

**Seine River First Nation
Consolidated Financial Statements
For the year ended March 31, 2021**

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

March 31, 2021

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



Councilor



Councilor

Independent Auditor's Report

To the Members of Seine River First Nation

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, 2021, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2021, 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 Opinion

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 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
November 18, 2021

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

	March 31	2021	2020
Financial assets			
Cash (Note 2)	\$ 7,434,101	\$ 5,735,281	
Due from band members (Note 3)	34,985	35,277	
Accounts receivable (Note 4)	1,267,079	368,550	
Due from government (Note 5)	681,108	496,534	
Loan receivable (Note 6)	112,463	152,349	
Portfolio investments (Note 7)	3,796,008	4,600,753	
Trust funds held by federal government (Note 8)	213,816	211,163	
	<hr/>	<hr/>	<hr/>
	13,539,560	11,599,907	
Liabilities			
Accounts payable and accrued liabilities (Note 9)	1,643,093	1,310,594	
Due to government (Note 10)	277,362	458,074	
Deferred revenue (Note 15)	4,159,752	2,701,917	
Long term debt (Note 11)	5,158,509	5,490,322	
	<hr/>	<hr/>	<hr/>
	11,238,716	9,960,907	
Net financial assets	<hr/>	<hr/>	<hr/>
	2,300,844	1,639,000	
Non-financial assets			
Prepaid expenses	31,904	35,020	
Tangible capital assets (Note 12)	7,949,882	8,344,001	
	<hr/>	<hr/>	<hr/>
	7,981,786	8,379,021	
Accumulated Surplus (Note 13)	<hr/>	<hr/>	<hr/>
	\$10,282,630	\$ 10,018,021	

On behalf of the First Nation:

 Councilor

 Councilor

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

For the year ended March 31	2021	2020
Revenue		
Federal government transfers (Note 15)	\$ 4,167,690	\$ 3,969,817
Provincial government transfers (Note 15)	931,887	1,427,453
Ontario First Nations Limited Partnership (Note 15)	716,254	737,735
Rental revenue	181,512	171,588
Other (Note 16)	2,257,519	1,967,123
Hydro One settlement	19,968	19,968
Trust fund revenue	2,653	4,065
Recovery of funding	(4,678)	(19,047)
Gain on funding settlement	145,299	39,355
	<hr/> 8,418,104	<hr/> 8,318,057
Expenses		
Band management	528,918	675,769
Community services	1,258,897	1,119,721
Economic development	477,680	495,612
Education	2,070,599	2,115,653
Employment programs	105,936	101,784
Health	380,601	447,220
Housing	278,554	293,762
Public works	378,025	347,569
Social services	1,036,320	940,432
Ontario First Nations Limited Partnership	271,071	617,599
Land and flood claims	154,961	252,765
Capital	736,171	811,856
	<hr/> 7,677,733	<hr/> 8,219,742
Annual surplus before other items	740,371	98,315
Other items		
Gain (loss) on disposal of tangible capital assets	(4,100)	6,404
Income from portfolio investments	118,572	107,492
Gain (loss) on sale of portfolio investments	73,722	(7,849)
Impairment of portfolio investments	(663,956)	-
	<hr/> 264,609	<hr/> 204,362
Annual surplus	10,018,021	9,813,659
Accumulated surplus, beginning of year	<hr/> 10,282,630	<hr/> \$ 10,018,021
Accumulated surplus, end of year	<hr/> \$ 10,282,630	<hr/> \$ 10,018,021

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

March 31	2021	2020
Annual surplus	\$ 264,609	\$ 204,362
Acquisition of tangible capital assets	(478,331)	(497,444)
Amortization of tangible capital assets	865,850	797,781
Loss (gain) on disposal of tangible capital assets	4,100	(6,404)
Proceeds from disposal of tangible capital assets	2,500	18,166
Change in prepaid expenses	3,116	46,220
 Net change in net financial assets	 661,844	 562,681
Net financial assets, beginning of year	1,639,000	1,076,319
 Net financial assets, end of year	 \$ 2,300,844	 \$ 1,639,000

