

Seine River First Nation
Consolidated Financial Statements
For the year ended March 31, 2019

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

March 31, 2019

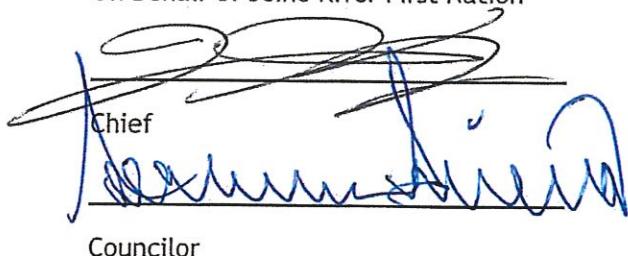
The accompanying consolidated financial statements of Seine River First Nation are the responsibility of management and have been approved by the Chief and Council.

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 of Seine River First Nation

Qualified Opinion

We have audited the consolidated financial statements of Seine River First Nation, and its entities (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statement of operations and accumulated surplus; the consolidated statement of changes in net financial assets and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter discussed in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Section 1201, Financial Statement Presentation, of the CPA Canada Public Sector Accounting Board Handbook requires the disclosure of budgeted information. The First Nation has not prepared or approved consolidated budgets. As a result, the First Nation was unable to present budgeted information on the consolidated financial statements for the years ended March 31, 2019 and 2018. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (cont'd)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (cont'd)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
October 11, 2019

**Seine River First Nation
Consolidated Statement of Financial Position**

March 31

2019

2018

Financial assets

Cash (Note 2)	\$ 5,193,850	\$ 3,413,513
Due from band members (Note 3)	33,835	28,161
Accounts receivable (Note 4)	317,274	696,849
Due from government (Note 5)	943,017	516,400
Loan receivable (Note 6)	152,349	157,349
Portfolio investments (Note 7)	4,650,799	4,749,964
Trust funds held by federal government (Note 8)	207,098	202,397
		<hr/>
	11,498,222	9,764,633

Liabilities

Demand loan (Note 17)	76,946	
Accounts payable and accrued liabilities (Note 9)	1,685,593	1,790,313
Due to government (Note 10)	442,757	437,963
Deferred revenue (Note 15)	2,138,060	1,597,100
Long term debt (Note 11)	6,155,493	3,883,514
		<hr/>
	10,421,903	7,785,836

Net financial assets

	1,076,319	1,978,797
		<hr/>

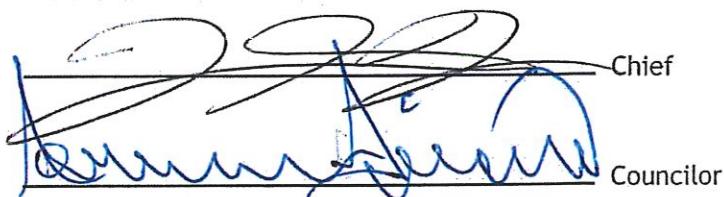
Non-financial assets

Prepaid expenses	81,240	768,500
Tangible capital assets (Note 12)	8,656,100	5,831,569
		<hr/>
	8,737,340	6,600,069

Accumulated Surplus (Note 16)

\$ 9,813,659 \$ 8,578,866

On behalf of the First Nation:



The image shows two handwritten signatures. The top signature is in black ink and appears to read 'Chief'. The bottom signature is in blue ink and appears to read 'Councilor'.

