

**Seine River First Nation
Consolidated Financial Statements
For the year ended March 31, 2018**

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

March 31, 2018

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.

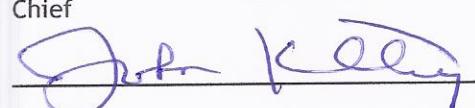
The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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, 2018, 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.

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, 2018 and 2017. Our audit opinion on the financial statements for the year ended March 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effect of the matter 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, 2018 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
October 2, 2018

Seine River First Nation
Consolidated Statement of Financial Position

March 31	2018	2017
		Restated (Note 2)
Financial assets		
Cash (Note 3)	\$ 3,413,513	\$ 2,512,429
Due from band members (Note 4)	28,161	17,441
Accounts receivable (Note 5)	696,849	550,074
Due from government (Note 6)	516,400	668,820
Portfolio investments (Note 7)	4,907,313	3,397,956
Trust funds held by federal government (Note 8)	202,397	192,864
	<hr/>	<hr/>
	9,764,633	7,339,584
Liabilities		
Demand loan (Note 16)	76,946	51,524
Accounts payable and accrued liabilities (Note 9)	1,790,313	1,354,438
Due to government (Note 10)	437,963	304,881
Deferred revenue (Note 15)	1,597,100	1,791,812
Long term debt (Note 11)	3,883,514	3,464,190
	<hr/>	<hr/>
	7,785,836	6,966,845
Net financial assets	<hr/>	<hr/>
	1,978,797	372,739
Non-financial assets		
Prepaid expenses	768,500	25,158
Tangible capital assets (Note 12)	5,831,569	6,101,851
	<hr/>	<hr/>
	6,600,069	6,127,009
Accumulated Surplus (Note 13)	<hr/>	<hr/>
	\$ 8,578,866	\$ 6,499,748

On behalf of the Band:

 Chief
 Councilor

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

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

For the year ended March 31

	2018	2017
Revenue		Restated (Note 2)
Federal government transfers (Note 15)	\$ 4,475,074	\$ 3,519,780
Provincial government transfers (Note 15)	1,133,938	1,034,941
Hydro One settlement	2,123,424	-
Ontario First Nations Limited Partnership (Note 15)	670,344	664,152
Rental revenue	195,772	191,219
Other	1,774,265	1,235,699
Trust fund revenue	9,533	8,842
	10,382,350	6,654,633
Expenses		
Band management	840,750	809,632
Community services	1,104,402	921,359
Economic development	365,233	189,297
Education	1,987,325	1,877,547
Employment programs	131,199	122,016
Health	460,019	472,343
Housing	295,362	319,762
Public works	417,124	379,014
Social services	896,395	983,210
Ontario First Nations Limited Partnership	310,889	251,061
Land and flood claims	319,605	269,557
Capital	624,538	801,032
	7,752,841	7,395,830
Annual surplus (deficit) before other items	2,629,509	(741,197)
Other items		
Recovery of funding	(2,188)	(10,695)
Gain on disposal of tangible capital assets	104,142	-
Income from portfolio investments	120,638	84,231
Gain (loss) on sale of portfolio investments	(8,482)	255,934
Impairment of tangible capital assets (Note 12)	(764,501)	-
Impairment of portfolio investments	-	(157,528)
Change in carrying value of portfolio investments	-	(62,828)
	2,079,118	(632,083)
Annual surplus (deficit)	2,079,118	(632,083)
Accumulated surplus, beginning of year	6,499,748	7,131,831
Accumulated surplus, end of year	\$ 8,578,866	\$ 6,499,748

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

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

March 31	2018	2017
		Restated (Note 2)
Annual surplus (deficit)	\$ 2,079,118	\$ (632,083)
Acquisition of tangible capital assets	(1,140,360)	(1,193,385)
Amortization of tangible capital assets	619,408	914,343
Impairment of tangible capital assets	764,501	-
Gain on disposal of tangible capital assets	(104,142)	-
Proceeds from disposal of tangible capital assets	130,875	-
Change in prepaid expenses	(743,342)	(2,527)
 Net change in net financial assets	 1,606,058	 (913,652)
 Net financial assets, beginning of year	 372,739	 1,286,391
 Net financial assets, end of year	 \$ 1,978,797	 \$ 372,739