Seine River First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2021	2020
Operating transactions		
Annual surplus	\$ 264,609	\$ 204,362
Items not involving cash		
Amortization of tangible capital assets	865,850	797,781
Loss (gain) on disposal of tangible capital assets	4,100	(6,404)
Loss (gain) on sale of portfolio investments	(73,722)	7,849
Impairment of portfolio investments	663,956	-
	<hr/>	<hr/>
	1,724,793	1,003,588
Changes in:		
Due from band members	292	(1,442)
Accounts receivable	(898,529)	(51,276)
Due from government	(184,574)	446,483
Prepaid expenses	3,116	46,220
Accounts payable and accrued liabilities	332,499	(374,999)
Due to government	(180,712)	15,317
Deferred revenue	1,457,835	563,857
Trust funds held by federal government	(2,653)	(4,065)
	<hr/>	<hr/>
	527,274	640,095
	<hr/>	<hr/>
	2,252,067	1,643,683
Capital transactions		
Acquisition of tangible capital assets	(478,331)	(497,444)
Proceeds from disposal of tangible capital assets	2,500	18,166
	<hr/>	<hr/>
	(475,831)	(479,278)
Investing transactions		
Increase in Boundary Waters Anishinaabed Development LP	(70,629)	-
Decrease in Rainy Lake Tribal Development Corporation	57,379	-
Proceeds from sale of portfolio investments	1,016,229	977,284
Purchase of portfolio investments	(714,882)	(1,225,345)
Decrease (increase) in Rainy River District First Nations Trust	(33,700)	290,258
	<hr/>	<hr/>
	254,397	42,197
Financing transactions		
Advances of long term debt	28,899	552,910
Repayment of long term debt	(360,712)	(1,218,081)
	<hr/>	<hr/>
	(331,813)	(665,171)
Increase in cash	<hr/>	<hr/>
	1,698,820	541,431
Cash, beginning of year	<hr/>	<hr/>
	5,735,281	5,193,850
Cash, end of year	<hr/>	<hr/>
	\$ 7,434,101	\$ 5,735,281

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2021

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) 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, 2021

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, 2021

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

	2021	2020
Externally Restricted		
Canada Mortgage and Housing Corporation	\$ 99,494	\$ 99,469
Unrestricted	<u>7,334,607</u>	<u>5,635,812</u>
	<u><u>\$ 7,434,101</u></u>	<u><u>\$ 5,735,281</u></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

	2021	2020
Due from band members	\$ 1,271,978	\$ 1,245,238
Less: valuation allowance	<u>(1,236,993)</u>	<u>(1,209,961)</u>
	<u><u>\$ 34,985</u></u>	<u><u>\$ 35,277</u></u>

Seine River First Nation
Notes to Consolidated Financial Statements

March 31, 2021

4. Accounts Receivable

	2021	2020
Accounts receivable	\$ 733,628	\$ 270,102
Ontario First Nations Limited Partnership	476,770	-
Public Service Bodies' Rebate	105,076	146,843
	<hr/>	<hr/>
Less: valuation allowance	1,315,474	416,945
	(48,395)	(48,395)
	<hr/>	<hr/>
	\$ 1,267,079	\$ 368,550
	<hr/>	<hr/>

5. Due from Government

	2021	2020
Federal government		
Indigenous Services Canada	\$ 503,934	\$ 268,201
Health Canada	7,266	24,834
Canada Mortgage and Housing Corporation	13,674	99,217
Provincial government		
Infrastructure Ontario	-	87,854
Ministry of Aboriginal Affairs	108,772	16,428
Ministry of Children, Community and Social Services	47,462	-
	<hr/>	<hr/>
	\$ 681,108	\$ 496,534
	<hr/>	<hr/>

6. Loan Receivable

	2021	2020
Senic River Mall Inc., interest free, no specific terms of repayment, unsecured.	\$ 112,463	\$ 112,463
Rainy Lake Tribal Development Corporation	-	39,886
	<hr/>	<hr/>
	\$ 112,463	\$ 152,349
	<hr/>	<hr/>