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

For the year ended March 31	2019	2018
Revenue		
Federal government transfers (Note 15)	\$ 4,779,661	\$ 4,475,074
Provincial government transfers (Note 15)	1,608,231	1,133,938
Ontario First Nations Limited Partnership (Note 15)	848,568	670,344
Rental revenue	185,439	195,772
Other (Note 16)	1,344,289	1,774,265
Hydro One settlement	43,842	2,123,424
Trust fund revenue	4,701	9,533
Recovery of funding	(4,071)	(2,188)
Gain on funding settlement	52,032	-
	8,862,692	10,380,162
Expenses		
Band management	765,668	840,750
Community services	1,059,223	1,104,402
Economic development	355,696	365,233
Education	2,128,108	1,987,325
Employment programs	189,544	131,199
Health	481,633	460,019
Housing	295,403	295,362
Public works	342,418	417,124
Social services	887,506	896,395
Ontario First Nations Limited Partnership	347,460	310,889
Land and flood claims	153,338	319,605
Capital	754,218	624,538
	7,760,215	7,752,841
Annual surplus before other items	1,102,477	2,627,321
Other items		
Gain (loss) on disposal of tangible capital assets	(24,468)	104,142
Income from portfolio investments	103,140	120,638
Gain (loss) on sale of portfolio investments	53,644	(8,482)
Impairment of tangible capital assets (Note 12)	-	(764,501)
	1,234,793	2,079,118
Accumulated surplus, beginning of year	8,578,866	6,499,748
Accumulated surplus, end of year	\$ 9,813,659	\$ 8,578,866

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

March 31	2019	2018
Annual surplus	\$ 1,234,793	\$ 2,079,118
Acquisition of tangible capital assets	(3,512,215)	(1,140,360)
Amortization of tangible capital assets	663,216	619,408
Impairment of tangible capital assets	-	764,501
Gain on disposal of tangible capital assets	24,468	(104,142)
Proceeds from disposal of tangible capital assets	-	130,875
Change in prepaid expenses	<u>687,260</u>	<u>(743,342)</u>
Net change in net financial assets	(902,478)	1,606,058
Net financial assets, beginning of year	1,978,797	372,739
Net financial assets, end of year	\$ 1,076,319	\$ 1,978,797

Seine River First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2019	2018
Operating transactions		
Annual surplus	\$ 1,234,793	\$ 2,079,118
Items not involving cash		
Amortization of tangible capital assets	663,216	619,408
Gain on disposal of tangible capital assets	24,468	(104,142)
Loss (gain) on sale of portfolio investments	(53,644)	8,482
Impairment of tangible capital assets	-	764,501
Contributed portfolio investments	-	(415,520)
	<hr/> 1,868,833	<hr/> 2,951,847
Changes in:		
Due from band members	(5,674)	(10,720)
Accounts receivable	379,575	(146,775)
Due from government	(426,617)	152,420
Prepaid expenses	687,260	(743,342)
Accounts payable and accrued liabilities	(104,720)	435,875
Due to government	4,794	133,082
Deferred revenue	540,960	(194,712)
Trust funds held by federal government	(4,701)	(9,533)
	<hr/> 1,070,877	<hr/> (383,705)
	<hr/> 2,939,710	<hr/> 2,568,142
Capital transactions		
Acquisition of tangible capital assets	(3,512,215)	(1,140,360)
Proceeds from disposal of tangible capital assets	-	130,875
	<hr/> (3,512,215)	<hr/> (1,009,485)
Investing transactions		
Proceeds from sale of portfolio investments	2,282,067	1,234,446
Purchase of portfolio investments	(2,095,256)	(2,280,808)
Increase in Rainy River District First Nations Trust	(34,002)	(31,237)
	<hr/> 152,809	<hr/> (1,077,599)
Financing transactions		
Advances of long term debt	2,579,587	832,410
Repayment of long term debt	(307,608)	(413,086)
Demand loan advances (payments)	(76,946)	25,422
Advances to Senic River Mall	-	(24,720)
Repayments from Senic River Mall	5,000	-
	<hr/> 2,200,033	<hr/> 420,026
Increase in cash	<hr/> 1,780,337	<hr/> 901,084
Cash, beginning of year	<hr/> 3,413,513	<hr/> 2,512,429
Cash, end of year	<hr/> \$ 5,193,850	<hr/> \$ 3,413,513

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2019

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) 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
- ii) Mudgets Camp (2018) LTD.

d) Cash

Cash consists of cash on hand and cash and cash equivalents held in investment broker accounts.

e) Loans receivable

Loans receivable are initially recorded at cost less any amount for valuation allowance. Valuation allowances are used to reflect collectability and risk of loss and to reflect loans receivable at the lower of cost and the net recoverable value. Changes in valuation allowance are recognized in expenses in the statement of operations. When the loss is known with sufficient precision and there is no realistic prospect of recovery the loan receivable is reduced by the amount of the loss. Interest income is accrued on loans receivable as earned to the extent it is deemed collectable.

f) 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, 2019

1. Significant Accounting Policies (cont'd)

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.

