

Seabird Island Band
Consolidated Financial Statements
March 31, 2020

Seabird Island Band

Contents

For the year ended March 31, 2020

Page

Management's Responsibility

Independent Auditor's Report

Consolidated Financial Statements

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Financial Assets.....	3
Consolidated Statement of Cash Flows.....	4

Notes to the Consolidated Financial Statements..... 5

Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	17
Schedule 2 - Consolidated Schedule of Consolidated Expenses by Object.....	18
Schedule 3 - Administration - Schedule of Revenue and Expenses and Surplus.....	19
Schedule 4 - Capital Projects - Schedule of Revenue and Expenses and Surplus (Deficit).....	20
Schedule 5 - Economic Development - Schedule of Revenue and Expenses and Surplus (Deficit).....	21
Schedule 6 - Education - Schedule of Revenue and Expenses and Surplus.....	22
Schedule 7 - Health and Social Development - Schedule of Revenue and Expenses and Surplus.....	23
Schedule 8 - Housing - Schedule of Revenue and Expenses and Surplus.....	24
Schedule 9 - Public Works - Schedule of Revenue and Expenses and Surplus (Deficit).....	25
Schedule 10 - Lands and Government Affairs - Schedule of Revenue and Expenses and Surplus.....	26
Schedule 11 - Reserves and Other - Schedule of Revenue and Expenses and Surplus.....	27

Management's Responsibility

To the Members of Seabird Island Band:

The accompanying consolidated financial statements of Seabird Island Band are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Seabird Island Band Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 8, 2020



Director of Finance



Executive Director

Independent Auditor's Report

To the Members of Seabird Island Band:

Opinion

We have audited the consolidated financial statements of Seabird Island Band (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and 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 Nation as at March 31, 2020, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Responsibilities of Management 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 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 Nation's assets or to cease operations, or has no realistic alternative but to do so.

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

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 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 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 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 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.

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.

Chilliwack, British Columbia

July 8, 2020

MNP LLP

Chartered Professional Accountants

Seabird Island Band

Consolidated Statement of Financial Position

As at March 31, 2020

	2020	2019
Financial assets		
Cash and cash equivalents (Note 3)	16,139,651	15,313,303
Accounts receivable (Note 4)	3,117,140	4,395,253
Inventory for resale	126,617	73,765
Portfolio investments (Note 5)	2,505,703	2,570,452
Funds held in trust (Note 6)	35,420	35,536
Investment in Nation partnerships and business entities (Note 7)	3,382,857	3,078,920
Total of financial assets	25,307,388	25,467,229
Liabilities		
Accounts payable and accruals	2,378,809	3,380,912
Deferred revenue (Note 8)	967,665	1,731,064
Long-term debt (Note 9)	5,679,340	4,812,766
Capital lease obligations	22,551	42,346
Total of financial liabilities	9,048,365	9,967,088
Net financial assets	16,259,023	15,500,141
Contingencies (Note 10)		
Subsequent events (Note 11)		
Commitments (Note 12)		
Non-financial assets		
Tangible capital assets (Schedule 1)	23,752,374	20,061,554
Inventories held for use	42,384	57,513
Prepaid expenses	286,663	178,381
Total non-financial assets	24,081,421	20,297,448
Accumulated surplus (Note 13)	40,340,444	35,797,589

Approved on behalf of the Council

 _____	Chief	 _____	Councillor
 _____	Councillor	 _____	Councillor
 _____	Councillor	 _____	Councillor
 _____	Councillor	 _____	Councillor

Seabird Island Band
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2020

	<i>Schedules</i>	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Revenue				
Indigenous Services Canada		10,810,447	13,111,860	12,327,883
Economic activity and other income		5,119,061	5,019,159	5,567,558
First Nation Health Authority		4,698,400	4,790,254	5,076,466
Province of British Columbia		3,502,079	3,916,257	3,688,823
First Nation Education Steering Committee		1,213,742	1,469,432	1,392,303
Rental income		1,110,973	1,100,898	1,122,907
Other federal funding		1,099,916	1,136,916	1,054,601
Sto:lo Nation		535,595	512,089	599,039
Canada Mortgage and Housing Corporation		295,566	288,808	293,937
Investment income		120,000	870,291	351,719
Earnings from investment in Nation partnerships and business entities		-	997,816	490,921
		28,505,779	33,213,780	31,966,157
Program expenses				
Administration	3	1,557,949	1,460,452	731,461
Capital Projects	4	-	443,518	274,701
Economic Development	5	2,043,251	32,398	359,199
Education	6	9,662,133	8,942,900	8,197,133
Health and Social Development	7	14,420,256	13,639,166	13,181,452
Housing	8	1,057,796	805,844	755,198
Public Works	9	1,049,571	1,380,575	867,639
Lands and Government Affairs	10	1,361,765	862,826	867,459
Reserves and Other	11	-	1,103,246	1,011,512
Total expenditures		31,152,721	28,670,925	26,245,754
Annual surplus (deficit)		(2,646,942)	4,542,855	5,720,403
Accumulated surplus, beginning of year		35,797,589	35,797,589	30,077,186
Accumulated surplus, end of year (Note 13)		33,150,647	40,340,444	35,797,589

