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**SEABIRD ISLAND INDIAN BAND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
MARCH 31, 2017**

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**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:



Name:

Daryl McNeil

Title:

CAO

Date:

July 7/17



Name:

NIGEL SELVADURAI

Title:

COMPTROLLER

Date:

July 7/17



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## **INDEPENDENT AUDITORS' REPORT**

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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, 2017, and the consolidated statements of operations and accumulated surplus (deficit), 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.



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## **INDEPENDENT AUDITORS' REPORT**

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### **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, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Manning Elliott LLP*

Chartered Professional Accountants

Abbotsford, British Columbia




July 7, 2017




**SEABIRD ISLAND INDIAN BAND**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2017**

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 10,284,978	\$ 9,807,499
Accounts receivable (Note 3)	1,117,928	570,619
Due from government and other government organizations (Note 4)	1,664,678	811,518
Inventory for resale (Note 5)	67,331	43,032
Trust funds held by Federal Government (Note 6)	33,192	33,175
Loans receivable (Note 7)	11,600	13,200
Portfolio investments (Note 8)	2,527,585	2,415,691
Advances to related parties	61,151	-
Investment in government business enterprises (Note 9)	1,196,332	1,358,348
	<b>\$ 16,964,775</b>	<b>\$ 15,053,082</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 10)	\$ 2,143,022	\$ 1,999,068
Deferred revenue	1,050,000	22,500
Employee benefit obligations (Note 11)	246,553	249,580
Advances from related parties	-	13,849
Long-term debt (Note 12)	4,352,687	4,610,380
Capital lease obligation	95,303	39,964
	<b>7,887,565</b>	<b>6,935,341</b>
<b>NET FINANCIAL ASSETS</b>	<b>9,077,210</b>	<b>8,117,741</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 13)	15,698,141	15,804,537
Inventory held for use	43,118	26,820
Prepaid expenses	891,035	65,307
	<b>16,632,294</b>	<b>15,896,664</b>
<b>ACCUMULATED SURPLUS (Notes 14 &amp; 16)</b>	<b>\$ 25,709,504</b>	<b>\$ 24,014,405</b>

CONTINGENT LIABILITIES (Note 15)  
 CONTRACTUAL OBLIGATIONS (Note 18)

Approved by:



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**SEABIRD ISLAND INDIAN BAND****CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS (DEFICIT)  
FOR THE YEAR ENDED MARCH 31, 2017**

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	2017	Budget	2016
REVENUE			
Federal Government			
Indigenous and Northern Affairs Canada	\$ 9,819,202	\$ 8,432,621	\$ 9,022,777
C.M.H.C. subsidy	318,761	250,961	328,665
Other Federal funding	375,337	323,946	407,900
Province of British Columbia	2,395,904	2,234,001	2,963,367
Other First Nations funding	1,916,681	1,152,047	1,150,781
First Nations Health Authority	4,500,590	4,313,500	4,120,753
Economic activities	2,981,712	2,986,290	2,873,096
Leases and rental income	1,059,862	1,282,452	708,286
Other	2,966,548	1,049,815	2,108,503
Government Business Enterprises (Note 9)	(12,016)	-	(252,643)
Management fees	87,700	-	407,669
Interest income	113,000	51,500	116,472
	26,523,281	22,077,133	23,955,626
EXPENSES			
Administration	3,547,153	1,094,402	3,091,216
Capital projects and AANDC flowthrough	666,046	-	(12,463)
Corporate affairs	737,490	884,649	899,809
Economic development	197,349	-	482,207
Education	6,426,064	6,724,672	6,426,247
Health and social development	10,632,997	11,475,708	10,831,001
Housing	679,515	520,323	227,912
Public works	1,117,507	2,013,998	525,818
Other	824,061	-	866,571
	24,828,182	22,713,752	23,338,318
ANNUAL SURPLUS (DEFICIT) FOR THE YEAR	1,695,099	(636,619)	617,308
ACCUMULATED SURPLUS, BEGINNING OF YEAR	24,014,405	24,014,405	23,397,097
ACCUMULATED SURPLUS, END OF YEAR	\$ 25,709,504	\$ 23,377,786	\$ 24,014,405



