	167,625	31,580	30,793	221,297	8,122	71,500	345,137	38,289	-
Accumulated amortization and impairment, end of year	<u>2,790,247</u>	<u>31,580</u>	<u>667,704</u>	<u>4,347,201</u>	<u>182,054</u>	<u>1,020,215</u>	<u>6,902,740</u>	<u>207,793</u>	<u>-</u>
Net carrying amount, end of year	<u>\$ 765,878</u>	<u>\$ 600,020</u>	<u>\$ 250,094</u>	<u>\$ 2,138,781</u>	<u>107,303</u>	<u>\$ 324,392</u>	<u>\$ 2,475</u>	<u>\$ 287,696</u>	<u>\$ 1,625,212</u>
									<u>\$ 6,101,851</u>

**Seine River First Nation**  
**Notes to Consolidated Financial Statement**

March 31, 2017

**12. Tangible Capital Assets (cont'd)**

	Buildings	Commercial Buildings	General Equipment	Housing	Infrastructure	Vehicles	Water Systems	Other	Construction in Progress	2016
										Total
Cost, beginning of year	\$ 3,556,125	\$ -	\$ 869,401	\$ 6,479,982	\$ 289,357	\$ 1,179,853	\$ 6,905,215	\$ 379,719	\$ -	\$ 19,659,652
Additions	-	-	19,440	-	-	-	-	25,631	1,353,278	1,398,349
Cost, end of year	<u>3,556,125</u>	<u>-</u>	<u>888,841</u>	<u>6,479,982</u>	<u>289,357</u>	<u>1,179,853</u>	<u>6,905,215</u>	<u>405,350</u>	<u>1,353,278</u>	<u>21,058,001</u>
Accumulated amortization, beginning of year	2,455,997	-	609,722	3,904,909	165,810	877,215	6,212,466	141,239	-	14,367,358
Amortization	<u>166,625</u>	<u>-</u>	<u>27,189</u>	<u>220,995</u>	<u>8,122</u>	<u>71,500</u>	<u>345,137</u>	<u>28,265</u>	<u>-</u>	<u>867,833</u>
Accumulated amortization, end of year	<u>2,622,622</u>	<u>-</u>	<u>636,911</u>	<u>4,125,904</u>	<u>173,932</u>	<u>948,715</u>	<u>6,557,603</u>	<u>169,504</u>	<u>-</u>	<u>15,235,191</u>
Net carrying amount, end of year	<u>\$ 933,503</u>	<u>\$ -</u>	<u>\$ 251,930</u>	<u>\$ 2,354,078</u>	<u>\$ 115,425</u>	<u>\$ 231,138</u>	<u>\$ 347,612</u>	<u>\$ 235,846</u>	<u>\$ 1,353,278</u>	<u>\$ 5,822,810</u>

## Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2017

### 13. Accumulated Surplus

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

	2017	2016
<b>Fund balances</b>		
<b>Unrestricted</b>		
Fund balance - General	\$ 5,288,728	\$ 6,169,437
<b>Internally restricted</b>		
Band trust funds (Note 7)	192,864	184,022
Band transportation vehicle replacement	134,155	134,155
<b>Externally restricted</b>		
Replacement reserve - CMHC	443,751	246,955
Operating reserve - CMHC	440,250	397,262
 <b>Accumulated Surplus</b>	 \$ 6,499,748	 \$ 7,131,831

### 14. Contingencies

Seine River First Nation has entered into contribution agreements with various federal and provincial 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.

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 determined the amount, if any, of retention or repayment of excesses.

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.

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### 15. 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, 2017**

### **16. Comparative Amounts**

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

### **17. Deferred Revenue and Government Transfers**

	Balance March 31, 2016	Funding Received 2017	Revenue Recognized 2017	Balance March 31, 2017
<b><u>Federal Government</u></b>				
Indigenous and Northern Affairs Canada (Note)	\$ 449,216	\$ 3,871,309	\$ 2,528,713	\$ 1,791,812
Fisheries and Oceans Canada	-	7,900	7,900	-
Health Canada	-	433,423	433,423	-
CMHC	-	377,519	377,519	-
Human Resources Development Canada	-	6,808	6,808	-
	<b>449,216</b>	<b>4,696,959</b>	<b>3,354,363</b>	<b>1,791,812</b>
<b><u>Provincial Government</u></b>				
Ministry of Aboriginal Affairs	-	225,495	225,495	-
Ministry of Community and Social Services (AHWS)	-	794,834	794,834	-
Ministry of Education	-	643	643	-
Ministry of Tourism, Culture and Sport	-	13,969	13,969	-
	<b>-</b>	<b>1,034,941</b>	<b>1,034,941</b>	<b>-</b>
<b><u>First Nation and Organization</u></b>				
Ontario First Nations Limited Partnership	-	664,152	664,152	-
	<b>\$ 449,216</b>	<b>\$ 6,396,052</b>	<b>\$ 5,053,456</b>	<b>\$ 1,791,812</b>

Note: INAC funding received is net of current year calculated repayable amounts due to unspent funding. INAC funding received is \$4,195,131 and repayable funding is \$323,822.

