

Seine River First Nation
Consolidated Financial Statements
For the year ended March 31, 2020

	Contents
Management's Statement of Responsibility for Financial Reporting	2
Independent Auditor's Report	3
Consolidated Financial Statements	
Consolidated Statement of Financial Position	6
Consolidated Statement of Operations and Accumulated Surplus	7
Consolidated Statement of Changes in Net Financial Assets	8
Consolidated Statement of Cash Flows	9
Notes to Consolidated Financial Statements	10

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

March 31, 2020

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



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, 2020, 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, 2020, 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, 2020 and 2019. Our audit opinion on the financial statements for the year ended March 31, 2019 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
December 9, 2020

Seine River First Nation Consolidated Statement of Financial Position

March 31	2020	2019
Financial assets		
Cash (Note 2)	\$ 5,735,281	\$ 5,193,850
Due from band members (Note 3)	35,277	33,835
Accounts receivable (Note 4)	368,550	317,274
Due from government (Note 5)	496,534	943,017
Loan receivable (Note 6)	152,349	152,349
Portfolio investments (Note 7)	4,600,753	4,650,799
Trust funds held by federal government (Note 8)	211,163	207,098
	<u>11,599,907</u>	<u>11,498,222</u>
Liabilities		
Accounts payable and accrued liabilities (Note 9)	1,310,594	1,685,593
Due to government (Note 10)	458,074	442,757
Deferred revenue (Note 15)	2,701,917	2,138,060
Long term debt (Note 11)	5,490,322	6,155,493
	<u>9,960,907</u>	<u>10,421,903</u>
Net financial assets	<u>1,639,000</u>	<u>1,076,319</u>
Non-financial assets		
Prepaid expenses	35,020	81,240
Tangible capital assets (Note 12)	8,344,001	8,656,100
	<u>8,379,021</u>	<u>8,737,340</u>
Accumulated Surplus (Note 13)	<u>\$ 10,018,021</u>	<u>\$ 9,813,659</u>

On behalf of the First Nation:

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Chief



Councilor

Seine River First Nation Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2020	2019
Revenue		
Federal government transfers (Note 15)	\$ 3,969,817	\$ 4,779,661
Provincial government transfers (Note 15)	1,427,453	1,609,373
Ontario First Nations Limited Partnership (Note 15)	737,735	848,568
Rental revenue	171,588	185,439
Other (Note 16)	1,967,123	1,343,147
Hydro One settlement	19,968	43,842
Trust fund revenue	4,065	4,701
Recovery of funding	10,604	(4,071)
Gain on funding settlement	9,704	52,032
	8,318,057	8,862,692
Expenses		
Band management	675,769	765,668
Community services	1,119,721	1,059,223
Economic development	495,612	355,696
Education	2,115,653	2,117,463
Employment programs	101,784	200,189
Health	447,220	481,633
Housing	293,762	295,403
Public works	347,569	342,418
Social services	940,432	887,506
Ontario First Nations Limited Partnership	617,599	347,460
Land and flood claims	252,765	153,338
Capital	811,856	754,218
	8,219,742	7,760,215
Annual surplus before other items	98,315	1,102,477
Other items		
Gain (loss) on disposal of tangible capital assets	6,404	(24,468)
Income from portfolio investments	107,492	103,140
Gain (loss) on sale of portfolio investments	(7,849)	53,644
	204,362	1,234,793
Annual surplus	204,362	1,234,793
Accumulated surplus, beginning of year	9,813,659	8,578,866
Accumulated surplus, end of year	\$ 10,018,021	\$ 9,813,659

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	2020	2019
Annual surplus	\$ 204,362	\$ 1,234,793
Acquisition of tangible capital assets	(497,444)	(3,512,215)
Amortization of tangible capital assets	797,781	663,216
Loss (gain) on disposal of tangible capital assets	(6,404)	24,468
Proceeds from disposal of tangible capital assets	18,166	-
Change in prepaid expenses	46,220	687,260
Net change in net financial assets	562,681	(902,478)
Net financial assets, beginning of year	1,076,319	1,978,797
Net financial assets, end of year	\$ 1,639,000	\$ 1,076,319