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	2018	2017
		Restated (Note 2)
Operating transactions		
Annual surplus (deficit)	\$ 2,079,118	\$ (632,083)
Items not involving cash		
Amortization of tangible capital assets	619,408	914,343
Gain on disposal of tangible capital assets	(104,142)	-
Loss (gain) on sale of portfolio investments	8,482	(255,934)
Change in carrying value of portfolio investments	-	62,828
Impairment of tangible capital assets	764,501	-
Impairment of portfolio investments	-	157,528
Contributed portfolio investments	(415,520)	-
	<u>2,951,847</u>	<u>246,682</u>
Changes in:		
Due from band members	(10,720)	(2,413)
Accounts receivable	(146,775)	(68,596)
Due from government	152,420	(521,584)
Prepaid expenses	(743,342)	(2,528)
Accounts payable and accrued liabilities	435,875	(315,237)
Due to government	133,082	374,402
Deferred revenue	(194,712)	1,342,596
Trust funds held by federal government	(9,533)	(8,842)
	<u>(383,705)</u>	<u>797,798</u>
	<u>2,568,142</u>	<u>1,044,480</u>
Capital transactions		
Acquisition of tangible capital assets	(1,140,360)	(1,193,385)
Proceeds from disposal of tangible capital assets	130,875	-
	<u>(1,009,485)</u>	<u>(1,193,385)</u>
Investing transactions		
Proceeds from sale of portfolio investments	1,234,446	1,526,700
Purchase of portfolio investments	(2,280,808)	(1,997,661)
Purchase of private placement shares	-	(379,434)
Increase in Rainy River District First Nations Trust	(31,237)	(26,457)
Advances to Senic River Mall	(24,720)	-
	<u>(1,102,319)</u>	<u>(876,852)</u>
Financing transactions		
Advances of long term debt	832,410	683,850
Repayment of long term debt	(413,086)	(286,824)
Demand loan advances	25,422	2,994
	<u>444,746</u>	<u>400,020</u>
Increase (decrease) in cash	901,084	(625,737)
Cash, beginning of year	2,512,429	3,138,166
Cash, end of year	\$ 3,413,513	\$ 2,512,429

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

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2018

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, housing, economic development and operational services.

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

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.

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2018

1. Significant Accounting Policies (cont'd)

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.

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.

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2018

1. Significant Accounting Policies (cont'd)

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.

Revenue related to the settlement of claims is recognized when the settlement is finalized and receipt of the settlement is reasonably assured.

h) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards 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, write-downs of tangible capital assets, allowance for doubtful accounts and the year-end settlement of individual program expenses with the appropriate funding agencies.

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

March 31, 2018

2. Prior Period Adjustment

Prior period adjustments as outlined in the table below have been made and comparative amounts have been restated to correct an understatement of expenses and revenue. The understatement of expenses resulted from accounts payable that should have been recognized in the prior period for tuition fees and interest incurred. The understatement of revenues resulted from the overstatement of repayable funding associated with the tuition fees and interest. The restatement resulted in the following changes to the March 31, 2017 comparative amounts presented in the financial statements:

	2017 as Previously Reported	Increase (Decrease)	2017 as Restated
Accounts payable and accrued liabilities	\$ 1,189,021	\$ 165,417	\$ 1,354,438
Due to government	\$ 470,298	\$ (165,417)	\$ 304,881
Federal government transfers	\$ 3,354,363	\$ 165,417	\$ 3,519,780
Education expenses	\$ 1,712,130	\$ 165,417	\$ 1,877,547

3. Cash

	2018	2017
Externally Restricted		
Canada Mortgage and Housing Corporation	\$ 278,438	\$ 49,734
Unrestricted	<u>3,135,075</u>	<u>2,462,695</u>
	\$ 3,413,513	\$ 2,512,429

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 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.

