

SEABIRD ISLAND INDIAN BAND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2015



SEABIRD ISLAND INDIAN BAND
2895 Chowat Road
Agassiz, BC V0M 1A0

MANAGEMENT'S REPORT

Management's Responsibility for the Financial Statements

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Council also discusses any significant financial reporting or internal control matters prior to its approval of the financial statements.

The external auditors, Manning Elliott Accountants and Business Advisors, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to the financial management of the Seabird Island Indian Band and we meet when required. The accompanying Independent Auditors' Report re-iterates management's responsibility for the financial statements, outlines the auditors' responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Seabird Island Indian Band:

Lisa Dougias
Name: Lisa Dougias
Title: Administration Director
Date: July 16/15

Caroline Newfeld
Name: Caroline Newfeld
Title: Acting CAO
Date: July 16/15



INDEPENDENT AUDITORS' REPORT

To the Members of:
Seabird Island Indian Band

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Seabird Island Indian Band which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, net financial assets and cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Seabird Island Indian Band as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

The financial statements of Seabird Island Band for the year ended March 31, 2014 were prepared by another firm of accountants who expressed an unqualified opinion on the financial statements on July 21, 2014.

Manning Elliott LLP

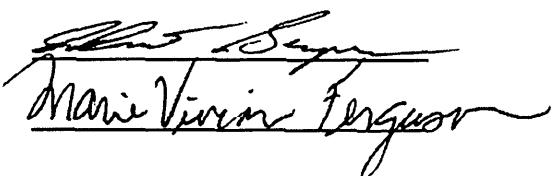
Chartered Accountants
Abbotsford, British Columbia
July 16, 2015

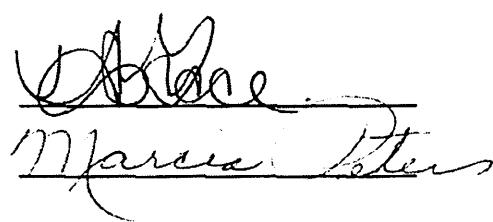
SEABIRD ISLAND INDIAN BAND
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015

	2015	2014
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 10,222,173	\$ 9,905,513
Accounts receivable (Note 3)	548,436	512,716
Due from government and other government organizations (Note 4)	299,758	531,016
Inventory for resale (Note 5)	31,862	125,427
Trust funds held by Federal Government (Note 6)	33,195	39,853
Loans receivable (Note 7)	12,530	12,355
Advances to related parties	9,687	50,000
Portfolio investments (Note 8)	2,424,540	2,341,244
Investment in government business enterprises (Note 9)	1,685,991	552,319
	<hr/> \$ 15,268,172	<hr/> \$ 14,070,443
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 10)	\$ 1,239,687	\$ 1,143,905
Deferred revenue (Note 11)	167,607	236,189
Employee benefit obligations (Note 12)	217,554	184,673
Long-term debt (Note 13)	4,318,179	4,542,211
	<hr/> 5,943,027	<hr/> 6,106,978
NET FINANCIAL ASSETS	<hr/> 9,325,145	<hr/> 7,963,465
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 14)	13,940,509	14,773,221
Inventory held for use	28,713	37,067
Prepaid expenses	102,731	63,893
	<hr/> 14,071,953	<hr/> 14,874,181
ACCUMULATED SURPLUS (Notes 15 & 17)	<hr/> \$ 23,397,098	<hr/> \$ 22,837,646

CONTINGENT LIABILITIES (Note 16)
CONTRACTUAL OBLIGATIONS (Note 19)

Approved by:


Marie Vivian Ferguson


Marcia Peters



SEABIRD ISLAND INDIAN BAND**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS****FOR THE YEAR ENDED MARCH 31, 2015**