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	2020	2019
Operating transactions		
Annual surplus	\$ 204,362	\$ 1,234,793
Items not involving cash		
Amortization of tangible capital assets	797,781	663,216
Loss (gain) on disposal of tangible capital assets	(6,404)	24,468
Loss (gain) on sale of portfolio investments	7,849	(53,644)
	<u>1,003,588</u>	<u>1,868,833</u>
Changes in:		
Due from band members	(1,442)	(5,674)
Accounts receivable	(51,276)	379,575
Due from government	446,483	(426,617)
Prepaid expenses	46,220	687,260
Accounts payable and accrued liabilities	(374,999)	(104,720)
Due to government	15,317	4,794
Deferred revenue	563,857	540,960
Trust funds held by federal government	(4,065)	(4,701)
	<u>640,095</u>	<u>1,070,877</u>
	<u>1,643,683</u>	<u>2,939,710</u>
Capital transactions		
Acquisition of tangible capital assets	(497,444)	(3,512,215)
Proceeds from disposal of tangible capital assets	18,166	-
	<u>(479,278)</u>	<u>(3,512,215)</u>
Investing transactions		
Proceeds from sale of portfolio investments	977,284	2,282,067
Purchase of portfolio investments	(1,225,345)	(2,095,256)
Decrease (increase) in Rainy River District First Nations Trust	290,258	(34,002)
	<u>42,197</u>	<u>152,809</u>
Financing transactions		
Advances of long term debt	552,910	2,579,587
Repayment of long term debt	(1,218,081)	(307,608)
Repayment of demand loan	-	(76,946)
Repayments from Senic River Mall	-	5,000
	<u>(665,171)</u>	<u>2,200,033</u>
Increase in cash	<u>541,431</u>	<u>1,780,337</u>
Cash, beginning of year	<u>5,193,850</u>	<u>3,413,513</u>
Cash, end of year	<u>\$ 5,735,281</u>	<u>\$ 5,193,850</u>

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

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2020

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 a government business partnership. Inter-organizational balances and transactions are eliminated upon consolidation.

The following entities has been consolidated in the financial statements:

- i) Seine River First Nation Development Corporation
- ii) Mudges 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, 2020

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.

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2020

1. Significant Accounting Policies (cont'd)

h) Revenue Recognition (cont'd)

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

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

	2020	2019
Externally Restricted		
Canada Mortgage and Housing Corporation	\$ 99,469	\$ 99,444
Unrestricted	5,635,812	5,094,406
	\$ 5,735,281	\$ 5,193,850

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

	2020	2019
Due from band members	\$ 1,245,238	\$ 1,210,967
Less: valuation allowance	(1,209,961)	(1,177,132)
	\$ 35,277	\$ 33,835

Seine River First Nation

Notes to Consolidated Financial Statements

March 31, 2020

4. Accounts Receivable

	2020	2019
Accounts receivable	\$ 270,102	\$ 202,962
Public Service Bodies' Rebate	146,843	162,707
	<u>416,945</u>	<u>365,669</u>
Less: valuation allowance	(48,395)	(48,395)
	<u>\$ 368,550</u>	<u>\$ 317,274</u>

5. Due from Government

	2020	2019
Federal government		
Indigenous Services Canada	\$ 268,201	\$ 223,409
Health Canada	24,834	30,712
Canada Mortgage and Housing Corporation	99,217	14,174
Federal Economic Development	-	84,315
Provincial government		
Infrastructure Ontario	87,854	-
Ministry of Aboriginal Affairs	16,428	109,499
Ministry of Natural Resources	-	12,856
Northern Ontario Heritage Fund	-	468,052
	<u>\$ 496,534</u>	<u>\$ 943,017</u>

6. Loan Receivable

	2020	2019
Senic River Mall Inc., interest free, no specific terms of repayment, unsecured.	\$ 112,463	\$ 112,463
Rainy Lake Tribal Development Corporation, interest free, repayable on demand, unsecured.	39,886	39,886
	<u>\$ 152,349</u>	<u>\$ 152,349</u>