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.

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

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2019

1. Significant Accounting Policies (cont'd)

i) 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.

2. Cash

	2019	2018
Externally Restricted		
Canada Mortgage and Housing Corporation	\$ 99,444	\$ 278,438
Unrestricted	<u>5,094,406</u>	<u>3,135,075</u>
	<u>\$ 5,193,850</u>	<u>\$ 3,413,513</u>

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.

3. Due from Band Members

	2019	2018
Due from band members	\$ 1,210,967	\$ 1,176,619
Less: valuation allowance	<u>(1,177,132)</u>	<u>(1,148,458)</u>
	<u>\$ 33,835</u>	<u>\$ 28,161</u>

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

March 31, 2019

4. Accounts Receivable

	2019	2018
Accounts receivable	\$ 202,962	\$ 533,663
Public Service Bodies' Rebate	162,707	211,581
	<hr/>	<hr/>
Less: valuation allowance	365,669	745,244
	(48,395)	(48,395)
	<hr/>	<hr/>
	\$ 317,274	\$ 696,849
	<hr/>	<hr/>

5. Due from Government

	2019	2018
Federal government		
Indigenous Services Canada	\$ 223,409	\$ 334,426
Health Canada	30,712	3,732
Canada Mortgage and Housing Corporation	14,174	14,003
Federal Economic Development	84,315	-
Provincial government		
Ministry of Aboriginal Affairs	109,499	87,394
Ministry of Community and Social Services	-	33,564
Ministry of Natural Resources	12,856	-
Northern Ontario Heritage Fund	468,052	43,281
	<hr/>	<hr/>
	\$ 943,017	\$ 516,400
	<hr/>	<hr/>

6. Loan receivable

	2019	2018
Seine River Mall Inc., interest free, no specific terms of repayment, unsecured.	112,463	117,463
Rainy Lake Tribal Development Corporation, interest free, repayable on demand, unsecured.	39,886	39,886
	<hr/>	<hr/>
	\$ 152,349	\$ 157,349
	<hr/>	<hr/>

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

March 31, 2019

7. Portfolio Investments

	2019	2018
Investments in public markets	\$ 4,251,034	\$ 4,384,201
Rainy River District First Nations Trust	299,305	265,303
8232121 Canada Ltd.	100	100
Rainy Lake Tribal Resource Management Inc.	100	100
Rainy Lake Tribal Development Corporation	100,000	100,000
Senic River Mall Inc.	10	10
Boundary Waters Anishinaabeg Development, LP	250	250
	<hr/>	<hr/>
	\$ 4,650,799	\$ 4,749,964

The fair market value of the Investments in public markets and the Rainy River District First Nation trust is \$3,410,264 (2018 - \$4,086,989).

8. Trust Funds Held by Federal Government

	2018	Additions	2019
Revenue	\$ 147,169	\$ 4,701	\$ 151,870
Capital	<hr/>	<hr/>	<hr/>
	55,228	-	55,228
	<hr/>	<hr/>	<hr/>
	\$ 202,397	\$ 4,701	\$ 207,098

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, 2019

9. Accounts Payable and Accrued Liabilities

	2019	2018
Trade payables	\$ 1,051,820	\$ 1,122,886
Vacation pay	89,389	65,938
Tuition payable	544,384	601,489
	<hr/>	<hr/>
	\$ 1,685,593	\$ 1,790,313
	<hr/>	<hr/>