	2015	Budget	2014
REVENUE			
Federal Government			
Aboriginal Affairs and Northern Development Canada	\$ 8,647,039	\$ 9,487,784	\$ 9,160,796
Health Canada	-	-	1,735,186
C.M.H.C. subsidy	323,908	275,541	252,586
Other Federal funding	502,718	450,802	660,053
Province of British Columbia	3,340,894	3,541,246	2,703,506
Other First Nations funding	1,240,164	946,783	1,391,779
First Nations Health Authority	4,000,807	4,249,465	1,941,424
Economic activities	2,682,902	-	5,467,220
Leases and rental income	723,405	749,076	1,251,995
Other	1,881,769	3,458,049	1,215,491
Government Business Enterprises (Note 9)	(10,809)	-	108,181
Management fees	190,296	-	93,488
Interest income	121,178	50,000	132,083
	23,644,271	23,208,746	26,113,788
EXPENSES			
Administration	2,474,180	1,051,276	2,635,102
Capital projects and AANDC flowthrough	462,971	318,982	39,564
Corporate affairs	813,864	910,670	-
Economic development	79,184	43,231	3,944,205
Education	6,952,294	8,423,264	7,528,031
Health and social development	10,105,093	11,360,154	10,512,723
Housing	453,340	483,183	503,328
Public works	827,946	617,828	629,978
Other	915,947	-	254,519
	23,084,819	23,208,588	26,047,450
ANNUAL SURPLUS FOR THE YEAR	559,452	158	66,338
ACCUMULATED SURPLUS, BEGINNING OF YEAR	22,837,645	22,837,645	22,771,307
ACCUMULATED SURPLUS, END OF YEAR	\$ 23,397,097	\$ 22,837,803	\$ 22,837,645



SEABIRD ISLAND INDIAN BAND
CONSOLIDATED STATEMENT OF CHANGES NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
ANNUAL SURPLUS FOR THE YEAR	\$ 559,452	\$ 66,338
Acquisition of tangible capital assets	(213,584)	(2,078,837)
Assets transferred to Government Business Enterprises	130,348	-
Amortization	915,948	965,801
	832,712	(1,113,036)
Consumption of inventories held for use	8,354	3,489
Use of prepaid expenses	(38,838)	119,432
	(30,484)	122,921
CHANGES IN NET FINANCIAL ASSETS	1,361,680	(923,777)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	7,963,465	8,887,242
NET FINANCIAL ASSETS, END OF YEAR	\$ 9,325,145	\$ 7,963,465



SEABIRD ISLAND INDIAN BAND
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Annual surplus for the year	\$ 559,452	\$ 66,338
Items not involving cash:		
Amortization	915,948	965,801
Income from government business enterprises	10,809	(108,181)
Transfer of assets to government business enterprises	130,348	-
	<u>1,616,557</u>	<u>923,958</u>
Change in non-cash working capital items:		
Accounts receivable	195,363	1,046,623
Inventory for resale	93,565	(19,114)
Trust funds held by Federal government	6,658	(9,178)
Prepaid expenses and deposits	(38,838)	119,432
Inventory held for use	8,354	3,488
Accounts payable and employee obligations	128,661	(286,984)
Deferred revenue	(68,582)	4,731
	<u>1,941,738</u>	<u>1,782,956</u>
FINANCING TRANSACTIONS		
Proceeds from long-term debt	98,281	991,792
Repayment of long-term debt	(322,313)	(415,656)
Advances from (to) related parties	40,313	(50,000)
	<u>(183,719)</u>	<u>526,136</u>
CAPITAL AND INVESTING TRANSACTIONS		
Acquisition of tangible capital assets	(213,585)	(2,078,837)
Increase in portfolio investments	(83,296)	(95,756)
Increase in long-term receivable	(175)	-
Contributions to government business enterprises	(1,144,303)	-
	<u>(1,441,359)</u>	<u>(2,174,593)</u>
INCREASE IN CASH DURING THE YEAR	316,660	134,499
CASH, BEGINNING OF YEAR	9,905,513	9,771,014
CASH, END OF YEAR	\$ 10,222,173	\$ 9,905,513

SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NATURE OF OPERATIONS

The Seabird Island Indian Band (the "Band") is located in the Province of British Columbia, and provides various services to its members. The Band includes the Band member's, government and all related entities that are accountable to the Band and are either owned or controlled by the Band.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the Band are as follows:

a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, committees and departments accountable for the administration of their financial affairs and resources to the Band and which are owned or controlled by the Band.

b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the Band's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the Band.