Seine River First Nation
Notes to Consolidated Financial Statements

March 31, 2018

4. Due from Band Members

	2018	2017
Due from band members	\$ 1,176,619	\$ 1,143,999
Less: valuation allowance	<u>(1,148,458)</u>	<u>(1,126,558)</u>
	\$ 28,161	\$ 17,441

5. Accounts Receivable

	2018	2017
Accounts receivable	\$ 533,663	\$ 374,880
Public body service rebate	<u>211,581</u>	<u>223,589</u>
	745,244	598,469
Less: valuation allowance	<u>(48,395)</u>	<u>(48,395)</u>
	\$ 696,849	\$ 550,074

6. Due from Government

	2018	2017
Federal government		
Indigenous Services Canada	\$ 334,426	\$ 441,014
Health Canada	3,732	-
Canada Mortgage and Housing Corporation	14,003	197,662
Provincial government	164,239	30,144
	\$ 516,400	\$ 668,820

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

March 31, 2018

7. Portfolio Investments

	Fair Market Value	2018	2017
Investment Portfolio	\$ 3,821,686	\$ 4,384,201	\$ 2,930,802
Rainy River District First Nations Trust	265,303	265,303	234,065
8232121 Canada Ltd.	-	100	100
Rainy Lake Tribal Resource Management Inc.	-	100	100
Rainy Lake Tribal Development Corporation	-	100,000	100,000
Loan to Rainy Lake Tribal Development Corporation	-	39,886	39,886
Senic River Mall Inc.	-	10	10
Loan to Senic River Mall Inc.	-	117,463	92,743
Boundary Waters Anishinaabeg Development, LP	-	250	250
	\$ 4,086,989	\$ 4,907,313	\$ 3,397,956

During the year, in accordance with a participation agreement with New Gold Inc., the First Nation received 93,166 common shares of New Gold Inc. valued at \$415,520 based on the trading price on the date of receipt.

8. Trust Funds Held by Federal Government

	2017	Additions	2018
Revenue Capital	\$ 137,636 55,228	\$ 9,533 -	\$ 147,169 55,228
	\$ 192,864	\$ 9,533	\$ 202,397

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*.

Seine River First Nation
Notes to Consolidated Financial Statements

March 31, 2018

9. Accounts Payable and Accrued Liabilities

	2018	2017
		Restated (Note 2)
Trade payables	\$ 1,122,886	\$ 734,243
Vacation pay	65,938	45,790
Tuition payable	601,489	574,405
	\$ 1,790,313	\$ 1,354,438

10. Due to Government

	2018	2017
		Restated (Note 2)
Federal government	\$ 315,644	\$ 231,114
Provincial government	122,319	73,767
	\$ 437,963	\$ 304,881

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

March 31, 2018

11. Long Term Debt

	2018	2017
CMHC mortgage, payable \$4,809 monthly including interest at 1.43%, maturing February 2022	\$ 219,677	\$ 274,186
CMHC mortgage, payable \$2,428 monthly including interest at 1.77%, matured March 2017	-	2,430
CMHC mortgage, principal reduction \$3,464 monthly plus interest at 0.97%, maturing April 2020	85,689	126,317
CMHC mortgage, payable \$2,337 monthly including interest at 2.13%, maturing October 2022	349,732	371,066
CMHC mortgage, payable \$3,685 monthly including interest at 1.12%, maturing February 2020	681,321	718,391
CMHC mortgage, payable \$3,010 monthly including interest at 2.00%, maturing November 2018	611,125	635,890
TD Canada Trust term loan, payable \$3,453 monthly plus interest at prime plus 1.75% (5.2%), maturing August 2019, secured by specific vehicles	58,692	100,150
Indigenous Services Canada Claim Loans non-interest bearing, maturing at the earliest of March 2019 or the date on which the claims are settled	337,417	337,417
Indigenous Services Canada Claim Loans non-interest bearing, maturing at the earliest of March 2020 or the date on which the claims are settled	434,281	257,601
TD Canada Trust term loan, payable \$9,573 monthly including interest at 4.94%, maturing September 2023	559,530	640,742
TD Canada Trust demand loan, payable on demand plus interest at prime plus 1.75% (5.2%), maturing September 2018	546,050	-
	3,883,514	3,464,190
Current portion	<u>(1,438,331)</u>	<u>(655,480)</u>
	\$ 2,445,183	\$ 2,808,710

Seine River First Nation
Notes to Consolidated Financial Statements

March 31, 2018

11. Long Term Debt (cont'd)

Should any of the Indigenous Services 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 Services Canada and secured by specific buildings.