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

March 31, 2021

7. Portfolio Investments

	2021	2020
Investments held in public markets		
Cash Equivalents:		
Equitable Bank GIC	\$ -	\$ 347,800
Fixed Income Securities:		
Canadian Mutual Funds (79,259 units)	994,181	816,838
Equity Securities:		
Canadian Common Stocks (373,994 units)	1,768,484	2,456,050
Foreign Common Stocks (2,924 units)	382,541	597,461
Foreign Equity Mutual Funds (24,024 units)	454,459	273,097
Rainy River District First Nations Trust	42,747	9,047
8232121 Canada Ltd.	100	100
Rainy Lake Tribal Resource Management Inc.	100	100
Rainy Lake Tribal Development Corporation	82,507	100,000
Senic River Mall Inc.	10	10
Boundary Waters Anishinaabeg Development, LP	70,879	250
	<hr/>	<hr/>
	\$ 3,796,008	\$ 4,600,753

The fair market value of the investments in public markets and the Rainy River District First Nation Trust is \$3,752,089 (2020 - \$3,088,817).

8. Trust Funds Held by Federal Government

	2020	Additions	2021
Revenue Capital	\$ 155,935 55,228	\$ 2,653 -	\$ 158,588 55,228
	<hr/>	<hr/>	<hr/>
	\$ 211,163	\$ 2,653	\$ 213,816

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, 2021

9. Accounts Payable and Accrued Liabilities

	2021	2020
Trade payables	\$ 869,309	\$ 798,229
Vacation pay	132,013	93,439
Tuition payable	641,771	418,926
	<hr/>	<hr/>
	\$ 1,643,093	\$ 1,310,594
	<hr/>	<hr/>

10. Due to Government

	2021	2020
Federal government	\$ 170,190	\$ 345,650
Provincial government	107,172	112,424
	<hr/>	<hr/>
	\$ 277,362	\$ 458,074
	<hr/>	<hr/>

Seine River First Nation

Notes to Consolidated Financial Statements

March 31, 2021

11. Long Term Debt

	2021	2020
CMHC mortgage, payable \$4,809 monthly including interest at 1.43%, maturing February 2022	\$ 52,523	\$ 109,040
CMHC mortgage	-	3,456
CMHC mortgage, payable \$2,337 monthly including interest at 2.13%, maturing October 2022	285,913	307,653
CMHC mortgage, payable \$3,685 monthly including interest at 0.96%, maturing March 2026	568,885	607,328
CMHC mortgage, payable \$3,181 monthly including interest at 2.61%, maturing December 2023	540,332	564,167
Indigenous Services Canada Claim Loans - Flood Claim non-interest bearing, maturing at the earliest of March 2022 or the date on which the claims are settled	508,816	479,917
Indigenous Services Canada Claim Loans - Treaty Land Entitlement non-interest bearing, maturing at the earliest of March 2022 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	270,113	369,126
TD Canada Trust term loan, payable \$18,019 monthly including interest at 3.51%, maturing November 2024	2,342,896	2,460,604
	<hr/>	<hr/>
	\$ 5,158,509	\$ 5,490,322

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2021

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:

	Current Banking Agreements	Assuming Refinancing on Maturity
2022	\$ 540,865	\$ 372,478
2023	465,941	331,970
2024	674,096	291,570
2025	1,965,965	237,318
2026	413,795	244,089
Thereafter	<u>1,097,847</u>	<u>3,681,084</u>
	<u><u>\$ 5,158,509</u></u>	<u><u>\$ 5,158,509</u></u>