Organizations consolidated in the Band's financial statements include:

- Seabird Education Society, Lalme; Iwesawtexw
- Seabird Island Indian Band Non-Profit Housing
- Seabird Island Indian Band Full Subsidy Housing
- Seabird Island Indian Band Housing Authority

Organizations accounted for on a modified equity basis include:

- Seabird Island Forestry Corporation Ltd.
- Stqo:ya Construction Ltd.
- Stqo:ya Construction Limited Partnership
- Sqewqel Development LLP
- Sqewqel Gas Bar LLP
- Sqewqel Development Corporation

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Inventories for resale

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value.

e) Loans receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by Finance and Directors. Interest is not charged on employee loans but is charged on other loans receivable to the extent it is deemed collectable.

f) Portfolio investments

Portfolio investments, held long-term, are recorded at cost at the date of acquisition. Subsequently, investments in debt securities, such as treasury bills and government bonds, are recorded at amortized costs. Investments in publicly traded equity securities are recorded at fair value based on quoted market prices. Unrealized gains or losses are recognized in the statement of operations. Transaction costs, such as commissions, arising from investments in publicly traded equity securities are expensed when incurred.

g) Tangible capital assets

Tangible capital assets are recorded at cost, which 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. The cost, less residual value, of the tangible capital asset was recognized at a nominal value. Infrastructure assets acquired prior to 1996 are the only assets where nominal values were assigned.

Certain assets which have historical or cultural values, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available for productive use.

Social housing assets acquired under Canada Mortgage and Housing Corporation (C.M.H.C.) sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long-term debt.

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

Automobile equipment	10-25 years
Other equipment	10 years
Infrastructure	50 years
Buildings	25-40 years
Band housing	35 years

h) Inventories held for use

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.



SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) 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, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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 transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Investment and interest income earned are recognized in the period and the income is earned.

Contracting and grant revenues are recognized as they become receivable under the terms of applicable agreements.

Business enterprises controlled by the Band - revenues from gas bar operations, store operations, dental operations and childcare operations - are recognized when services are provided.

Revenues received which relate to a subsequent fiscal period are reflected as deferred revenue in the year of receipt and classified as such in the statement of financial position.

j) Use of estimates

In preparing the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the period in which they become known.

k) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or financial future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

l) Net financial assets

The Band's financial statements are presented to highlight net financial assets as the measurement of financial position. The net financial assets of the Band is determined by its financial assets less its liabilities. Accumulated surplus is comprised of two components, net financial assets and non-financial assets



SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2016 though early adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption, therefore, financial statements of prior periods, including comparative information, are not restated.

Related party transactions

In March 2015, the Public Sector Accounting Board (PSAB) issued PS 2200 *Related party disclosures* to define a related party and establish the disclosure required for a related party transaction. Disclosure of information about related party transactions and their relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements. PS 2200 is effective for fiscal years beginning on or after April 1, 2017 though early adoption is permitted.

Assets

In June 2015, the Public Sector Accounting Board (PSAB) issued PS 3210 *Assets* which provides guidance for applying the definition of assets and establishes general disclosure standards for assets. Disclosure of major categories of assets that are not recognized is required. When an asset is not recognized because a reasonable estimate of the amount involved cannot be made, the reason for this should be disclosed. As a result of the issuance of PS 3210, there have been numerous consequential amendments made to other Sections. PS 3210 is effective for fiscal years beginning on or after April 1, 2017 though early adoption is permitted.

The Band has not yet determined the effect of these new standards on its financial statements.

2. CASH AND CASH EQUIVALENTS

	2015	2014
Cash is comprised of the following:		
Externally restricted		
C.M.H.C. operating and replacement reserve	\$ 858,960	\$ 853,921
Internally restricted		
Replacement reserves	6,324,279	5,870,434
Unrestricted		
Operating	3,038,934	3,181,158
Total cash and cash equivalents	\$ 10,222,173	\$ 9,905,513



SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

3. ACCOUNTS RECEIVABLE

	2015	2014
Accounts receivable consists of the following:		
Due from others:		
Housing rents	\$ 387,297	\$ 381,956
Daycare and preschool fees	38,653	39,500
Dental office receivables	77,599	66,826
Doctor's office receivables	16,029	32,078
Gas Bar receivables	-	77,270
Economic activities receivables	173,333	146,916
Other receivables	241,376	267,167
Interest receivable	7,612	6,689
Total due from others:	941,899	1,018,402
Less: Allowance for doubtful accounts	(393,463)	(505,686)
Total accounts receivable	\$ 548,436	\$ 512,716

Accounts receivable net of allowances includes amounts owing from Band members totalling \$105,452 (2014 - \$130,563).