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**SEABIRD ISLAND INDIAN BAND****CONSOLIDATED STATEMENT OF CHANGES NET FINANCIAL ASSETS****FOR THE YEAR ENDED MARCH 31, 2017**

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	2017	2016
ANNUAL SURPLUS FOR THE YEAR	\$ 1,695,099	\$ 617,308
Acquisition of tangible capital assets	(717,665)	(2,730,598)
Assets transferred	(270,124)	78,650
Amortization	824,061	866,570
	(163,728)	(1,785,378)
(Acquisition) consumption of inventories held for use	16,298	(1,892)
Use of prepaid expenses	(588,200)	(37,441)
	(571,902)	(39,333)
CHANGES IN NET FINANCIAL ASSETS	959,469	(1,207,403)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	8,117,741	9,325,144
NET FINANCIAL ASSETS, END OF YEAR	\$ 9,077,210	\$ 8,117,741

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**SEABIRD ISLAND INDIAN BAND**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	2017	2016
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Annual surplus for the year	\$ 1,695,099	\$ 617,308
Items not involving cash:		
Amortization	824,061	866,570
Bad debt	23,328	40,206
Income from government business enterprises	12,016	252,643
	2,554,504	1,776,727
Change in non-cash working capital items:		
Accounts receivable	(1,422,196)	(574,819)
Inventory for resale	(24,299)	(11,170)
Trust funds held by Federal government	(17)	20
Prepaid expenses and deposits	(825,728)	37,424
Inventory held for use	(16,298)	1,893
Accounts payable and employee obligations	140,926	791,406
Deferred revenue	1,027,500	(145,107)
	1,434,392	1,876,374
FINANCING TRANSACTIONS		
Proceeds from long-term debt	-	602,644
Repayment of long-term debt	(257,693)	(310,443)
Proceeds from capital lease obligation	68,660	39,964
Repayment of capital lease liability	(13,321)	-
Advances from related parties	(75,000)	23,536
	(277,354)	355,701
CAPITAL AND INVESTING TRANSACTIONS		
Acquisition of tangible capital assets	(717,665)	(2,730,598)
Increase in portfolio investments	(111,894)	8,849
Contributions to government business enterprises	150,000	75,000
	(679,559)	(2,646,749)
INCREASE (DECREASE) IN CASH DURING THE YEAR	477,479	(414,674)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,807,499	10,222,173
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 10,284,978	\$ 9,807,499





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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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**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 members, 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; lwesawtexw
- 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, bank account balance net of 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.



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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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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 cost. 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	5-10 years
Infrastructure	20 years
Buildings	25-45 years
Band housing	30 years

h) Inventories held for use

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



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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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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, at which point they are recognized as deferred revenues. The revenue is recognized in the statement of operations as the 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 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 public sector accounting standards 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.



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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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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

	2017	2016
Cash is comprised of the following:		
<b>Externally restricted</b>		
C.M.H.C. operating and replacement reserve	\$ 990,703	\$ 934,651
<b>Internally restricted</b>		
Replacement reserves	6,137,625	5,149,042
<b>Unrestricted</b>		
Operating	3,156,650	3,723,806
<b>Total cash and cash equivalents</b>	<b>\$ 10,284,978</b>	<b>\$ 9,807,499</b>



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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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3. ACCOUNTS RECEIVABLE

	2017	2016
Accounts receivable consists of the following:		
<b>Due from others:</b>		
Housing rents	\$ 92,148	\$ 115,947
Daycare and preschool fees	76,357	59,922
Dental office receivables	109,426	67,793
Doctor's office receivables	18,105	33,224
Economic activities receivables	704,943	180,642
Other receivables	151,888	147,144
Interest receivable	5,971	6,153
Total due from others:	1,158,838	610,825
Less: Allowance for doubtful accounts	(40,910)	(40,206)
Total accounts receivable	\$ 1,117,928	\$ 570,619

Accounts receivable net of allowances includes amounts owing from Band members totalling \$176,058 (2016 - \$116,512).