The TD Canada Trust loans are secured by a general security agreement representing a first charge on all present and after acquired property.

The TD Canada Trust demand loan is an interim construction loan with a limit of \$1,245,000 that will be converted to a term loan upon completion of construction. Seine River First Nation has committed future funding from Health Canada, FEDNOR and other funding sources received in relation to the construction of the Multi-Use Centre to repay the interim construction loan.

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>
2019	\$ 1,438,331	\$ 851,105
2020	871,023	287,675
2021	177,497	239,779
2022	176,386	239,584
2023	370,489	192,322
Thereafter	849,788	2,073,049
	<hr/>	<hr/>
	\$ 3,883,514	\$ 3,883,514

In the prior 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.

Seine River First Nation
Notes to Consolidated Financial Statement

March 31, 2018

12. Tangible Capital Assets

	2018								
	Buildings	Commercial Buildings	General Equipment	Housing	Infrastructure	Vehicles	Water Systems	Construction in Progress	Total
Cost, beginning of year	\$ 3,556,125	\$ 631,600	\$ 917,798	\$ 6,485,982	\$ 289,357	\$ 1,344,607	\$ 6,905,215	\$ 495,489	\$ 1,625,212 \$ 22,251,385
Additions	-	-	61,034	11,642	-	30,585	-	-	1,037,099 1,140,360
Disposals	-	-	-	-	(109,135)	-	-	-	(109,135)
Write-downs	-	-	-	-	-	-	-	-	(764,501) (764,501)
Cost, end of year	3,556,125	631,600	978,832	6,497,624	289,357	1,266,057	6,905,215	495,489	1,897,810 22,518,109
Accumulated amortization and impairment, beginning of year	2,790,247	31,580	667,704	4,347,201	182,054	1,020,215	6,902,740	207,793	- 16,149,534
Amortization	170,616	31,580	47,680	217,304	8,122	99,981	2,475	41,650	- 619,408
Disposals	-	-	-	-	(82,402)	-	-	-	(82,402)
Accumulated amortization and impairment, end of year	2,960,863	63,160	715,384	4,564,505	190,176	1,037,794	6,905,215	249,443	- 16,686,540
Net carrying amount, end of year	\$ 595,262	\$ 568,440	\$ 263,448	\$ 1,933,119	\$ 99,181	\$ 228,263	\$ -	\$ 246,046	\$ 1,897,810 \$ 5,831,569

During the prior 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. Management was unable to make an estimate of the residual value at that time. During the current year, management estimated the residual value of construction in progress to March 31, 2016 to be \$588,777 resulting in an impairment of \$764,501. Construction in progress additions in 2017 and 2018 were deemed not impaired.

Seine River First Nation
Notes to Consolidated Financial Statement

March 31, 2018

12. Tangible Capital Assets (cont'd)

	2017							
	Buildings	Commercial Buildings	General Equipment	Housing	Infrastructure	Vehicles	Water Systems	Other
Cost, beginning of year	\$ 3,556,125	\$ -	\$ 888,841	\$ 6,479,982	\$ 289,357	\$ 1,179,853	\$ 6,905,215	\$ 405,350
Additions	-	631,600	28,957	6,000	164,754	-	90,139	271,934
<u>Cost, end of year</u>	<u>3,556,125</u>	<u>631,600</u>	<u>917,798</u>	<u>6,485,982</u>	<u>289,357</u>	<u>1,344,607</u>	<u>6,905,215</u>	<u>495,489</u>
Accumulated amortization, 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
<u>Accumulated amortization, end of year</u>	<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>
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 Statements