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## Seine River First Nation Notes to Consolidated Financial Statements

**March 31, 2017**

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### **18. Operating Loan**

The First Nation has an operating loan with a credit limit of \$650,000 (2016 - \$500,000). The credit line bears interest at the Toronto-Dominion's prime lending rate plus 1.50% for an effective rate of 4.20% at March 31, 2017 and is secured by a general security agreement. As at March 31, 2017, the balance available on the credit line was \$598,476 (2016 - \$601,470).

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### **19. 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 \$47,370 (2016 - \$59,886).

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### **20. 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.

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## Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2017

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### 20. Segmented Information (cont'd)

#### **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.

#### **Land & Flood Claims**

Land & Flood Claims contains activities that provide support for the First Nation's negotiations with the federal and provincial government.

#### **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.

#### **Ontario First Nations Limited Partnership**

Ontario First Nations Limited Partnership contains activities decided by Chief and Council.

#### **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**

**20. Segmented Information (cont'd)**

For the year ended March 31, 2017	Band Management	Community Services	Economic Development	Education	Employment Programs	Health	Housing	Balance Forward
<b>Revenue</b>								
Federal government transfers	\$ 351,693	\$ 7,900	\$ 42,000	\$ 1,620,772	\$ 49,014	\$ 433,423	\$ 365,313	\$ 2,870,115
Provincial government transfers	-	-	90,000	13,969	-	-	-	103,969
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	-
Other	37,901	949,250	200,337	-	54,918	-	-	1,242,406
Rent	41,773	-	-	-	-	-	149,446	191,219
	<b>\$ 431,367</b>	<b>\$ 957,150</b>	<b>\$ 332,337</b>	<b>\$ 1,634,741</b>	<b>\$ 103,932</b>	<b>\$ 433,423</b>	<b>\$ 514,759</b>	<b>\$ 4,407,709</b>
<b>Expenses</b>								
Amortization	\$ 73,232	\$ 5,240	\$ 4,077	\$ 41,442	\$ -	\$ 15,251	\$ 194,458	\$ 333,700
Audit	89,210	1,000	-	-	-	-	9,000	99,210
Bad debt	7,768	-	-	-	-	-	37,437	45,205
Honorarium	54,488	-	5,380	-	-	-	-	59,868
Insurance	80,989	9,000	-	-	-	2,000	-	91,989
Interest	-	-	12,487	5,503	-	-	34,029	52,019
Maintenance	26,378	9,041	4,107	33,874	-	3,814	-	77,214
Meetings	(7,217)	18,225	7,705	759	3,086	4,917	-	27,475
Office supplies	31,789	-	-	-	-	-	-	31,789
Professional services	167,422	44,577	29,404	9,945	30,723	27,645	1,340	311,056
Program expenses	(9,598)	259,319	40,384	204,045	671	115,908	1,078	611,807
Service charges	24,497	-	-	-	-	-	-	24,497
Social assistance	-	-	-	-	-	-	-	-
Telephone and internet	37,726	18,153	142	7,825	-	3,497	-	67,343
Training	13,618	100	8,350	185	4,920	1,890	-	29,063
Travel	107,575	85,865	11,502	24,307	1,205	56,611	-	287,065
Tuition	-	-	-	1,093,889	450	-	-	1,094,339
Utilities	29,576	2,001	-	36,901	-	14,639	-	83,117
Wages and benefits	200,149	444,216	57,389	253,455	85,322	187,483	5,664	1,233,678
Replacement reserve expenditures	(117,971)	24,622	8,370	-	(4,361)	38,688	15,156	15,156
Administration	\$ 809,631	\$ 921,359	\$ 189,297	\$ 1,712,130	\$ 122,016	\$ 472,343	\$ 319,762	\$ 4,546,538