10. Due to Government

	2019	2018
Federal government	\$ 338,429	\$ 315,644
Provincial government	104,328	122,319
	<hr/>	<hr/>
	\$ 442,757	\$ 437,963
	<hr/>	<hr/>

Seine River First Nation
Notes to Consolidated Financial Statements

March 31, 2019

11. Long Term Debt

	2019	2018
CMHC mortgage, payable \$4,809 monthly including interest at 1.43%, maturing February 2022	\$ 164,751	\$ 219,677
CMHC mortgage, principal reduction \$3,464 monthly plus interest at 0.97%, maturing April 2020	44,771	85,689
CMHC mortgage, payable \$2,337 monthly including interest at 2.13%, maturing October 2022	328,908	349,732
CMHC mortgage, payable \$3,685 monthly including interest at 1.12%, maturing February 2020	644,523	681,321
CMHC mortgage, payable \$3,181 monthly including interest at 2.61%, maturing December 2023	587,327	611,125
TD Canada Trust term loan, payable \$3,453 monthly plus interest at prime plus 1.75% (5.7%), maturing August 2019, secured by specific vehicles	17,262	58,692
Indigenous Services Canada Claim Loans non-interest bearing, maturing at the earliest of March 2020 or the date on which the claims are settled	479,917	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	589,031	434,281
TD Canada Trust term loan, payable \$9,659 monthly including interest at 5.3%, maturing September 2023	470,615	559,530
TD Canada Trust demand loan, payable on demand plus interest at prime plus 1.75% (5.7%), maturing May 2019	2,828,388	546,050
	\$ 6,155,493	\$ 3,883,514

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2019

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 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 \$3,521,000 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>
2020	\$ 3,721,494	\$ 3,113,975
2021	200,482	237,902
2022	200,117	237,956
2023	472,119	191,555
2024	492,333	163,678
Thereafter	<u>1,068,948</u>	<u>2,210,427</u>
	<u><u>\$ 6,155,493</u></u>	<u><u>\$ 6,155,493</u></u>

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, 2019

12. Tangible Capital Assets

	2019									
	Buildings	Commercial Buildings	General Equipment	Housing	Infrastructure	Vehicles	Water Systems	Other	Construction in Progress	Total
Cost, beginning of year	\$ 3,556,125	\$ 631,600	\$ 669,015	\$ 6,497,625	\$ 289,357	\$ 1,335,460	\$ 6,905,215	\$ 736,028	\$ 1,897,811	\$ 22,518,236
Additions	6,965	9,810	6,648	909,321	-	25,658	85,030	-	2,468,783	3,512,215
Disposals	-	-	-	-	-	(30,585)	-	-	-	(30,585)
Write-downs	-	-	-	-	-	-	-	-	-	-
Capitalized construction	-	-	-	14,133	34,019	-	-	-	(48,152)	-
Cost, end of year	3,563,090	641,410	675,663	7,421,079	323,376	1,330,533	6,990,245	736,028	4,318,442	25,999,866
Accumulated amortization and impairment, beginning of year	2,968,627	63,160	412,422	4,564,969	190,177	1,110,450	6,905,183	471,679	-	16,686,667
Amortization	170,964	32,071	49,009	264,059	9,483	93,505	2,475	41,650	-	663,216
Disposals	-	-	-	-	-	(6,117)	-	-	-	(6,117)
Adjustment	-	-	-	-	-	-	-	-	-	-
Accumulated amortization and impairment, end of year	3,139,591	95,231	461,431	4,829,028	199,660	1,197,838	6,907,658	513,329	-	17,343,766
Net carrying amount, end of year	\$ 423,499	\$ 546,179	\$ 214,232	\$ 2,592,051	\$ 123,716	\$ 132,695	\$ 82,587	\$ 222,699	\$ 4,318,442	\$ 8,656,100