March 31, 2018

13. Accumulated Surplus

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

	2018	2017
Fund balances		
Unrestricted		
Fund balance - General	\$ 7,297,155	\$ 5,288,728
Internally restricted		
Band trust funds (Note 8)	202,397	192,864
Band transportation vehicle replacement	134,155	134,155
Externally restricted		
Replacement reserve - CMHC	467,423	443,751
Operating reserve - CMHC	477,736	440,250
Accumulated Surplus	\$ 8,578,866	\$ 6,499,748

14. Contingencies

In the normal course of its operations, Seine River First Nation may face claims and litigation, the outcome of which is not determinable at March 31, 2018. Settlements, if any, will be expensed in the consolidated statement of operations and accumulated surplus in the year which judgment or settlement is rendered. No provision has been made in these consolidated financial statements in respect of the above claims of litigation.

Seine River First Nation
Notes to Consolidated Financial Statements

March 31, 2018

15. Deferred Revenue and Government Transfers

	Balance March 31, 2017	Funding Received 2018	Revenue Recognized 2018	Balance March 31, 2018
<u>Federal Government</u>				
Indigenous Services Canada (Note)	\$ 1,791,812	\$ 3,511,596	\$ 3,706,308	\$ 1,597,100
Fisheries and Oceans Canada	-	7,950	7,950	-
Health Canada (Note)	-	449,521	449,521	-
CMHC	-	301,375	301,375	-
Human Resources Development Canada	-	9,920	9,920	-
	1,791,812	4,280,362	4,475,074	1,597,100
<u>Provincial Government</u>				
Ministry of Aboriginal Affairs	-	216,056	216,056	-
Ministry of Community and Social Services (AHWS)	-	770,081	770,081	-
Ministry of Natural Resources	-	34,139	34,139	-
Ministry of Tourism, Culture and Sport	-	13,969	13,969	-
Ministry of Health Revenue	-	56,411	56,411	-
Northern Ontario Heritage Fund Corporation	-	43,282	43,282	-
	-	1,133,938	1,133,938	-
<u>First Nation and Organization</u>				
Ontario First Nations Limited Partnership	-	670,344	670,344	-
	\$ 1,791,812	\$ 6,084,644	\$ 6,279,356	\$ 1,597,100

Note: ISC and Health Canada funding received is net of current year calculated repayable amounts due to unspent funding. ISC funding received is \$3,602,102 and repayable funding is \$90,506. Health Canada funding received is \$460,381 and repayable funding is \$10,860.

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2018

16. Demand Loan

The First Nation has an operating loan with a credit limit of \$650,000 (2017 - \$650,000). The credit line bears interest at the Toronto-Dominion's prime lending rate plus 1.50% for an effective rate of 4.95% at March 31, 2018 and is secured by a general security agreement. As at March 31, 2018, the balance available on the credit line was \$573,054 (2017 - \$598,476).

17. 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 \$43,915 (2017 - \$47,370).

18. Comparative Amounts

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

19. 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.

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2018

19. Segmented Information (cont'd)

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.