**Seine River First Nation  
Notes to Consolidated Financial Statements**

**20. Segmented Information (cont'd)**

<b>For the year ended March 31, 2017</b>	<b>Balance Forward</b>	<b>Land &amp; Flood Claims</b>	<b>Public Works</b>	<b>Social Services</b>	<b>Ontario First Nations Limited Partnership</b>	<b>Projects</b>	<b>2017 Total</b>
<b>Revenue</b>							
Federal government transfers	\$ 2,870,115	\$ -	\$ 171,556	\$ 152,398	\$ -	\$ 160,294	\$ 3,354,363
Provincial government transfers	103,969	135,495	-	795,477	-	-	1,034,941
Ontario First Nations Limited Partnership	-	-	-	-	664,152	-	664,152
Other	1,242,406	-	-	2,135	-	-	1,244,541
Rent	191,219	-	-	-	-	-	191,219
	<b>\$ 4,407,709</b>	<b>\$ 135,495</b>	<b>\$ 171,556</b>	<b>\$ 950,010</b>	<b>\$ 664,152</b>	<b>\$ 160,294</b>	<b>\$ 6,489,216</b>
<b>Expenses</b>							
Amortization	\$ 333,700	\$ -	\$ 22,888	\$ -	\$ -	\$ 557,767	\$ 914,355
Audit	99,210	4,250	-	-	-	-	103,460
Bad debt	45,205	-	-	-	-	-	45,205
Honoraria	59,868	1,375	-	-	-	-	61,243
Insurance	91,989	-	-	-	-	-	91,989
Interest	52,019	-	-	-	-	-	52,019
Maintenance	77,214	-	986	2,900	-	3,723	84,823
Meetings	27,475	815	1,986	11,034	-	449	41,759
Office supplies	31,789	-	-	-	-	-	31,789
Professional services	311,056	235,968	49,194	450	-	21,231	617,899
Program expenses	611,807	3,750	24,099	75,933	251,061	93,176	1,059,826
Service charges	24,497	-	-	-	-	-	24,497
Social assistance	-	-	-	689,710	-	-	689,710
Telephone and Internet	67,343	-	8,119	2,693	-	634	78,789
Training	29,063	-	6,849	9,209	-	-	45,121
Travel	287,065	12,488	5,458	29,006	-	3,907	337,924
Tuition	1,094,339	-	-	-	-	-	1,094,339
Utilities	83,117	-	136,577	-	-	-	219,694
Wages and benefits	1,233,678	-	122,858	154,245	-	119,625	1,630,406
Replacement reserve expenditures	15,156	-	-	-	-	-	15,156
Administration	(29,052)	10,911	-	8,030	-	521	(9,590)
	<b>\$ 4,546,538</b>	<b>\$ 269,557</b>	<b>\$ 379,014</b>	<b>\$ 983,210</b>	<b>\$ 251,061</b>	<b>\$ 801,033</b>	<b>\$ 7,230,413</b>