Seine River First Nation
Notes to Consolidated Financial Statement

March 31, 2019

12. Tangible Capital Assets (cont'd)

	2018									
	Buildings	Commercial Buildings	General Equipment	Housing	Infrastructure	Vehicles	Water Systems	Other	Construction in Progress	Total
Cost, beginning of year	\$ 3,556,125	\$ 631,600	\$ 607,981	\$ 6,485,983	\$ 289,357	\$ 1,414,010	\$ 6,905,215	\$ 736,028	\$ 1,625,213	\$ 22,251,512
Additions	-	-	61,034	11,642	-	30,585	-	-	1,037,099	1,140,360
Disposals	-	-	-	-	-	(109,135)	-	-	-	(109,135)
Impairment	-	-	-	-	-	-	-	-	(764,501)	(764,501)
Cost, end of year	3,556,125	631,600	669,015	6,497,625	289,357	1,335,460	6,905,215	736,028	1,897,811	22,518,236
Accumulated amortization, beginning of year	2,798,011	31,580	364,742	4,347,665	182,055	1,092,871	6,902,708	430,029	-	16,149,661
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, end of year	2,968,627	63,160	412,422	4,564,969	190,177	1,110,450	6,905,183	471,679	-	16,686,667
Net carrying amount, end of year	\$ 587,498	\$ 568,440	\$ 256,593	\$ 1,932,656	\$ 99,180	\$ 225,010	\$ 32	\$ 264,349	\$ 1,897,811	\$ 5,831,569

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2019

13. Accumulated Surplus

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

	2019	2018
Fund balances		
Unrestricted		
Fund balance - General	\$ 8,451,614	\$ 7,297,155
Internally restricted		
Band trust funds (Note 8)	207,098	202,397
Band transportation vehicle replacement	134,155	134,155
Externally restricted		
Replacement reserve - CMHC	497,538	467,423
Operating reserve - CMHC	523,254	477,736
 Accumulated Surplus	 \$ 9,813,659	 \$ 8,578,866

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, 2019. 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, 2019

15. Deferred Revenue and Government Transfers

	Balance March 31, 2018	Funding Received 2019	Revenue Recognized 2019	Balance March 31, 2019
<u>Federal Government</u>				
Indigenous Services Canada (Note)	\$ 1,597,100	\$ 3,784,361	\$ 3,303,850	\$ 2,077,611
Ministry of Canadian Heritage	-	630,000	630,000	-
Health Canada (Note)	-	411,069	411,069	-
CMHC	-	335,946	335,946	-
Human Resources Development Canada	-	14,481	14,481	-
Federal Economic Development Initiative for Northern Ontario	-	84,315	84,315	-
	1,597,100	5,260,172	4,779,661	2,077,611
<u>Provincial Government</u>				
Ministry of Aboriginal Affairs	-	162,528	162,528	-
Ministry of Community and Social Services (AHWS)	-	774,161	774,161	-
Ministry of Natural Resources	-	82,021	82,021	-
Ministry of Education	-	58,545	58,545	-
Ministry of Tourism, Culture and Sport	-	13,969	13,969	-
Ministry of Health Revenue Northern Ontario	-	94,093	33,644	60,449
Heritage Fund Corporation	-	483,363	483,363	-
	-	1,668,680	1,608,231	60,449
<u>First Nation and Organization</u>				
Ontario First Nations Limited Partnership	-	848,568	848,568	-
	\$ 1,597,100	\$ 7,777,420	\$ 7,236,460	\$ 2,138,060

Note: ISC and Health Canada funding received is net of current year calculated repayable amounts due to unspent funding. ISC funding received is \$3,807,147 (2018 - \$3,602,102) and repayable funding is \$22,786 (2018 - \$90,506). Health Canada funding received is \$411,069 (2018 - \$460,381) and repayable funding is nil (2018 - \$10,860).

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2019

16. Other revenue

	2019	2018
Nuclear Waste Management	\$ 75,000	\$ 100,000
Weechi-it-te win	760,604	874,041
FFTAHA	158,139	161,904
Grand Council Treaty	22,756	16,161
Shooniiyaa	64,424	50,954
Other	<u>263,366</u>	<u>571,205</u>
	<u><u>\$ 1,344,289</u></u>	<u><u>\$ 1,774,265</u></u>

17. Demand Loan

The First Nation has an operating loan with a credit limit of \$650,000 (2018 - \$650,000). The credit line bears interest at the Toronto-Dominion's prime lending rate plus 1.50% for an effective rate of 5.45% at March 31, 2019 and is secured by a general security agreement. As at March 31, 2019, the balance available on the credit line was \$650,000 (2018 - \$573,054).