In 2019 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, 2021

12. Tangible Capital Assets

2021

	Land	Buildings	Commercial Buildings	General Equipment	Housing	Infrastructure	Vehicles	Water Systems	Other	Construction in Progress	Total
Cost, beginning 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
Additions	-	-	12,653	74,128	-	-	373,488	-	18,062	-	478,331
Disposals	-	-	-	-	-	-	(11,000)	-	(14,565)	-	(25,565)
Cost, end of year	208,553	7,969,293	465,085	967,641	7,421,079	345,251	973,211	7,072,834	618,267	3,517	26,044,731
Accumulated amortization, beginning of year	-	3,454,193	86,895	569,663	5,093,687	209,418	493,369	6,911,249	429,490	-	17,247,964
Amortization	-	319,148	23,254	86,371	264,059	10,358	104,061	8,078	50,521	-	865,850
Disposals	-	-	-	-	-	-	(4,400)	-	(14,565)	-	(18,965)
Accumulated amortization, end of year	-	3,773,341	110,149	656,034	5,357,746	219,776	593,030	6,919,327	465,446	-	18,094,849
Net carrying amount, end of year	\$ 208,553	\$ 4,195,952	\$ 354,936	\$ 311,607	\$ 2,063,333	\$ 125,475	\$ 380,181	\$ 153,507	\$ 152,821	\$ 3,517	\$ 7,949,882

Seine River First Nation
Notes to Consolidated Financial Statement

March 31, 2021

12. Tangible Capital Assets (cont'd)

	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, 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)
Accumulated amortization, 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 Statements

March 31, 2021

13. Accumulated Surplus

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

	2021	2020
Fund balances		
Unrestricted		
Fund balance - General	\$ 8,785,827	\$ 8,605,268
Internally restricted		
Band trust funds (Note 8)	213,816	211,163
Band transportation vehicle replacement	134,155	134,155
Externally restricted		
Replacement reserve - CMHC	556,244	528,548
Operating reserve - CMHC	592,588	538,887
Accumulated Surplus	<u>\$10,282,630</u>	<u>\$ 10,018,021</u>

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, 2021. 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, 2021

15. Deferred Revenue and Government Transfers

	Balance March 31, 2020	Funding Received 2021	Revenue Recognized 2021	Balance March 31, 2021
<u>Federal Government</u>				
Indigenous Services Canada (Note)	\$ 2,529,609	\$ 4,559,578	\$ 3,360,514	\$ 3,728,673
Health Canada (Note)	43,646	462,539	364,652	141,533
Canada Mortgage and Housing Corporation	-	216,431	216,431	-
Federal Economic Development Initiative for Northern Ontario	-	226,093	226,093	-
	<u>2,573,255</u>	<u>5,464,641</u>	<u>4,167,690</u>	<u>3,870,206</u>
<u>Provincial Government</u>				
Ministry of Indigenous Affairs (Note)	-	117,970	117,970	-
Ministry of Community and Social Services	-	760,446	760,446	-
Ministry of Tourism, Culture and Sport	-	13,969	13,969	-
Ministry of Health Revenue	128,662	94,093	39,502	183,253
	<u>128,662</u>	<u>986,478</u>	<u>931,887</u>	<u>183,253</u>
<u>First Nation and Organization</u>				
Ontario First Nations Limited Partnership	-	716,254	716,254	-
<u>Other</u>				
Nuclear Waste Management Organization	-	-	(25,500)	25,500
Shooniiyaa	-	-	(80,793)	80,793
	<u>-</u>	<u>-</u>	<u>(106,293)</u>	<u>106,293</u>
	<u>\$ 2,701,917</u>	<u>\$ 7,167,373</u>	<u>\$ 5,709,538</u>	<u>\$ 4,159,752</u>

Note: ISC, Health Canada and Ministry of Indigenous Affairs funding received is net of current year calculated repayable amounts due to unspent funding. ISC funding received is \$4,559,928 (2020 - \$3,534,468) and repayable funding is \$350 (2020 - \$nil). Health Canada funding received is \$596,136 (2020 - \$498,620) and repayable funding is \$133,597 (2020 - \$nil). Ministry of Indigenous Affairs funding received is \$175,772 (2020 - \$249,779) and repayable funding is \$58,652 (2020 - \$84,544).

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2021

16. Other revenue

	2021	2020
Nuclear Waste Management Organization	\$ 22,856	\$ 158,505
Weechi-it-te win Family Services Inc.	1,456,259	945,028
Fort Frances Tribal Area Health Services Inc.	163,149	158,139
Grand Council Treaty	499,855	395,895
Shooniyaa	1,258	162,860
Other	114,142	146,696
	<hr/>	<hr/>
	\$ 2,257,519	\$ 1,967,123
	<hr/>	<hr/>

17. Demand Loan

The First Nation has an operating loan with a credit limit of \$650,000 (2020 - \$650,000). The credit line bears interest at the Toronto-Dominion's prime lending rate plus 1.50% for an effective rate of 3.95% at March 31, 2021 and is secured by a general security agreement. As at March 31, 2021, the balance available on the credit line was \$650,000 (2020 - \$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 \$57,638 (2020 - \$45,650).