**Seine River First Nation  
Notes to Consolidated Financial Statements**

**20. Segmented Information (cont'd)**

For the year ended March 31, 2016	Band Management	Community Services	Economic Development	Education	Employment Programs	Health	Housing	Balance Forward
<b>Revenue</b>								
Federal government transfers	\$ 349,531	\$ -	\$ 650,858	\$ 1,772,089	\$ 35,000	\$ 391,944	\$ 193,533	\$ 3,392,955
Provincial government transfers	-	-	\$ 536,341	-	\$ 14,910	-	-	\$ 551,251
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	-
Other	814	\$ 718,073	\$ 578,215	\$ 15,969	\$ 71,622	-	-	\$ 1,384,693
Rent	58,009	-	-	-	-	-	\$ 149,630	\$ 207,639
	<b>\$ 408,354</b>	<b>\$ 718,073</b>	<b>\$ 1,765,414</b>	<b>\$ 1,788,058</b>	<b>\$ 121,532</b>	<b>\$ 391,944</b>	<b>\$ 343,163</b>	<b>\$ 5,536,538</b>
<b>Expenses</b>								
Amortization	\$ 74,056	\$ 5,618	\$ 4,863	\$ 41,442	\$ -	\$ 15,251	\$ 194,458	\$ 335,688
Audit	67,300	-	-	-	-	-	11,500	78,800
Bad debt	11,414	-	-	-	-	-	26,633	38,047
Insurance	48,019	\$ 9,000	-	\$ 3,000	-	\$ 2,755	\$ 20,150	\$ 82,924
Interest	13,164	-	-	-	-	-	43,071	\$ 56,235
Maintenance	28,043	\$ 16,081	\$ 2,186	\$ 22,221	-	\$ 2,031	422	\$ 70,984
Meetings	13,107	\$ 3,432	\$ 3,907	\$ 507	\$ 27	\$ 963	-	\$ 21,943
Office supplies	31,946	-	-	-	-	-	-	\$ 31,946
Professional services	46,091	\$ 3,982	\$ 14,135	-	\$ 9,540	-	-	\$ 73,748
Program expenses	76,733	\$ 93,811	\$ 132,535	\$ 193,294	\$ 32,135	\$ 103,670	\$ 18,460	\$ 650,638
Service charges	-	-	-	\$ 7,451	-	-	-	\$ 7,451
Social assistance	-	\$ 35,436	-	-	-	-	-	\$ 35,436
Training	5,969	\$ 3,199	\$ 17,854	-	\$ 3,827	\$ 2,664	-	\$ 33,513
Travel	124,428	\$ 59,839	\$ 22,127	\$ 22,312	\$ 10,992	\$ 69,030	382	\$ 309,110
Tuition	-	-	-	\$ 1,241,746	\$ 3,396	-	-	\$ 1,245,142
Utilities	48,163	\$ 39,772	\$ 3,447	\$ 40,194	-	\$ 16,933	-	\$ 148,509
Wages and benefits	335,475	\$ 581,618	\$ 116,548	\$ 303,644	\$ 33,824	\$ 187,845	-	\$ 1,558,954
Replacement reserve expenditures	-	-	-	-	-	-	\$ 5,692	\$ 5,692
Administration	<b>(69,496)</b>	<b>\$ 32,600</b>	<b>\$ 10,679</b>	<b>\$ 8,366</b>	<b>\$ 1,995</b>	<b>\$ 30,416</b>	<b>-</b>	<b>\$ 14,560</b>
	<b>\$ 854,412</b>	<b>\$ 884,388</b>	<b>\$ 328,281</b>	<b>\$ 1,884,177</b>	<b>\$ 95,736</b>	<b>\$ 431,558</b>	<b>\$ 320,768</b>	<b>\$ 4,799,320</b>

**Seine River First Nation  
Notes to Consolidated Financial Statements**

**20. Segmented Information (cont'd)**

For the year ended March 31, 2016	Balance Forward	Land & Flood Claims	Public Works	Social Services	Ontario First Nations Limited Partnership	Projects	2016 Total
<b>Revenue</b>							
Federal government transfers	\$ 3,392,955	\$ -	\$ 584,044	\$ 176,206	\$ -	\$ 255,068	\$ 4,408,273
Provincial government transfers	551,251	156,239	-	799,550	-	-	1,507,040
Ontario First Nations Limited Partnership	-	-	-	-	586,081	-	586,081
Other	1,384,693	-	-	-	-	-	1,384,693
Rent	207,639	-	-	-	-	-	207,639
	<b>\$ 5,536,538</b>	<b>\$ 156,239</b>	<b>\$ 584,044</b>	<b>\$ 975,756</b>	<b>\$ 586,081</b>	<b>\$ 255,068</b>	<b>\$ 8,093,726</b>
<b>Expenses</b>							
Amortization	\$ 335,688	\$ -	\$ 13,975	\$ -	\$ -	\$ 518,170	\$ 867,833
Audit	78,800	-	-	-	-	-	78,800
Bad debt	38,047	-	-	-	-	-	38,047
Insurance	82,924	-	-	-	-	-	82,924
Interest expense	56,235	-	-	-	-	-	56,235
Maintenance	70,984	-	33,557	2,900	-	4,665	112,106
Meetings	21,943	5,127	50	35,562	-	698	63,380
Office supplies	31,946	-	-	-	-	-	31,946
Professional services	73,748	171,002	-	-	-	-	244,750
Program expenses	650,638	15,829	68,291	16,786	253,935	145,804	1,151,283
Service charges	7,451	-	-	-	-	-	7,451
Social assistance	35,436	-	-	673,595	-	-	709,031
Training	33,513	-	1,538	8,100	-	-	43,151
Travel	309,110	11,102	4,799	43,504	-	10,045	378,560
Tuition	1,245,142	-	-	-	-	-	1,245,142
Utilities	148,509	-	110,973	3,334	-	172	262,988
Wages and benefits	1,558,954	17,138	135,738	158,457	-	93,683	1,963,970
Replacement reserve expenditures	5,692	-	-	-	-	-	5,692
Administration	14,560	10,622	-	11,000	-	-	36,182
	<b>\$ 4,799,320</b>	<b>\$ 230,820</b>	<b>\$ 368,921</b>	<b>\$ 953,238</b>	<b>\$ 253,935</b>	<b>\$ 773,237</b>	<b>\$ 7,379,471</b>