18. 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 \$45,970 (2018 - \$43,915).

19. Comparative Amounts

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

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.

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2019

20. Segmented Information (cont'd)

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.

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.

Capital 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, 2019	Band Management	Community Services	Economic Development	Education	Employment Programs		Health	Housing	Balance Forward
Revenue									
Federal government transfers	\$ 379,652	\$ 121,062	\$ 756,315	\$ 2,005,613	\$ 14,481	\$ 411,069	\$ 168,721	\$ 3,856,913	
Provincial government transfers	-	-	646,385	13,969	58,545	-	-	718,899	
Other	276,187	921,743	104,079	(4,071)	65,566	22,756	-	1,386,260	
Rent	41,975	-	-	-	-	-	143,464	185,439	
	\$ 697,814	\$ 1,042,805	\$ 1,506,779	\$ 2,015,511	\$ 138,592	\$ 433,825	\$ 312,185	\$ 6,147,511	
Expenses									
Amortization	\$ 74,593	\$ 10,693	\$ 4,077	\$ 64,185	\$ -	\$ 15,251	\$ 194,458	\$ 363,257	
Audit	92,115	1,000	-	-	-	-	9,000	102,115	
Bad debt	7,646	-	-	-	-	-	21,028	28,674	
Honorarium	57,265	-	765	-	-	-	-	58,030	
Insurance	56,964	9,000	-	3,000	-	2,000	15,750	86,714	
Interest	32,656	-	5,525	23,352	-	-	30,993	92,526	
Maintenance	11,926	10,863	-	49,595	-	3,447	243	76,074	
Meetings	39,198	38,030	21,658	2,872	1,690	4,468	-	107,916	
Multi-Use	86,667	-	-	-	-	-	-	86,667	
Office supplies	8,253	-	-	-	-	-	-	8,253	
Professional services	143,177	3,911	108,383	-	88,264	-	-	343,735	
Program expenses	126,724	237,837	24,358	218,482	14,918	101,851	2,996	727,166	
Service charges	-	6,498	-	750	-	-	60	7,308	
Telephone and internet	36,297	21,598	2,071	7,556	-	2,529	-	70,051	
Training	85	2,352	3,062	-	7,700	1,767	-	14,966	
Travel	144,319	90,453	41,303	32,040	3,727	69,725	-	381,567	
Tuition	27,704	7,287	-	1,249,367	680	-	-	1,250,047	
Utilities	-	-	41,310	-	-	12,966	-	89,267	
Wages and benefits	221,787	512,346	131,294	330,997	70,386	230,732	265	1,497,807	
Replacement reserve expenditures	-	-	-	-	-	-	1,410	1,410	
Administration	(401,708)	107,355	13,200	104,602	2,179	36,897	19,200	(118,275)	
Total expenses	\$ 765,668	\$ 1,059,223	\$ 355,696	\$ 2,128,108	\$ 189,544	\$ 481,633	\$ 295,403	\$ 5,275,275	
Surplus (deficit) before undernoted	(67,854)	(16,418)	1,151,083	(112,597)	(50,952)	(47,808)	16,782	872,236	
Loss on disposal of tangible capital assets	(24,468)	-	-	-	-	-	-	(24,468)	
Income from portfolio investments	103,140	-	-	-	-	-	-	103,140	
Gain on sale of portfolio investments	53,644	-	-	-	-	-	-	53,644	
Surplus for the year	\$ 64,462	\$ (16,418)	\$ 1,151,083	\$ (112,597)	\$ (50,952)	\$ (47,808)	\$ 16,782	\$ 1,004,552	