4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

Accounts receivable consists of the following:

	2015	2014
Due from Federal government		
Aboriginal Affairs and Northern Development Canada	\$ (47,613)	\$ 98,157
Other Federal organizations	60,438	61,448
Canada Mortgage and Housing Corporation	21,153	23,659
GST rebate receivable	27,400	36,968
Province of British Columbia	56,939	8,903
Other First Nation governments	181,441	301,881
Total	\$ 299,758	\$ 531,016

5. INVENTORY FOR RESALE

	2015	2014
Seabird Island Gas Bar (Note 9)	\$ -	\$ 96,048
IT operations	31,862	29,379
Total	\$ 31,862	\$ 125,427



SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

6. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2014	Additions	Withdrawals	2015
Revenue	\$ 7,006	\$ 3,004	\$ 9,662	\$ 348
Capital	32,847	-	-	32,847
Total	\$ 39,853	\$ 3,004	\$ 9,662	\$ 33,195

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.

7. LOANS RECEIVABLE

	2015	2014
Employee loans	\$ 848	\$ 2,125
Member business loans	11,682	10,230
Economic development business loan	39,476	39,476
	52,006	51,831
Less: allowance for doubtful accounts	(39,476)	(39,476)
	\$ 12,530	\$ 12,355

Loans receivable includes amounts owing from Band members totalling \$52,006 (2014 - \$51,831)

8. PORTFOLIO INVESTMENTS

	2015	2014
Cash	\$ 1,768	\$ 1,740
Term deposit - Section 149(1)(c)	10,000	10,000
First Nations Finance Authority	364,937	361,021
Boughton Law Corporation Trust Fund	400,000	400,000
Investors Group Income Plus Portfolio	1,647,835	1,568,483
	\$ 2,424,540	\$ 2,341,244



SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

9. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The Band owns 100% of Seabird Island Forestry Construction Ltd., 50% of the shares of Stqo:ya Construction Ltd. which is the general partner for Stqo:ya Construction Limited Partnership, of which the Band holds a 49.99% interest. The Band also holds a 100% of the shares of Sqewqél Development Corporation, a 99.9% interest in Sqewqél Development Corporation Limited Liability Partnership and a 99.9% interest in Sqewqél Gas Bar Limited Liability Partnership.

		2015	2014
Seabird Island Forestry Construction Ltd.	100% ownership	\$ 1	\$ 1
Stqo:ya Construction Ltd.	50% ownership	55	55
Stqo:ya Construction Limited Partnership		50	50
Stqo:ya Construction Limited Partnership	49.99% interest	558,225	552,213
Sqewqél Development Corporation	100% ownership	1	-
Sqewqél Development Corporation LLP	99.99% interest	522,397	-
Sqewqél Gas Bar LLP	99.99% interest	605,262	-
		<hr/> \$ 1,685,991	<hr/> \$ 552,319

Seabird Island Forestry Construction Ltd. contract the harvest of timber and sells the product.

Stqo:ya Construction Ltd. was incorporated May 9, 2012 and is 0.01% general partner of Stqo:ya Construction Limited Partnership.

Stqo:ya Construction Limited Partnership was established May 9, 2012 to enter into construction projects related activities.

Sqewqél Development Corporation was incorporated on February 21, 2014 and is the managing partner for Sqewqél Development Corporation Limited Liability Partnership.

Sqewqél Development Corporation Limited Liability Partnership was established on April 25, 2014 for the purpose of earning rental income from property and royalties from gravel sales.

Sqewqél Gas Bar Limited Liability Partnership was established April 29, 2014 for the purpose of operating a gas bar.

On April 1, 2014, the Band transferred the operating assets of the Seabird Island Gas Bar, including buildings, inventories and equipment with a net book value of \$228,996 and cash of \$448,127 to the Sqewqél Gas Bar LLP, a newly formed partnership with Sqewqél Development Corporation. Accordingly, the 2014 comparative figures include the operations of the Gas Bar, with the current year operations being accounted for as a Government Business Enterprise using the modified equity basis of accounting.