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2020

7. Portfolio Investments

	2020	2019
Investments held in public markets		
Cash Equivalents:		
Equitable Bank GIC, bearing interest 2.17% and matures January 2021 (347,800 common shares)	\$ 347,800	\$ -
Fixed Income Securities:		
Canadian Mutual Funds (66,949 units)	816,838	547,685
Corporate Bonds	-	289,720
Equity Securities:		
Canadian Common Stocks (8,860 common shares)	2,456,050	2,790,468
Foreign Common Stocks (375,620 common shares)	597,461	510,256
Foreign Equity Mutual Funds (14,547 units)	273,097	112,905
Rainy River District First Nations Trust	9,047	299,305
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
	\$ 4,600,753	\$ 4,650,799

The fair market value of the Investments in public markets and the Rainy River District First Nation Trust is \$3,088,817 (2019 - \$3,410,264).

8. Trust Funds Held by Federal Government

	2019	Additions	2020
Revenue	\$ 151,870	\$ 4,065	\$ 155,935
Capital	55,228	-	55,228
	\$ 207,098	\$ 4,065	\$ 211,163

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, 2020

9. Accounts Payable and Accrued Liabilities

	2020	2019
Trade payables	\$ 887,625	\$ 1,051,820
Vacation pay	93,439	89,389
Tuition payable	329,530	544,384
	<u>\$ 1,310,594</u>	<u>\$ 1,685,593</u>

10. Due to Government

	2020	2019
Federal government	\$ 345,650	\$ 338,429
Provincial government	112,424	104,328
	<u>\$ 458,074</u>	<u>\$ 442,757</u>

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2020

11. Long Term Debt

	2020	2019
CMHC mortgage, payable \$4,809 monthly including interest at 1.43%, maturing February 2022	\$ 109,040	\$ 164,751
CMHC mortgage, principal reduction \$3,464 monthly plus interest at 0.97%, maturing April 2020	3,456	44,771
CMHC mortgage, payable \$2,337 monthly including interest at 2.13%, maturing October 2022	307,653	328,908
CMHC mortgage, payable \$3,685 monthly including interest at 1.12%, maturing May 2020	607,328	644,523
CMHC mortgage, payable \$3,181 monthly including interest at 2.61%, maturing December 2023	564,167	587,327
Indigenous Services Canada Claim Loans non-interest bearing, maturing at the earliest of March 2021 or the date on which the claims are settled	479,917	479,917
Indigenous Services Canada Claim Loans non-interest bearing, maturing at the earliest of March 2021 or the date on which the claims are settled	589,031	589,031
TD Canada Trust term loan, payable \$9,591 monthly including interest at 4.95%, maturing September 2021	369,126	470,615
TD Canada Trust term loan, payable \$19,591 monthly including interest at 4.85%, maturing December 2020	2,460,604	-
TD Canada Trust term loan	-	17,262
TD Canada Trust demand loan	-	2,828,388
	\$ 5,490,322	\$ 6,155,493

Seine River First Nation

Notes to Consolidated Financial Statements

March 31, 2020

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.

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>
2021	\$ 3,269,286	\$ 354,529
2022	371,199	360,536
2023	288,904	320,115
2024	25,327	282,707
2025	466,658	228,389
Thereafter	<u>1,068,948</u>	<u>3,944,046</u>
	<u>\$ 5,490,322</u>	<u>\$ 5,490,322</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, 2020