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

20. Segmented Information (cont'd)

For the year ended March 31, 2019	Balance Forward	Land & Flood Claims	Public Works	Social Services	Ontario First Nations Limited Partnership	Capital Projects	2019 Total
Revenue							
Federal government transfers	\$ 3,856,913	\$ -	\$ 259,762	\$ 116,704	\$ -	\$ 546,282	\$ 4,779,661
Provincial government transfers	718,899	81,528	-	807,805	-	-	1,608,232
Ontario First Nations Limited Partnership	-	-	-	-	848,568	-	848,568
Other	1,386,260	52,032	-	2,500	-	-	1,440,792
Rent	185,439	-	-	-	-	-	185,439
	\$ 6,147,511	\$ 133,560	\$ 259,762	\$ 927,009	\$ 848,568	\$ 546,282	\$ 8,862,692
Expenses							
Amortization	\$ 363,257	\$ -	\$ 21,118	\$ -	\$ -	\$ 278,841	\$ 663,216
Audit	102,115	4,982	-	-	-	-	107,097
Bad debt	28,674	-	-	-	-	-	28,674
Honoraria	58,030	2,550	-	-	-	-	60,580
Insurance	86,714	-	5,000	-	-	-	91,714
Interest	92,526	-	-	-	-	-	92,526
Maintenance	76,074	-	17,751	4,870	-	2,693	101,388
Meetings	107,916	1,810	-	23,556	-	-	133,282
Multi-Use	86,667	-	-	-	-	-	86,667
Office supplies	8,253	-	-	-	-	-	8,253
Professional services	343,735	88,840	-	-	-	22,100	454,675
Program expenses	727,166	-	20,738	31,265	347,460	133,807	1,260,436
Service charges	7,308	13,350	15,683	600	-	6,770	43,711
Social assistance	-	-	-	562,469	-	-	562,469
Telephone and Internet	70,051	-	11,003	1,729	-	400	83,183
Training	14,966	-	504	4,278	-	-	19,748
Travel	381,567	33,885	8,973	53,565	-	3,417	481,407
Tuition	1,250,047	-	-	-	-	-	1,250,047
Utilities	89,267	-	98,980	-	-	5,759	194,006
Wages and benefits	1,497,807	-	141,768	165,112	-	279,555	2,084,242
Replacement reserve expenditures	1,410	-	-	-	-	-	1,410
Administration	(118,275)	7,921	900	40,062	-	20,876	(48,516)
Total expenses	5,275,275	153,338	342,418	887,506	347,460	754,218	7,760,215
Surplus (deficit) before the undernoted	872,236	(19,778)	(82,656)	39,503	501,108	(207,936)	1,102,477
Loss on disposal of tangible capital assets	(24,468)	-	-	-	-	-	(24,468)
Income from portfolio investments	103,140	-	-	-	-	-	103,140
Gain on sale of portfolio investments	53,644	-	-	-	-	-	53,644
Surplus (deficit) for the year	\$ 1,004,552	\$ (19,778)	\$ (82,656)	\$ 39,503	\$ 501,108	\$ (207,936)	\$ 1,234,793