Also on April 1, 2014, the Band transferred cash of \$469,857 and assigned certain leases and to the Sqewqél Development Corporation LLP, a newly formed partnership with Sqewqél Development Corporation. Accordingly, the 2014 comparative figures include the lease revenues from lands leased to third parties and the associated costs, with the current year operations being accounted for as a Government Business Enterprise using the modified equity basis of accounting.



SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

9. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (Continued)

	Seabird Island	Stqo:ya				
	Forestry	Stqo:ya	Construction			
	Construction	Construction	Limited			
	Ltd.	Ltd.	Partnership			
ASSETS					2015	2014
Cash	\$ -	\$ 19	\$ 122,479	\$ 122,498	\$ 268,985	
Accounts receivable	1	-	939,567	939,568	739,163	
Long-term investments	-	113	198,546	198,659	389,197	
Equipment	-	-	410,734	410,734	456,397	
Other assets	-	-	94,578	94,578	-	
Total assets	1	132	1,765,904	1,766,037	1,853,742	
LIABILITIES						
Accounts payable	-	500	492,973	493,473	405,165	
Due to Seabird Island						
Indian Band	-	-	-	-	50,000	
Other liabilities	-	-	-	-	137,559	
Long-term debt	-	-	156,161	156,161	156,161	
Total liabilities	-	500	649,134	649,634	748,885	
Equity	1	(368)	1,116,770	1,116,403	1,104,857	
Total liabilities and equity	\$ 1	\$ 132	\$ 1,765,904	\$ 1,766,037	\$ 1,853,742	
INCOME STATEMENT						
Revenue	\$ 190,296	\$ 1	\$ 2,917,977	\$ 3,108,274	\$ 5,148,647	
Management fee paid to Band	190,296	-	-	190,296	93,488	
Expenses	-	-	2,905,955	2,905,955	4,838,755	
Net income (loss)	\$ -	\$ 1	\$ 12,022	\$ 12,023	\$ 216,404	
Band's share of income	\$ -	\$ -	\$ 6,011	\$ 6,011	\$ 108,181	

SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

9. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (Continued)

	Sqewqel Development Limited Partnership	Sqewqel Gas Bar Limited Partnership	2015	2014
ASSETS				
Cash	\$ 116,025	\$ 135,484	\$ 251,509	\$ -
Accounts receivable	94,524	255,892	350,416	-
Inventories	316,120	92,483	408,603	-
Tangible capital assets	168,416	1,860,873	2,029,289	-
Other assets	254,669	26,565	281,236	-
Total assets	949,754	2,371,297	3,321,053	-
Accounts payable	385,670	679,433	1,065,103	-
Other liabilities	1,363	203,759	205,122	-
Advances from related party	37,966	-	37,966	-
Long-term debt	-	882,913	882,913	-
Total liabilities	424,999	1,766,105	2,191,104	-
Equity	524,755	605,192	1,129,949	-
Total liabilities and equity	\$ 949,754	\$ 2,371,297	\$ 3,321,053	\$ -
Revenue	\$ 471,012	\$ 3,109,202	\$ 3,580,214	\$ -
Cost of goods sold	53,872	2,772,196	2,826,068	-
Expenses	362,093	378,258	740,351	-
Other expenses	-	30,680	30,680	-
Net income (loss)	\$ 55,047	\$ (71,932)	\$ (16,885)	\$ -
Band's share of income	\$ 55,040	\$ (71,860)	\$ (16,820)	\$ -

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Trade payables	\$ 845,958	\$ 826,202
Accrued salaries and benefits payable	356,500	265,280
Other accrued liabilities	37,233	52,423
Total	\$ 1,239,691	\$ 1,143,905

SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

11. DEFERRED REVENUE

	2014	Funding Received 2015	Revenue Recognized		2015
			2015	2015	
Federal Government					
Capital projects - flowthrough	\$ 18,381	\$ 18,381	\$ (18,381)	\$ 18,381	
Land administration - operations	117,808	195,118	(272,663)	40,263	
College, ECE courses	100,000	8,962	-	108,962	
Total	236,189	222,461	(291,044)	167,606	

12. EMPLOYEE BENEFIT OBLIGATIONS

	2015	2014
Vacation	\$ 217,554	\$ 184,673

Vacation

The vacation liability is comprised of the vacation that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Pension Plan

The Band provides a defined contribution plan for eligible members of its staff. Staff are required to contribute a percentage of their salary which is matched by the Band and contributions are directed to a contribution account. The amount of the retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the staff's share of the pension plan at the time of the staff's withdrawal from the plan. The Band contributed \$279,907 (2014 - \$323,657) during the year for retirement benefits. The Band does not have any other obligations with regards to the pension plan as at March 31, 2015.



SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

13. LONG-TERM DEBT

	2015	2014
Project #1 - Canada Mortgage and Housing Corporation mortgage, blended monthly payments of \$3,398 at 4.15% per annum, maturing July 1, 2016	\$ 52,184	\$ 89,858
Project #10 - All Nations Trust Company mortgage, blended monthly payments of \$1,685 at 2.69% per annum, maturing June 1, 2015	5,032	24,824
Project #11 - All Nations Trust Company mortgage. blended monthly payments of \$1,859 at 2.65% per annum, maturing February 1, 2021, renewal on April 1, 2016	122,099	140,920
Project #12 - All Nations Trust Company mortgage, blended monthly payments of \$2,005 at 1.62% per annum, maturing February 1, 2019, renewal on March 1, 2018	91,255	113,643
Project #13 - All Nations Trust Company mortgage, blended monthly payments of \$1,912 at 2.76% per annum, maturing January 1, 2025, renewal on June 1, 2015	197,548	214,813
Project #14 - All Nations Trust Company mortgage, blended monthly payments of \$2,940 at 1.92% per annum, maturing February 1, 2029, renewal on April 1, 2019	430,822	457,608
Project #15 - All Nations Trust Company mortgage, blended monthly payments of \$2,709 at 2.04% per annum, maturing March 1, 2034, renewal on March 1, 2019	512,061	533,923
Project #16 - All Nations Trust Company mortgage, blended monthly payments of \$2,891 at 2.04% per annum, maturing March 1, 2034, renewal on March 1, 2019	546,535	569,870
Project #17 - All Nations Trust Company mortgage. blended monthly payments of \$5,512 at 1.49% per annum, maturing January 1, 2037, renewal on January 1, 2017	1,229,485	1,276,981
Project #18 - All Nations Trust Company mortgage, blended monthly payments of \$2,482 at 2.40% per annum, maturing October 1, 2038. renewal on October 1, 2018	535,881	500,342



SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

13. LONG-TERM DEBT (Continued)

	2015	2014
Project #19 - All Nations Trust Company mortgage, blended monthly payments of \$2,463 at 2.08% per annum, maturing February 1, 2039, renewal on February 1, 2019	556,964	529,241
House 15 - TD Canada Trust mortgage, blended monthly payments of \$139 at 3.04% per annum, maturing March 1, 2020	11,861	13,148
House 83 - All Nations Trust Company mortgage, blended monthly payments of \$219 at 4.99%, renewal in December 2016	26,452	27,711
Project #8 - All Nations Trust Company mortgage, blended monthly payments of \$4,372 at 2.61% per annum, maturing July 1, 2014	-	17,386
Project #9 - All Nations Trust Company mortgage, blended monthly payments of \$2,944 at 2.76% per annum, maturing February 1, 2015	-	31,943
Total long-term debt	\$ 4,318,179	\$ 4,542,211

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2016	\$ 262,337
2017	234,201
2018	225,498
2019	226,375
2020 and thereafter	3,369,768
	\$ 4,318,179

SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

14. TANGIBLE CAPITAL ASSETS

	Administration				Housing					
	Automotive	Other	Infrastructure	Building	Non-profit	Full subsidy	Housing	Band	2015	2014
	equipment	equipment			housing	housing	authority	housing		
Cost										
Opening	\$ 1,635,251	\$ 1,853,150	\$ 10,837	\$ 11,771,252	\$ 4,362,244	\$ 5,267,479	\$ 444,098	\$ 1,093,751	\$26,438,062	\$25,384,477
Additions during the year	59,137	154,447	-	-	-	-	-	-	213,584	2,078,837
Transfer of assets	-	(146,388)	-	(143,180)	(1,416,655)	-	-	352,167	(1,354,056)	(570,748)
Obsolete assets removed	-	-	-	-	-	-	-	-	-	(454,504)
Closing	1,694,388	1,861,209	10,837	11,628,072	2,945,589	5,267,479	444,098	1,445,918	25,297,590	26,438,062
Accumulated amortization										
Opening	1,035,967	1,298,800	10,258	5,540,180	2,273,297	554,347	444,098	507,894	11,664,841	11,724,292
Amortization	69,605	194,429	539	283,710	154,199	165,269	-	48,197	915,948	965,801
Transfer of assets	-	(78,263)	-	(80,957)	(1,064,488)	-	-	-	(1,223,708)	(570,748)
Obsolete assets removed	-	-	-	-	-	-	-	-	-	(454,504)
Closing	1,105,572	1,414,966	10,797	5,742,933	1,363,008	719,616	444,098	556,091	11,357,081	11,664,841
Net book value of tangible capital assets	\$ 588,816	\$ 446,243	\$ 40	\$ 5,885,139	\$ 1,582,581	\$ 4,547,863	\$ -	\$ 889,827	\$13,940,509	\$14,773,221



SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

15. INTERNALLY RESTRICTED EQUITY

	2015	2014
Funded reserves consist of the following:		
Seabird Island Futures Reserve	\$ 1,041,633	\$ 914,849
Murphy Land	17,308	15,488
First Nations Youth Work Experience	26,404	30,805
Student Loan Reserve	264,082	246,259
Post Secondary Reserve	902,105	831,739
Replacement Reserve - completed phases 3 - 5	352,352	212,729
Health Program Reserve	2,512,036	2,571,572
Bear Bus Reserve	100,000	-
Contingency reserve	2,160	-
	5,218,080	4,823,441
Capital replacement consists of the following allocations		
Band revenue	63,976	47,898
IT utilities	107,618	107,618
Health	40,000	40,000
School	288,047	242,047
Maintenance	65,744	73,616
Cultural Learning Centre	5,187	5,187
Gas Bar/Truck Stop	-	448,127
Government business enterprises	448,127	-
Band support	2,500	2,500
Daycare operations	10,000	5,000
Preschool operations	75,000	75,000
	1,106,199	1,046,993
	\$ 6,324,279	\$ 5,870,434

16. CONTINGENT LIABILITIES

As at March 31, 2015, the Band was contingently liable in respect of guaranteed individual Band member mortgages with various financial institutions totalling \$1,032,294 (2014 - \$872,977). All accounts are in good standing.

In addition, the Band has guaranteed the debt of the Sqewqel Gas Bar of approximately \$853,000.



SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

17. REPLACEMENT RESERVE / EXTERNALLY RESTRICTED EQUITY

Under the terms of the agreement with C.M.H.C., the replacement reserve account is to be credited annually. In the future years, the annual credit to the replacement reserve will be \$84,115. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by C.M.H.C. from time to time. Withdrawals are credited to interest first and then principal. Funds consists of the following:

	2015	2014
Replacement reserve, beginning of the year	\$ 712,875	\$ 788,382
Transfer to internally restricted funds (completed phases 8 - 9)	(168,350)	-
Transfer to internally restricted funds (completed phases 6 - 7)	-	(136,006)
Replacement reserve approved expenditures	(39,379)	(53,101)
Interest earned on reserve	14,992	14,283
Replacement reserve provision	99,187	99,317
	<hr/>	<hr/>
	\$ 619,325	\$ 712,875
Full subsidy housing program - operating reserve provision	<hr/>	<hr/>
	239,635	141,046
	<hr/>	<hr/>
	858,960	853,921

18. BUDGETED FIGURES

The unaudited budgets for the year April 1, 2014 to March 31, 2015 were approved by the Chief and Council at the Chief and Council meeting on April 24, 2014. The operating budget is based on projected operating expenses to be incurred during the year on a program-by-program basis.

19. CONTRACTUAL OBLIGATIONS

The Band is committed to the lease of various office equipment. The terms of the leases call for monthly payments.