Accounts receivable includes amounts owing from related parties totalling \$523,510 (2016 - \$17,477).

4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

Accounts receivable consists of the following:		
	2017	2016
Due from Federal government		
Indigenous and Northern Affairs Canada	\$ 1,081,802	\$ 91,443
Other Federal organizations	159,438	348,664
Canada Mortgage and Housing Corporation	21,364	21,780
GST rebate receivable	34,231	53,734
Province of British Columbia	28,900	195,536
Other First Nation governments	338,943	100,361
Total	\$ 1,664,678	\$ 811,518

5. INVENTORY FOR RESALE

	2017	2016
IT operations	\$ 67,331	\$ 43,032



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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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6. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	2016	Additions	Withdrawals	2017
Revenue	\$ 328	\$ 17	\$ -	\$ 345
Capital	32,847	-	-	32,847
Total	\$ 33,175	\$ 17	\$ -	\$ 33,192

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

	2017	2016
Member business loans	\$ 11,600	\$ 13,200

Loans receivable includes amounts owing from Band members totalling \$11,600 (2016 - \$13,200).

8. PORTFOLIO INVESTMENTS

	2017	2016
Cash	\$ 1,807	\$ 1,786
Term deposit - Section 149(1)(c)	10,000	10,000
First Nations Finance Authority	370,780	367,763
Boughton Law Corporation Trust Fund	400,000	400,000
Investors Group Income Plus Portfolio	1,744,998	1,636,142
	\$ 2,527,585	\$ 2,415,691



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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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**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.

		<b>2017</b>	<b>2016</b>
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	694,446	576,639
Sqewqél Development Corporation	100% ownership	1	1
Sqewqél Development Corporation LLP	99.99% interest	284,857	618,457
Sqewqél Gas Bar LLP	99.99% interest	216,922	163,145
		<b>\$ 1,196,332</b>	<b>\$ 1,358,348</b>

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.



**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

9. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (Continued)

	Seabird Island Forestry Construction Ltd.	Stqo:ya Construction Ltd.	Stqo:ya Construction Limited Partnership	2017	2016
<b>ASSETS</b>					
Cash	\$ -	\$ 19	\$ 636,833	\$ 636,852	\$ 470,899
Accounts receivable	1	-	409,847	409,848	235,314
Prepaid Expenses	-	-	12,370	12,370	-
Long-term investments	-	113	12,990	13,103	13,381
Equipment	-	-	515,475	515,475	554,527
Other assets	-	-	150,039	150,039	9,578
<b>Total assets</b>	<b>1</b>	<b>132</b>	<b>1,737,554</b>	<b>1,737,687</b>	<b>1,283,699</b>
<b>LIABILITIES</b>					
Accounts payable	-	500	420,347	420,847	203,466
Due to Seabird Island Indian Band	-	-	-	-	-
Other liabilities	-	-	-	-	-
Long-term debt	-	-	-	-	12,284
<b>Total liabilities</b>	<b>-</b>	<b>500</b>	<b>420,347</b>	<b>420,847</b>	<b>215,750</b>
Equity	1	(368)	1,317,207	1,316,840	1,067,949
<b>Total liabilities and equity</b>	<b>1</b>	<b>132</b>	<b>1,737,554</b>	<b>1,737,687</b>	<b>1,283,699</b>
<b>INCOME STATEMENT</b>					
Revenue	\$ -	\$ -	\$ 3,353,146	\$ 3,353,146	\$ 2,484,813
Management fee paid to Band	-	-	-	-	150,000
Expenses	-	-	2,817,533	2,817,533	2,147,985
Net income (loss)	\$ -	\$ -	\$ 535,613	\$ 535,613	\$ 186,828
Band's share of income	\$ -	\$ -	\$ 267,807	\$ 267,807	\$ 93,414