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

20. Segmented Information (cont'd)

For the year ended March 31, 2018	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
Other	2,227,450	1,012,733	591,118	7,288	65,132	-	-	3,903,721
Rent	49,534	-	-	-	-	-	146,238	195,772
	\$ 2,659,697	\$ 1,065,583	\$ 800,538	\$ 1,908,302	\$ 123,798	\$ 426,234	\$ 313,867	\$ 7,298,019
Expenses								
Amortization	\$ 73,232	\$ 10,693	\$ 4,077	\$ 64,185	\$ -	\$ 15,251	\$ 194,458	\$ 361,896
Audit	74,867	1,000	-	-	-	-	9,000	84,867
Bad debt	13,495	-	29,488	-	-	-	15,861	58,844
Honoraria	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	16,660	14,091	3,338	21,494	-	1,878	2,026	59,487
Meetings	43,867	40,050	16,170	2,045	10,400	4,500	-	117,032
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	1,002	59,518	-	3,349	24,218	24,510	150	112,747
Telephone and internet	53,736	20,478	1,856	7,751	-	3,088	-	86,909
Training	5,970	1,000	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	-	-	-	-	-	-	1,094	1,094
Administration	(341,849)	86,379	45,061	97,767	1,068	39,946	19,200	(52,428)
Total expenses	840,750	1,104,402	365,233	1,987,325	131,199	460,019	295,362	5,184,290
Surplus (deficit) before the undernoted	1,818,947	(38,819)	435,305	(79,023)	(7,401)	(33,785)	18,505	2,113,729
Gain on disposal of tangible capital assets	104,142	-	-	-	-	-	-	104,142
Income from portfolio investments	120,638	-	-	-	-	-	-	120,638
Loss on sale of portfolio investments	(8,482)	-	-	-	-	-	-	(8,482)
Impairment of tangible capital assets	(764,501)	-	-	-	-	-	-	(764,501)
Surplus (deficit) for the year	\$ 1,270,744	\$ (38,819)	\$ 435,305	\$ (79,023)	\$ (7,401)	\$ (33,785)	\$ 18,505	\$ 1,565,526

Seine River First Nation Notes to Consolidated Financial Statements

20. Segmented Information (cont'd)

For the year ended March 31, 2018	Balance Forward	Land & Flood Claims	Public Works	Social Services	Ontario First Nations Limited Partnership	Capital Projects	2018 Total
Revenue							
Federal government transfers	\$ 3,017,137	\$ -	\$ 328,845	\$ 91,200	\$ -	\$ 1,037,892	\$ 4,475,074
Provincial government transfers	181,389	126,056	-	826,493	-	-	1,133,938
Ontario First Nations Limited Partnership	-	-	-	-	670,344	-	670,344
Other	3,903,721	-	-	1,313	-	-	3,905,034
Rent	195,772	-	-	-	-	-	195,772
	\$ 7,298,019	\$ 126,056	\$ 328,845	\$ 919,006	\$ 670,344	\$ 1,037,892	\$ 10,380,162
Expenses							
Amortization	\$ 361,896	\$ -	\$ 26,609	\$ -	\$ -	\$ 230,903	\$ 619,408
Audit	84,867	4,240	-	-	-	-	89,107
Bad debt	58,844	-	-	-	-	-	58,844
Honoraria	56,570	1,550	-	-	-	-	58,120
Insurance	89,788	-	7,208	-	-	-	96,996
Interest expense	77,962	-	-	-	-	-	77,962
Maintenance	59,487	-	34,383	4,590	-	18,424	116,884
Meetings	117,032	2,649	-	23,200	-	-	142,881
Multi-Use	61,176	-	-	-	-	-	61,176
Office supplies	28,898	-	-	-	-	-	28,898
Professional services	276,986	197,338	-	-	-	1,079	475,403
Program expenses	689,494	64,963	94,582	77,867	310,889	131,178	1,368,973
Service charges	112,747	20,866	8,637	4,310	-	2,533	149,093
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	-	206,404	1,986,133
Replacement reserve expenditures	1,094	-	-	-	-	-	1,094
Administration	(52,428)	4,779	2,329	20,320	-	25,000	-
Total expenses	5,184,290	319,605	417,124	896,395	310,889	624,538	7,752,841
Surplus (deficit) before the undernoted	2,113,729	(193,549)	(88,279)	22,611	359,455	413,354	2,627,321
Gain on disposal of tangible capital assets	104,142	-	-	-	-	-	104,142
Income from portfolio investments	120,638	-	-	-	-	-	120,638
Loss on sale of portfolio investments	(8,482)	-	-	-	-	-	(8,482)
Impairment of tangible capital assets	(764,501)	-	-	-	-	-	(764,501)
Surplus (deficit) for the year	\$ 1,565,526	\$ (193,549)	\$ (88,279)	\$ 22,611	\$ 359,455	\$ 413,354	\$ 2,079,118