Lease payments due in the next three years are approximately as follows:

2016	\$ 34,407
2017	19,050
2018	1,843
	<hr/>
	\$ 55,300



SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

20. EXPENSES BY OBJECT

	2015	Budget	2014
Advertising and promotion	\$ 35,817	\$ 8,900	\$ 79,073
Amortization	915,948	-	965,261
Assets contributed to government business enterprises	-	-	52,851
Computer services/purchases	242,480	240,191	891,199
Consulting/contracts fees	1,760,381	942,340	2,146,328
Donations	126,224	155,800	148,779
Equipment	142,364	208,319	112,566
Extraordinary expense	-	-	209,064
Home improvement and incentives	72,971	25,170	1,498,772
Honoraria	284,284	275,800	363,411
Insurance	225,872	110,565	176,267
Interest and bank charges	30,625	19,580	28,831
Interest on long-term debt	89,600	90,000	86,759
Legal services	83,362	66,000	101,607
Licences, permits and fees	15,573	-	27,988
Meetings, workshops and gatherings	514,899	375,847	442,902
Office and miscellaneous	302,513	222,822	269,039
Professional development	239,887	238,321	153,804
Professional fees	37,164	90,000	73,421
Rent charges/internal rent	169,762	622,901	133,310
Maintenance and construction costs	532,773	709,213	378,081
Supplies	86,855	509,000	111,185
Capital construction projects	162,189	-	670,922
Telephone and cellphones	189,931	179,780	259,938
Travel	328,976	422,449	330,940
Truck stop purchases	-	-	2,398,672
Tuition and course fees	1,582,374	2,935,936	1,397,649
Utilities	249,789	94,200	327,986
Wages and benefits	11,367,771	9,325,877	11,387,687
Expenditures - program costs	3,648,330	5,339,574	762,837
	<hr/> \$ 23,438,714	<hr/> \$ 23,208,585	<hr/> \$ 25,987,129



SEABIRD ISLAND INDIAN BAND
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

21. SEGMENT REPORTING

Seabird Island Indian Band receives revenue and incurs expenses from various projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by segments. Schedules disclose the Band's revenue and expenses in the following segments.

Administration

Includes general operations, IT support and financial management of the Band along with an arm related to Band discretionary revenues, property taxation and governance actives.
Administration

Capital Projects

Includes revenues and expenditures related to capital projects and capital project flow through funding administered on behalf of AANDC.

Economic Development

Includes activities related to the growth of the revenue producing projects with the Band, land management along with an arm of Rights and Resource Management.

Education

Includes revenues and expenses related to primary, secondary, and post secondary education of the members of the Band and operations relating to band operated school and Seabird College.

Health, Social Development, Early Childhood and Family

Includes revenues and expenses relating to the activities related to a wide range of health services including dental, doctor, family, and children services within the Band and social assistance programs.

Housing

Includes Property Management related to the mortgaged homes owned by the Band, administration of social housing programs.

Public Works

Includes revenue and expenditures related to ongoing community maintenance.

Reserve and Other

Includes revenue and expenses related to the tangible capital assets and restricted reserves and other activities not related to another segment.



SEABIRD ISLAND INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

21. SEGMENT REPORTING (Continued)

	Administration	Capital Projects and AANDC Flowthrough	Corporate Affairs	Economic Development	Education	Health and Social Development	Housing	Public Works	Other	2015
Revenue										
Government funding	\$ 733,709	\$ 5,845,012	\$ 215,296	\$ 43,231	\$ 6,771,863	\$ 7,221,043	\$ 1,040	\$ 760,908	\$ -	\$ 21,592,102
Other revenue	121,606	1,768,527	166,018	18,882	726,223	2,856,210	1,127,989	45,458	620,146	7,451,059
Total	855,315	7,613,539	381,314	62,113	7,498,086	10,077,253	1,129,029	806,366	620,146	29,043,161
Expenditures										
Amortization	-	-	-	-	-	-	-	-	915,947	915,947
Wages	1,211,087	1,111,066	497,578	16,041	3,160,672	4,648,324	96,924	626,079	-	11,367,771
Other	203,113	5,458,743	316,286	67,366	4,377,777	6,176,849	484,011	278,633	352,035	17,714,813
Total	1,414,200	6,569,809	813,864	79,184	6,952,294	10,105,093	453,340	827,946	1,267,982	28,483,712
	\$ (558,885)	\$ 1,043,730	\$ (432,550)	\$ (17,071)	\$ 545,792	\$ (27,840)	\$ 675,689	\$ (21,580)	\$ (647,836)	\$ 559,449