12. Tangible Capital Assets

	2020										
	Land	Buildings	Commercial Buildings	General Equipment	Housing	Infrastructure	Vehicles	Water Systems	Other	Construction in Progress	Total
Cost, beginning of year	\$ -	\$ 3,563,090	\$ 641,410	\$ 706,831	\$ 7,421,079	\$ 323,376	\$ 1,310,258	\$ 6,987,805	\$ 727,575	\$ 4,318,442	\$ 25,999,866
Additions	-	91,278	19,575	195,247	-	21,875	65,805	85,029	18,635	-	497,444
Disposals	-	-	-	(8,565)	-	-	(765,340)	-	(131,440)	-	(905,345)
Adjustment	208,553	-	(208,553)	-	-	-	-	-	-	-	-
Capitalized construction	-	4,314,925	-	-	-	-	-	-	-	(4,314,925)	-
Cost, end of year	208,553	7,969,293	452,432	893,513	7,421,079	345,251	610,723	7,072,834	614,770	3,517	25,591,965
Accumulated amortization and impairment, beginning of year	-	3,139,591	95,231	489,359	4,829,628	199,060	1,177,554	6,902,746	510,597	-	17,343,766
Amortization	-	314,602	(8,336)	88,869	264,059	10,358	69,393	8,503	50,333	-	797,781
Disposals	-	-	-	(8,565)	-	-	(753,578)	-	(131,440)	-	(893,583)
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Accumulated amortization and impairment, end of year	-	3,454,193	86,895	569,663	5,093,687	209,418	493,369	6,911,249	429,490	-	17,247,964
Net carrying amount, end of year	\$ 208,553	\$ 4,515,100	\$ 365,537	\$ 323,850	\$ 2,327,392	\$ 135,833	\$ 117,354	\$ 161,585	\$ 185,280	\$ 3,517	\$ 8,344,001

Seine River First Nation Notes to Consolidated Financial Statement

March 31, 2020

12. Tangible Capital Assets (cont'd)

										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	\$ 700,183	\$ 6,497,625	\$ 289,357	\$ 1,315,185	\$ 6,902,775	\$ 727,575	\$ 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)
Capitalized construction	-	-	-	14,133	34,019	-	-	-	(48,152)	-
Cost, end of year	3,563,090	641,410	706,831	7,421,079	323,376	1,310,258	6,987,805	727,575	4,318,442	25,999,866
Accumulated amortization, beginning of year	2,968,627	63,160	440,350	4,565,569	189,577	1,090,166	6,900,271	468,947	-	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)
Accumulated amortization, end of year	3,139,591	95,231	489,359	4,829,628	199,060	1,177,554	6,902,746	510,597	-	17,343,766
Net carrying amount, end of year	\$ 423,499	\$ 546,179	\$ 217,472	\$ 2,591,451	\$ 124,316	\$ 132,704	\$ 85,059	\$ 216,978	\$ 4,318,442	\$ 8,656,100

Seine River First Nation

Notes to Consolidated Financial Statements

March 31, 2020

13. Accumulated Surplus

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

	2020	2019
Fund balances		
Unrestricted		
Fund balance - General	\$ 8,605,268	\$ 8,451,614
Internally restricted		
Band trust funds (Note 8)	211,163	207,098
Band transportation vehicle replacement	134,155	134,155
Externally restricted		
Replacement reserve - CMHC	528,548	497,538
Operating reserve - CMHC	538,887	523,254
 Accumulated Surplus	 \$ 10,018,021	 \$ 9,813,659

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, 2020. 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, 2020

15. Deferred Revenue and Government Transfers

	Balance March 31, 2019	Funding Received 2020	Revenue Recognized 2020	Balance March 31, 2020
Federal Government				
Indigenous Services Canada (Note)	\$ 2,077,611	\$ 3,534,468	\$ 3,082,470	\$ 2,529,609
Ministry of Canadian Heritage	-	140,000	140,000	-
Health Canada (Note)	-	498,620	454,974	43,646
CMHC	-	170,086	170,086	-
Federal Economic Development Initiative for Northern Ontario	-	122,287	122,287	-
	2,077,611	4,431,029	3,969,817	2,573,255
Provincial Government				
Indigenous Economic Development	-	36,800	36,800	-
Ministry of Aboriginal Affairs	-	165,235	165,235	-
Ministry of Community and Social Services (AHWS)	-	825,555	825,555	-
Ministry of Natural Resources	-	65,657	65,657	-
Ministry of Education	-	55,680	55,680	-
Ministry of Tourism, Culture and Sport	-	13,969	13,969	-
Ministry of Health Revenue	60,449	25,879	25,879	128,662
Northern Ontario Heritage Fund	-	-	-	-
Corporation	-	150,823	150,823	-
Infrastructure Ontario	-	87,855	87,855	-
	60,449	1,427,453	1,427,453	128,662
First Nation and Organization				
Ontario First Nations Limited Partnership	-	737,735	737,735	-
	\$ 2,138,060	\$ 6,596,217	\$ 6,135,005	\$ 2,701,917

Note: ISC, Health Canada and Ministry of Aboriginal Affairs funding received is net of current year calculated repayable amounts due to unspent funding. ISC funding received is \$3,534,468 (2019 - \$3,807,147) and repayable funding is \$nil (2019 - \$22,786). Health Canada funding received is \$498,620 (2019 - \$411,069) and repayable funding is \$nil (2019 - \$nil). Ministry of Aboriginal Affairs funding received is \$247,779 (2019 - \$246,021) and repayable funding is \$84,544 (2019 - \$83,493).