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

19. Segmented Information (cont'd)

		Band Management	Community Services	Economic Development	Education	Employment Programs	Health	Housing	Balance Forward
Revenue									
Federal government transfers		\$ 382,713	\$ 52,850	\$ 42,000	\$ 1,887,045	\$ 58,666	\$ 426,234	\$ 167,629	\$ 3,017,137
Provincial government transfers		-	-	167,420	13,969	-	-	-	181,389
Ontario First Nations Limited Partnership									-
Other		2,230,291	1,012,733	594,995	4,071	65,132	-	-	3,907,222
Rent		49,534	-	-	-	-	-	146,238	195,772
	\$ 2,662,538	\$ 1,065,583	\$ 804,415	\$ 1,905,085	\$ 123,798	\$ 426,234	\$ 313,867	\$ 7,301,520	
Expenses									
Amortization		\$ 73,232	\$ 10,693	\$ 4,077	\$ 64,185	\$ -	\$ 15,251	\$ 194,458	\$ 361,896
Audit		74,867	1,000	-	29,488	-	-	9,000	84,867
Bad debt		13,495	-	-	-	-	-	15,861	58,844
Honorarium		51,200	-	5,370	-	-	-	-	56,570
Insurance		51,100	9,000	8,908	3,000	-	2,000	15,780	89,788
Interest		23,649	-	1,413	21,354	-	-	31,546	77,962
Maintenance		16,510	14,091	3,338	21,494	-	1,878	2,026	59,337
Meetings		(37,377)	40,050	16,170	2,045	10,400	4,500	35,788	-
Multi-Use		61,176	-	-	-	-	-	61,176	-
Office supplies		28,898	-	-	-	-	-	28,898	-
Professional services		206,950	23,239	43,138	-	3,659	-	276,986	-
Program expenses		98,049	229,760	42,222	218,284	2,700	93,542	4,937	689,494
Service charges		82,396	59,518	3,349	24,218	24,510	150	194,141	-
Social assistance		-	-	-	-	-	-	-	-
Telephone and internet		53,736	20,478	1,856	7,751	3,088	-	86,909	-
Training		5,970	5,324	650	5,297	2,448	-	20,689	-
Travel		119,056	85,077	43,418	30,042	3,084	50,265	-	330,942
Tuition		-	-	1,136,705	-	-	-	1,136,705	-
Utilities		20,860	2,032	198	35,195	13,574	-	71,859	-
Wages and benefits		238,832	522,085	115,252	345,504	80,773	209,017	1,310	1,512,773
Replacement reserve expenditures		(341,849)	-	-	-	-	1,094	1,094	-
Administration			86,379	45,061	97,767	1,068	39,946	19,200	(52,428)
	\$ 840,750	\$ 1,104,402	\$ 365,233	\$ 1,987,325	\$ 131,199	\$ 460,019	\$ 295,362	\$ 5,184,290	

Seine River First Nation Notes to Consolidated Financial Statements

19. Segmented Information (cont'd)

For the year ended March 31, 2018	Balance Forward	Ontario First Nations Limited Partnership			2018 Total	
		Land & Flood Claims	Public Works	Social Services	Projects	
Revenue						
Federal government transfers	\$ 3,017,137	\$ 126,056	\$ 328,845	\$ 91,200	\$ 1,037,892	\$ 4,475,074
Provincial government transfers	181,389	-	-	826,493	-	1,133,938
Ontario First Nations Limited Partnership	-	-	-	-	670,344	670,344
Other	3,907,222	-	-	-	-	3,907,222
Rent	195,772	-	-	-	-	195,772
 	\$ 7,301,520	\$ 126,056	\$ 328,845	\$ 917,693	\$ 670,344	\$ 1,037,892
 	<u>\$ 10,382,350</u>					
Expenses						
Amortization	\$ 361,896	\$ 4,240	\$ 26,609	\$ -	\$ 230,903	\$ 619,408
Audit	84,867	-	-	-	-	89,107
Bad debt	58,844	-	-	-	-	58,844
Honoraria	56,570	1,550	-	-	-	58,120
Insurance	89,788	-	7,208	-	-	96,996
Interest	77,962	-	-	-	-	77,962
Maintenance	59,337	-	34,383	4,590	18,424	116,734
Meetings	35,788	2,649	-	23,200	-	61,637
Multi-Use	61,176	-	-	-	-	61,176
Office supplies	28,898	-	-	-	-	28,898
Professional services	276,986	197,338	-	-	1,007	475,331
Program expenses	689,494	64,963	94,582	77,867	310,889	1,368,973
Service charges	194,141	20,866	8,637	4,310	131,178	242,214
Social assistance	-	-	591,321	-	-	591,321
Telephone and Internet	86,909	-	10,014	3,888	2,027	102,838
Training	20,689	-	6,831	3,252	-	30,772
Travel	330,942	23,220	12,035	27,614	6,990	400,801
Tuition	1,136,705	-	-	-	-	1,136,705
Utilities	71,859	-	87,573	-	-	159,432
Wages and benefits	1,512,773	-	126,923	140,033	194,749	1,974,478
Replacement reserve expenditures	1,094	-	-	-	-	1,094
Administration	(52,428)	4,779	2,329	20,320	25,000	-
 	<u>\$ 5,184,290</u>	\$ 319,605	\$ 417,124	\$ 896,395	\$ 310,889	\$ 624,538
 	<u>\$ 7,752,841</u>					