**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

9. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (Continued)

	<b>Sqewqel Development Limited Partnership</b>	<b>Sqewqel Gas Bar Limited Partnership</b>	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>				
Cash	\$ 63,650	\$ 1,736	\$ 65,386	\$ 41,193
Accounts receivable	218,304	73,849	292,153	348,016
Inventories	116,108	86,956	203,064	192,342
Tangible capital assets	969,419	1,770,128	2,739,547	2,431,480
Other assets	572,296	-	572,296	359,971
<b>Total assets</b>	<b>1,939,777</b>	<b>1,932,669</b>	<b>3,872,446</b>	<b>3,373,002</b>
Accounts payable	68,292	65,072	133,364	227,173
Other liabilities	7,246	333,959	341,205	354,653
Advances from related party	522,435	-	522,435	10,411
Long-term debt	76,970	1,306,523	1,383,493	1,986,657
Callable debt	977,645	-	977,645	-
<b>Total liabilities</b>	<b>1,652,588</b>	<b>1,705,554</b>	<b>3,358,142</b>	<b>2,578,894</b>
Equity	287,189	227,115	514,304	794,108
<b>Total liabilities and equity</b>	<b>\$ 1,939,777</b>	<b>\$ 1,932,669</b>	<b>\$ 3,872,446</b>	<b>\$ 3,373,002</b>
<b>REVENUE AND EXPENSES</b>				
Revenue	\$ 866,150	\$ 3,830,685	\$ 4,696,835	\$ 4,761,446
Cost of goods sold	-	3,106,905	3,106,905	3,805,611
Expenses	1,199,784	669,948	1,869,732	1,338,956
Other expenses	-	-	-	-
<b>Net income (loss)</b>	<b>\$ (333,634)</b>	<b>\$ 53,832</b>	<b>\$ (279,802)</b>	<b>\$ (383,121)</b>
<b>Band's share of income</b>	<b>\$ (333,601)</b>	<b>\$ 53,778</b>	<b>\$ (279,823)</b>	<b>\$ (382,676)</b>



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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<b>2017</b>	<b>2016</b>
Trade payables	\$ 1,361,483	\$ 1,465,706
Accrued salaries and benefits payable	597,048	491,799
Government remittances payable	141,217	-
Other accrued liabilities	43,278	41,560
<b>Total</b>	<b>\$ 2,143,026</b>	<b>\$ 1,999,065</b>

Trade payables include amounts owing to related parties totalling \$224,467 (2016 - \$65,884).

11. EMPLOYEE BENEFIT OBLIGATIONS

	<b>2017</b>	<b>2016</b>
Vacation	\$ 246,553	\$ 249,580

**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 \$271,843 (2016 - \$327,378) during the year for retirement benefits. The Band does not have any other obligations with regards to the pension plan as at March 31, 2017.



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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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12. LONG-TERM DEBT

	2017	2016
Project #11 - All Nations Trust Company mortgage, blended monthly payments of \$1,792 at 1.11% per annum, maturing February 1, 2021, renewal on February 1, 2021	\$ 82,379	\$ 102,782
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	45,381	68,505
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	159,777	178,959
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	375,732	403,557
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	466,982	489,773
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	498,422	522,747
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	1,132,376	1,181,319
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	501,122	518,737
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	520,207	538,801
Project #20 - All Nations Trust Company mortgage,blended monthly payments of \$2,254 at 0.94% per annum, maturing September 1, 2040, renewal on September 1, 2020	570,309	591,914



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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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NOTES CONTINUED

Project #1 - Canada Mortgage and Housing Corporation mortgage,  
 blended monthly payments of \$3,398 at 4.15% per annum - 13,286

Total long-term debt	\$ 4,352,687	\$ 4,610,380
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Anticipated annual principal repayments over the next five years and thereafter are as follows:

2018	\$ 247,767
2019	250,211
2020	232,472
2021	234,827
2022 and thereafter	3,387,410
	<hr/>
	\$ 4,352,687

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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**13. TANGIBLE CAPITAL ASSETS**

	Administration				Housing				
	Automotive equipment	Other equipment	Infrastructure	Building	Non-profit housing	Full subsidy housing	Housing authority	Band housing	
Cost									
Opening	\$ 1,973,565	\$ 1,885,107	\$ 10,785	\$ 13,357,544	\$ 2,294,859	\$ 6,285,447	\$ 444,098	\$ 1,528,518	\$ 27,779,923
Additions during the year	146,072	132,834	-	438,759	-	-	-	-	717,665
Transfer of assets	-	-	-	-	(669,240)	-	-	133,100	(536,140)
Obsolete assets removed	-	-	-	-	-	-	-	-	-
Closing	2,119,637	2,017,941	10,785	13,796,303	1,625,619	6,285,447	444,098	1,661,618	27,961,448
<b>Accumulated amortization</b>									
Opening	1,209,576	1,551,635	10,785	6,045,779	1,230,380	876,091	444,098	607,041	11,975,385
Amortization	96,511	83,541	-	330,928	75,998	181,697	-	55,387	824,062
Transfer of assets	-	-	-	-	(536,140)	-	-	-	(536,140)
Obsolete assets removed	-	-	-	-	-	-	-	-	-
Closing	1,306,087	1,635,176	10,785	6,376,707	770,238	1,057,788	444,098	662,428	12,263,307
Net book value of tangible capital assets	\$ 813,550	\$ 382,765	\$ -	\$ 7,419,596	\$ 855,381	\$ 5,227,659	\$ -	\$ 999,190	\$ 15,698,141
									\$ 15,804,537



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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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**14. INTERNALLY RESTRICTED EQUITY**

	<b>2017</b>	<b>2016</b>
Funded reserves consist of the following:		
Seabird Island Futures Reserve	\$ 1,373,576	\$ 1,168,089
Murphy Land	20,948	19,128
First Nations Youth Work Experience	17,602	22,003
Student Loan Reserve	275,731	257,394
Post Secondary Reserve	1,040,170	920,912
Replacement Reserve - completed phases 3 - 5	501,753	368,644
Health Program Reserve	1,521,673	1,511,673
Bear Bus Reserve	100,000	100,000
Maintenance reserve	11,953	14,347
Contingency reserve	4,860	4,320
	<hr/> 4,868,266	<hr/> 4,386,510
Capital replacement consists of the following allocations		
Band revenue	81,673	61,341
IT utilities	528,218	128,218
Health	40,000	40,000
School	380,047	334,047
Maintenance	146,734	106,239
Cultural Learning Centre	5,187	5,187
Band support	2,500	2,500
Daycare operations	10,000	10,000
Preschool operations	75,000	75,000
	<hr/> 1,269,359	<hr/> 762,532
	<hr/> <hr/> \$ 6,137,625	<hr/> <hr/> \$ 5,149,042

**15. CONTINGENT LIABILITIES**

As at March 31, 2017, the Band was contingently liable in respect of guaranteed individual Band member mortgages with various financial institutions totalling \$627,922 (2016 - \$941,662). All accounts are in good standing.

In addition, the Band has guaranteed the debts of the Sqewqel Gas Bar LLP of approximately \$1,421,268 (2016 - \$1,429,374) and Sqewqel Development LLP of approximately \$977,645 (2016 - \$607,645).