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, 2021

20. Impact of COVID-19

The COVID-19 global pandemic has disrupted economic activities. The First Nation continued to operate during the COVID-19 pandemic as it is considered essential. 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. Due to COVID-19, the First Nation has had to limit its service offerings, however, additional funding has been received.

The pandemic caused Indigenous Services Canada to issue approval for unspent 2020-2021 funding to be utilized in 2021-2022. Given the dynamic nature of these circumstances, 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. Budget

The First Nation has not prepared a budget for the March 31, 2021 year-end, accordingly no budget figures have been presented for comparasion purposes on the consolidated statements of operations and change in net financial assets.

22. 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.

Seine River First Nation Notes to Consolidated Financial Statements

March 31, 2021

22. Segmented Information (cont'd)

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

22. Segmented Information (cont'd)

For the year ended March 31, 2021	Band Management	Community Services	Economic Development	Education	Employment Programs	Health	Housing	Balance Forward
Revenue								
Federal government transfers	\$ 495,569	\$ 77,890	\$ 369,625	\$ 1,853,073	\$ 17,836	\$ 364,652	\$ 160,881	\$ 3,339,526
Provincial government transfers	-	-	28,533	13,969	-	-	-	42,502
Other	80,485	1,753,134	398,828	85,962	1,258	34,474	-	2,354,141
Rent	60,932	-	-	-	-	-	120,580	181,512
	636,986	1,831,024	796,986	1,953,004	19,094	399,126	281,461	5,917,681
Expenses								
Advertising	-	-	3,911	-	-	-	-	3,911
Amortization	11,672	10,262	-	68,012	-	-	194,458	284,404
Audit	60,433	-	-	-	-	-	6,360	66,793
Bad debt	7,028	-	-	-	-	-	20,004	27,032
Honoraria	73,500	2,300	-	-	-	-	-	75,800
Insurance	127,301	9,000	-	-	-	1,000	12,200	149,501
Interest	19,661	-	-	-	-	-	26,410	46,071
Maintenance	12,371	6,279	82	44,139	-	796	385	64,052
Meetings	(10,683)	36,043	29,025	-	-	-	-	54,385
Office supplies	13,504	-	-	-	-	-	-	13,504
Professional services	74,658	25,581	69,738	-	-	-	-	169,977
Program expenses	105,954	215,387	181,539	220,093	119	80,197	458	803,747
Service charges	-	9,805	-	11,682	-	2,040	-	23,527
Social assistance	95,922	-	-	6,000	-	-	-	101,922
Telephone and internet	52,229	21,560	2,020	12,747	-	2,887	-	91,443
Training	599	-	-	-	-	-	-	599
Travel	780	22,890	1,775	6,148	71	17,470	-	49,134
Tuition	-	-	-	1,200,092	-	-	-	1,200,092
Utilities	41,181	6,365	183	22,560	-	13,270	-	83,559
Wages and benefits	326,892	777,234	157,218	346,425	105,746	203,995	-	1,917,510
Replacement reserve expenditures	-	-	-	-	-	-	2,079	2,079
Administration	(484,084)	116,191	32,189	132,701	-	58,946	16,200	(127,857)
Total expenses	528,918	1,258,897	477,680	2,070,599	105,936	380,601	278,554	5,101,185
Surplus (deficit) before undernoted	108,068	572,127	319,306	(117,595)	(86,842)	18,525	2,907	816,496
Loss on disposal of tangible capital assets	-	(4,100)	-	-	-	-	-	(4,100)
Change in portfolio investments	(471,662)	-	-	-	-	-	-	(471,662)
Surplus (deficit) for the year	\$ (363,594)	\$ 568,027	\$ 319,306	\$ (117,595)	\$ (86,842)	\$ 18,525	\$ 2,907	\$ 340,734