Seine River First Nation

Notes to Consolidated Financial Statements

March 31, 2020

16. Other revenue

	2020	2019
Nuclear Waste Management	\$ 158,505	\$ 75,000
Weechi-it-te win	945,028	760,604
FFTAHA	158,139	158,139
Grand Council Treaty	395,895	22,756
Shooniyaa	162,860	64,424
Other	146,696	262,224
	<u>\$ 1,967,123</u>	<u>\$ 1,343,147</u>

17. Demand Loan

The First Nation has an operating loan with a credit limit of \$650,000 (2019 - \$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, 2020 and is secured by a general security agreement. As at March 31, 2020, the balance available on the credit line was \$650,000 (2019 - \$650,000).

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 \$45,650 (2019 - \$45,970).

19. Comparative Amounts

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

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2020

20. Subsequent Event - COVID-19

Prior to the 2019/20 fiscal year ending on March 31, 2020 and subsequent, the Province of Ontario declared a state of emergency and placed restrictions on specific business activities, allowing only essential businesses to remain open. The First Nation closed its doors to the public in March 2020 and staff temporarily continued to work from home as they were able to. The First Nation reopened its doors to the public in August 2020.

The pandemic caused Indigenous Services Canada to issue approval for unspent 2019-2020 funding to be utilized in 2020-2021. It also caused a temporary decline in the fair market value of portfolio investments held which has subsequently returned to normal levels. Given the dynamic nature of these circumstances and the duration of the business disruption, the related financial impact cannot be reasonably estimated at this time. The First Nation's ability to meet obligations as they come due is dependent on the continued support of Indigenous Services Canada and other funders.

21. Segmented Information

Seine River First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes, the Seine River First Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. The services are provided by several entities of Seine River First Nation. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

Band Management

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

Community Services

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

Economic Development

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

Education

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

Employment Programs

Employment programs contains activities that provide employment and training services.