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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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**16. 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 \$86,716. 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:

	<b>2017</b>	<b>2016</b>
Replacement reserve, beginning of the year	\$ 617,724	\$ 619,325
Transfer to internally restricted funds (completed phases 10)	(150,075)	(37,426)
Replacement reserve approved expenditures	(12,399)	(64,930)
Interest earned on reserve	8,648	13,981
Replacement reserve provision	86,716	86,774
	<u>\$ 550,614</u>	<u>\$ 617,724</u>
Full subsidy housing program - operating reserve provision	440,089	316,927
	<u>990,703</u>	<u>934,651</u>

**17. BUDGETED FIGURES**

The unaudited budgets for the year April 1, 2016 to March 31, 2017 were approved by the Chief and Council at the Chief and Council meeting on September 19, 2016. The operating budget is based on projected operating expenses to be incurred during the year on a program-by-program basis.

**18. 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:

2018	\$ 28,764
2019	26,342
2020	14,232
2021	14,232
2022	2,372
	<u>\$ 85,942</u>



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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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19. EXPENSES BY OBJECT

	2017	Budget	2016
Administration	\$ 267,637	\$ 1,821,787	\$ 154,186
Advertising and promotion	12,145	28,877	18,399
Amortization	824,061	-	866,570
Bad debt	23,328	-	40,206
Computer services/purchases	158,266	264,667	254,949
Consulting/contracts fees	2,378,230	1,520,137	2,867,616
Donations	50,785	170,725	42,200
Equipment	35,670	-	31,211
Home improvement and incentives	34,457	41,900	82,562
Honoraria	302,778	249,764	273,054
Insurance	420,504	215,918	212,625
Interest and bank charges	25,990	26,086	17,609
Interest on long-term debt	77,349	-	83,325
Legal services	141,980	136,973	172,331
Licences, permits and fees	17,293	-	17,958
Meetings, workshops and gatherings	513,576	331,561	578,368
Office and miscellaneous	281,630	338,274	208,477
Professional development	120,595	312,435	168,394
Professional fees	37,230	100,300	45,900
Rent charges/internal rent	(1,629,619)	(1,051,975)	(1,930,143)
Maintenance and construction costs	787,984	612,396	465,804
Supplies	110,886	524,975	48,041
Capital construction projects	170,734	-	-
Telephone and cellphones	127,763	66,540	124,962
Travel	329,394	376,520	319,449
Truck stop purchases	1,800	-	-
Tuition and course fees	1,208,918	3,695,223	1,306,504
Utilities	307,718	192,600	283,622
Wages and benefits	12,569,341	10,237,343	13,000,707
Expenditures - program costs	5,119,759	2,500,726	3,583,435
	\$ 24,828,182	\$ 22,713,752	\$ 23,338,321





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**SEABIRD ISLAND INDIAN BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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**20. 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 activities.  
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, 2017**

20. SEGMENT REPORTING (Continued)

	Administration	Capital Projects and AANDC Flowthrough	Corporate Affairs	Economic Development	Education	Health and Social Development	Housing	Public Works	Other	2017
<b>Revenue</b>										
Government funding	\$ 731,724	\$ 7,351,501	\$ 211,933	\$ 164,810	\$ 6,927,585	\$ 8,092,519	\$ 318,761	\$ 621,892	\$ -	\$ 24,420,725
Other revenue	54,203	2,022,424	20,618	53,591	541,237	3,237,772	898,149	408,934	1,235,770	8,472,698
Total	785,927	9,373,925	232,551	218,401	7,468,822	11,330,291	1,216,910	1,030,826	1,235,770	32,893,423
<b>Expenditures</b>										
Amortization	-	-	-	-	-	-	-	-	824,061	824,061
Wages	1,896,489	570,711	406,228	-	973,574	5,302,278	177,496	796,549	-	10,123,325
Other	989,068	7,127,073	331,262	197,349	5,452,490	5,330,719	502,019	320,958	-	20,250,938
Total	2,885,557	7,697,784	737,490	197,349	6,426,064	10,632,997	679,515	1,117,507	824,061	31,198,324
	\$ (2,099,630)	\$ 1,676,141	\$ (504,939)	\$ 21,052	\$ 1,042,758	\$ 697,294	\$ 537,395	\$ (86,681)	\$ 411,709	\$ 1,695,099