Seine River First Nation
Notes to Consolidated Financial Statements

22. Segmented Information (cont'd)

For the year ended March 31, 2021	Balance Forward	Land & Flood Claims	Public Works	Social Services	Ontario First Nations Limited Partnership	Capital Projects	2021 Total
Revenue							
Federal government transfers	\$ 3,339,526	\$ -	\$ 323,277	\$ 253,258	\$ -	\$ 251,629	\$ 4,167,690
Provincial government transfers	42,502	71,229	-	818,156	-	-	931,887
Ontario First Nations Limited Partnership	-	-	-	-	716,254	-	716,254
Other	2,354,141	45,514	-	21,106	-	-	2,420,761
Rent	181,512	-	-	-	-	-	181,512
	5,917,681	116,743	323,277	1,092,520	716,254	251,629	8,418,104
Expenses							
Advertising	3,911	-	-	-	-	-	3,911
Amortization	284,404	-	37,901	6,021	-	537,524	865,850
Audit	66,793	4,134	-	-	-	-	70,927
Bad debt	27,032	-	-	-	-	-	27,032
Honoraria	75,800	-	-	-	-	-	75,800
Insurance	149,501	-	-	-	-	-	149,501
Interest	46,071	-	-	-	127,706	-	173,777
Maintenance	64,052	-	3,806	5,870	-	220	73,948
Meetings	54,385	-	-	11,250	-	-	65,635
Office supplies	13,504	-	-	-	-	-	13,504
Professional services	169,977	132,769	-	-	-	37,748	340,494
Program expenses	803,747	-	38,999	39,511	143,365	15,570	1,041,192
Service charges	23,527	11,700	23,116	-	-	24,000	82,343
Social assistance	101,922	-	-	671,421	-	-	773,343
Telephone and Internet	91,443	-	10,584	4,159	-	-	106,186
Training	599	-	2,860	-	-	-	3,459
Travel	49,134	-	4,781	85	-	1,189	55,189
Tuition	1,200,092	-	-	-	-	-	1,200,092
Utilities	83,559	-	67,662	-	-	12,898	164,119
Wages and benefits	1,917,510	-	155,314	258,225	-	63,803	2,394,852
Replacement reserve expenditures	2,079	-	-	-	-	-	2,079
Administration	(127,857)	6,358	33,002	39,778	-	43,219	(5,500)
Total expenses	5,101,185	154,961	378,025	1,036,320	271,071	736,171	7,677,733
Surplus (deficit) before the undernoted	816,496	(38,218)	(54,748)	56,200	445,183	(484,542)	740,371
Loss on disposal of tangible capital assets	(4,100)	-	-	-	-	-	(4,100)
Change in portfolio investments	(471,662)	-	-	-	-	-	(471,662)
Surplus (deficit) for the year	\$ 340,734	\$ (38,218)	\$ (54,748)	\$ 56,200	\$ 445,183	\$ (484,542)	\$ 264,609

Seine River First Nation
Notes to Consolidated Financial Statements

22. 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
	433,050	1,203,621	1,181,748	2,057,069	310,113	470,525	308,945	5,965,071
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
Honoraria	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	675,769	1,119,721	495,612	2,115,653	101,784	447,220	293,762	5,249,521
Surplus (deficit) before the undepreciated capital assets	(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	\$ (143,076)	\$ 90,304	\$ 686,136	\$ (58,584)	\$ 208,329	\$ 23,305	\$ 15,183	\$ 821,597

Seine River First Nation
Notes to Consolidated Financial Statements

22. 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
	5,965,071	123,437	268,606	921,052	737,735	302,156	8,318,057
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	-	-	-	186,232	-	252,093
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	401,367	51,734	1,368,019
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	5,249,521	252,765	347,569	940,432	617,599	811,856	8,219,742
Surplus (deficit) before the undenoted	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	\$ 821,597	\$ (129,328)	\$ (78,963)	\$ (19,380)	\$ 120,136	\$ (509,700)	\$ 204,362