Health Services

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

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2020

21. Segmented Information (cont'd)

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

21. Segmented Information (cont'd)

For the year ended March 31, 2020	Band Management	Community Services	Economic Development	Education	Employment Programs	Health	Housing	Balance Forward
Revenue								
Federal government transfers	\$ 273,071	\$ 99,954	\$ 302,012	\$ 2,013,449	\$ 3,718	\$ 454,974	\$ 170,086	\$ 3,317,264
Provincial government transfers	-	-	297,908	13,969	143,535	-	-	455,412
Other	127,250	1,103,667	581,828	29,651	162,860	15,551	-	2,020,807
Rent	32,729	-	-	-	-	-	138,859	171,588
	<u>\$ 433,050</u>	<u>\$ 1,203,621</u>	<u>\$ 1,181,748</u>	<u>\$ 2,057,069</u>	<u>\$ 310,113</u>	<u>\$ 470,525</u>	<u>\$ 308,945</u>	<u>\$ 5,965,071</u>
Expenses								
Advertising	\$ -	\$ -	\$ 61,500	\$ -	\$ -	\$ -	\$ -	\$ 61,500
Amortization	9,529	10,262	1,359	40,010	-	10,751	194,458	266,369
Audit	100,145	1,000	-	-	-	-	6,625	107,770
Bad debt	8,536	-	-	-	-	-	24,294	32,830
Honorarium	60,800	3,575	1,410	-	-	-	-	65,785
Insurance	99,779	9,000	-	3,000	-	2,000	15,750	129,529
Interest	25,978	-	2,200	6,850	-	-	30,833	65,861
Maintenance	35,605	9,232	8,085	56,286	-	1,552	1,234	111,994
Meetings	86,998	39,820	20,949	-	-	6,000	-	153,767
Multi-Use	13,488	-	-	-	-	-	-	13,488
Office supplies	21,511	-	-	-	-	-	-	21,511
Professional services	90,769	2,411	158,601	-	3,718	-	-	255,499
Program expenses	139,398	243,244	62,922	292,961	1,266	104,157	618	844,566
Service charges	2,345	62,513	75	6,472	-	4,518	235	76,158
Telephone and internet	37,474	21,186	2,170	8,769	-	2,192	-	71,791
Training	36,256	-	149	-	-	4,206	-	40,611
Travel	115,582	77,656	27,256	44,004	-	61,368	-	325,866
Tuition	-	-	-	1,173,247	-	-	-	1,173,247
Utilities	20,517	7,533	985	35,100	-	16,355	-	80,490
Wages and benefits	169,349	520,551	157,551	336,354	96,611	191,399	-	1,471,815
Replacement reserve expenditures	-	-	-	-	-	-	515	515
Administration	(398,290)	111,738	(9,600)	112,600	189	42,722	19,200	(121,441)
Total expenses	<u>\$ 675,769</u>	<u>\$ 1,119,721</u>	<u>\$ 495,612</u>	<u>\$ 2,115,653</u>	<u>\$ 101,784</u>	<u>\$ 447,220</u>	<u>\$ 293,762</u>	<u>\$ 5,249,521</u>
Surplus (deficit) before undernoted	(242,719)	83,900	686,136	(58,584)	208,329	23,305	15,183	715,550
Gain on disposal of tangible capital assets	-	6,404	-	-	-	-	-	6,404
Income from portfolio investments	107,492	-	-	-	-	-	-	107,492
Loss on sale of portfolio investments	(7,849)	-	-	-	-	-	-	(7,849)
Surplus (deficit) for the year	<u>\$ (143,076)</u>	<u>\$ 90,304</u>	<u>\$ 686,136</u>	<u>\$ (58,584)</u>	<u>\$ 208,329</u>	<u>\$ 23,305</u>	<u>\$ 15,183</u>	<u>\$ 821,597</u>

Seine River First Nation Notes to Consolidated Financial Statements

21. Segmented Information (cont'd)

For the year ended March 31, 2020	Balance Forward	Land & Flood Claims	Public Works	Social Services	Ontario First Nations Limited Partnership	Capital Projects	2020 Total
Revenue							
Federal government transfers	\$ 3,317,264	\$ -	\$ 266,262	\$ 86,184	\$ -	\$ 300,107	\$ 3,969,817
Provincial government transfers	455,412	120,607	-	851,434	-	-	1,427,453
Ontario First Nations Limited Partnership	-	-	-	-	737,735	-	737,735
Other	2,020,807	2,830	2,344	(16,566)	-	2,049	2,011,464
Rent	171,588	-	-	-	-	-	171,588
	<u>\$ 5,965,071</u>	<u>\$ 123,437</u>	<u>\$ 268,606</u>	<u>\$ 921,052</u>	<u>\$ 737,735</u>	<u>\$ 302,156</u>	<u>\$ 8,318,057</u>
Expenses							
Advertising	\$ 61,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,500
Amortization	266,369	-	21,118	-	-	510,294	797,781
Audit	107,770	6,360	-	-	-	-	114,130
Bad debt	32,830	-	-	-	-	-	32,830
Honoraria	65,785	450	-	-	-	-	66,235
Insurance	129,529	-	1,000	-	-	-	130,529
Interest	65,861	-	-	-	-	-	65,861
Maintenance	111,994	-	8,685	1,994	-	4,340	127,013
Meetings	153,767	1,765	-	699	-	-	156,231
Multi-Use	13,488	-	-	-	-	-	13,488
Office supplies	21,511	-	-	-	-	-	21,511
Professional services	255,499	223,573	-	-	-	47,161	526,233
Program expenses	844,566	-	21,344	49,008	587,599	51,734	1,554,251
Service charges	76,158	6,450	16,487	259	-	25,580	124,934
Social assistance	-	-	-	650,070	-	-	650,070
Telephone and Internet	71,791	-	11,135	876	-	-	83,802
Training	40,611	-	490	4,425	-	-	45,526
Travel	325,866	6,244	5,814	27,263	-	1,884	367,071
Tuition	1,173,247	-	-	-	-	-	1,173,247
Utilities	80,490	-	109,502	-	-	10,789	200,781
Wages and benefits	1,471,815	-	138,259	166,814	-	132,704	1,909,592
Replacement reserve expenditures	515	-	-	-	-	-	515
Administration	(121,441)	7,923	13,735	39,024	30,000	27,370	(3,389)
Total expenses	<u>\$ 5,249,521</u>	<u>\$ 252,765</u>	<u>\$ 347,569</u>	<u>\$ 940,432</u>	<u>\$ 617,599</u>	<u>\$ 811,856</u>	<u>\$ 8,219,742</u>
Surplus (deficit) before the undernoted	715,550	(129,328)	(78,963)	(19,380)	120,136	(509,700)	98,315
Gain on disposal of tangible capital assets	6,404	-	-	-	-	-	6,404
Income from portfolio investments	107,492	-	-	-	-	-	107,492
Loss on sale of portfolio investments	(7,849)	-	-	-	-	-	(7,849)
Surplus (deficit) for the year	<u>\$ 821,597</u>	<u>\$ (129,328)</u>	<u>\$ (78,963)</u>	<u>\$ (19,380)</u>	<u>\$ 120,136</u>	<u>\$ (509,700)</u>	<u>\$ 204,362</u>