Seine River First Nation
Notes to Consolidated Financial Statements

19. Segmented Information (cont'd)

For the year ended March 31, 2017		Band Management	Community Services	Economic Development	Education	Employment Programs	Health	Housing	Balance Forward
Revenue									
Federal government transfers									
Provincial government transfers									
Ontario First Nations Limited Partnership									
Other	37,901		949,250		200,337				
Rent	41,773					54,918			
Expenses									
Amortization	\$ 351,693	\$ 7,900	\$ 42,000	\$ 1,786,189	\$ 49,014	\$ 433,423	\$ 365,313	\$ 3,035,532	
Audit	-	-	90,000	13,969	-	-	-	-	103,969
Bad debt	7,768	-	-	-	-	-	-	-	
Honoraria	54,488	-	-	-	-	-	-	-	1,242,406
Insurance	80,989	9,000	-	-	-	-	-	-	91,989
Interest	-	-	12,487	5,503	-	-	-	-	52,019
Maintenance	26,379	9,041	4,107	33,874	-	-	-	-	77,215
Meetings	(7,217)	18,225	7,705	759	3,086	-	-	-	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	29,576	2,001	-	1,255,306	450	-	-	1,259,756	
Utilities	200,149	444,216	57,389	253,455	85,322	14,639	-	83,117	
Wages and benefits	-	-	-	-	187,483	5,664	-	1,233,678	
Replacement reserve expenditures	(117,971)	24,622	8,370	-	(4,361)	38,688	15,156	15,156	(29,052)
Administration									
	\$ 809,632	\$ 921,359	\$ 189,297	\$ 1,877,547	\$ 122,016	\$ 472,343	\$ 319,762	\$ 4,711,956	

Seine River First Nation
Notes to Consolidated Financial Statements

19. Segmented Information (cont'd)

For the year ended March 31, 2017	Balance Forward	Ontario First Nations Limited Partnership			2017 Total Resated (Note 2)
		Land & Flood Claims	Public Works	Social Services	
Revenue					
Federal government transfers	\$ 3,035,532	\$ 135,495	\$ 171,556	\$ 152,398	\$ 3,519,780
Provincial government transfers	103,969	-	-	795,477	1,034,941
Ontario First Nations Limited Partnership	-	-	-	-	664,152
Other	1,242,406	-	-	2,135	1,244,541
Rent	191,219	-	-	-	191,219
 	\$ 4,573,126	\$ 135,495	\$ 171,556	\$ 950,010	\$ 6,654,633
Expenses					
Amortization	\$ 333,700	\$ 4,250	\$ 22,888	\$ -	\$ 357,767
Audit	99,210	-	-	-	914,355
Bad debt	45,205	-	-	-	103,460
Honoraria	59,868	1,375	-	-	45,205
Insurance	91,989	-	-	-	61,243
Interest expense	52,019	-	-	-	91,989
Maintenance	77,215	-	-	-	52,019
Meetings	27,475	815	986	2,900	84,823
Office supplies	31,789	-	11,034	-	41,759
Professional services	311,056	235,968	49,194	450	311,789
Program expenses	611,807	3,750	24,099	75,933	617,899
Service charges	24,497	-	-	251,061	1,059,826
Social assistance	-	-	689,710	-	24,497
Telephone and internet	67,343	-	8,119	2,693	689,710
Training	29,063	-	6,849	9,209	78,789
Travel	287,065	12,488	5,458	29,006	634
Tuition	1,259,756	-	-	-	45,121
Utilities	83,117	-	136,577	-	337,924
Wages and benefits	1,233,678	-	122,858	154,245	1,259,756
Replacement reserve expenditures	15,156	-	-	-	219,694
Administration	(29,052)	10,911	-	8,030	1,630,406
 	\$ 4,711,956	\$ 269,557	\$ 379,014	\$ 983,210	\$ 251,061
					\$ 801,032
					\$ 7,395,830