Seine River First Nation Notes to Consolidated Financial Statements

21. 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	59,687	-	-	720,041
Other	276,187	921,743	104,079	(4,071)	64,424	22,756	-	1,385,118
Rent	41,975	-	-	-	-	-	143,464	185,439
	<u>\$ 697,814</u>	<u>\$ 1,042,805</u>	<u>\$ 1,506,779</u>	<u>\$ 2,015,511</u>	<u>\$ 138,592</u>	<u>\$ 433,825</u>	<u>\$ 312,185</u>	<u>\$ 6,147,511</u>
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
Honoraria	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	-	-	-	1,249,367	680	-	-	1,250,047
Utilities	27,704	7,287	-	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	93,957	12,824	36,897	19,200	(118,275)
Total expenses	<u>\$ 765,668</u>	<u>\$ 1,059,223</u>	<u>\$ 355,696</u>	<u>\$ 2,117,463</u>	<u>\$ 200,189</u>	<u>\$ 481,633</u>	<u>\$ 295,403</u>	<u>\$ 5,275,275</u>
Surplus (deficit) before the undernoted	(67,854)	(16,418)	1,151,083	(101,952)	(61,597)	(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 (deficit) for the year	<u>\$ 64,462</u>	<u>\$ (16,418)</u>	<u>\$ 1,151,083</u>	<u>\$ (101,952)</u>	<u>\$ (61,597)</u>	<u>\$ (47,808)</u>	<u>\$ 16,782</u>	<u>\$ 1,004,552</u>

Seine River First Nation Notes to Consolidated Financial Statements

21. 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	720,041	81,527	-	807,805	-	-	1,609,373
Ontario First Nations Limited Partnership	-	-	-	-	848,568	-	848,568
Other	1,385,118	52,033	-	2,500	-	-	1,439,651
Rent	185,439	-	-	-	-	-	185,439
	<u>\$ 6,147,511</u>	<u>\$ 133,560</u>	<u>\$ 259,762</u>	<u>\$ 927,009</u>	<u>\$ 848,568</u>	<u>\$ 546,282</u>	<u>\$ 8,862,692</u>
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 expense	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	<u>\$ 5,275,275</u>	<u>\$ 153,338</u>	<u>\$ 342,418</u>	<u>\$ 887,506</u>	<u>\$ 347,460</u>	<u>\$ 754,218</u>	<u>\$ 7,760,215</u>
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	<u>\$ 1,004,552</u>	<u>\$ (19,778)</u>	<u>\$ (82,656)</u>	<u>\$ 39,503</u>	<u>\$ 501,108</u>	<u>\$ (207,936)</u>	<u>\$ 1,234,793</u>