The accompanying notes are an integral part of these financial statements

Seabird Island Band
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2020

	<i>2020 Budget</i>	<i>2020</i>	<i>2019</i>
Annual surplus (deficit)	(2,646,942)	4,542,855	5,720,403
Purchases of tangible capital assets	-	(4,759,525)	(3,956,685)
Amortization of tangible capital assets	-	1,068,706	967,092
	-	(3,690,819)	(2,989,593)
Acquisition of prepaid expenses	-	(286,663)	(178,381)
Use of prepaid expenses	-	178,381	220,003
Acquisition of inventories held for use	-	15,128	723
	-	(93,154)	42,345
Increase (decrease) in net financial assets	(2,646,942)	758,882	2,773,155
Net financial assets, beginning of year	15,500,141	15,500,141	12,726,986
Net financial assets, end of year	12,853,199	16,259,023	15,500,141

The accompanying notes are an integral part of these financial statements

Seabird Island Band
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	4,542,855	5,720,403
Non-cash items		
Amortization	1,068,706	967,092
Earnings from investment in Nation partnerships and business entities	(997,816)	(490,921)
	4,613,745	6,196,574
Changes in working capital accounts		
Accounts receivable	1,278,113	(2,192,445)
Inventory for resale	(52,852)	(6,227)
Funds held in trust	116	(2,309)
Deferred revenue	(763,399)	681,064
Accounts payable and accruals	(1,002,103)	978,503
Inventory held for use	15,128	723
Prepaid expenses	(108,282)	41,622
	3,980,466	5,697,505
Financing activities		
Advances of long-term debt	1,165,400	-
Repayment of long-term debt	(298,826)	(286,239)
Repayment of capital lease obligations	(19,795)	(42,019)
	846,779	(328,258)
Capital activities		
Purchases of tangible capital assets	(4,759,525)	(3,956,685)
Investing activities		
Repayment of investment in Nation partnerships and business entities	693,879	287,993
Change in portfolio investments	64,749	(74,553)
	758,628	213,440
Increase in cash resources	826,348	1,626,002
Cash resources, beginning of year	15,313,303	13,687,301
Cash resources, end of year	16,139,651	15,313,303
Supplementary cash flow information		
Interest paid	90,334	92,939

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

1. Operations

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

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity - consolidated

The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation business entities. Trusts administered on behalf of third parties by Seabird Island Band are excluded from the Nation reporting entity.

The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities:

- Seabird Education Society, Lalme; lwesawtexw
- Seabird Island Holdings Ltd.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Seabird Island Band business entities, owned or controlled by the Nation's Council but not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Seabird Island Forestry Corporation Ltd.
- Seabird Island Forestry Limited Partnership
- Stqó:ya Construction Ltd.
- Stqó:ya Construction Limited Partnership
- Sqewqél Development Limited Liability Partnership
- Sqéwqel Gas Bar Limited Liability Partnership
- Sqéwqel Development Corporation

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Asset classification

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

2. Significant accounting policies *(Continued from previous page)*

Net financial assets

The Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of the Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of consolidated financial position, accumulated surplus.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less.

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Portfolio investments with prices quoted in an active market include cash bonds and equities.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the, first-in, first-out method. Cost of inventories of items that are segregated for specific projects is assigned by using specific identification of their individual costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Years
Automobile equipment	straight-line	10-25 years
Band housing	straight-line	30 years
Infrastructure	straight-line	20-45 years
Buildings	straight-line	20-45 years
Other equipment	straight-line	5-10 years

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets and discontinued operations

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus for the year.

Revenue recognition

Government Transfers

The Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Own source revenue

Own source revenue derived from such sources as resource based revenues, interest income and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

Rental revenue

Rental revenue is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Investments

The Nation uses the modified equity investment to account for its investments in business entities as listed under reporting entity - consolidated. Investment income earned from portfolio investments is recognized in the period the income is earned.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 reporting period.

Accounts receivable, and amounts due from related Nation entities and departments, are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

2. Significant accounting policies *(Continued from previous page)*

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

At each financial reporting date, the Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. Management has determined that no liability exists as at March 31, 2020.

Segments

The Nation conducts its business through nine reportable segments: Administration, Capital Projects, Economic Development, Education, Health and Social Development, Housing, Public Works, Lands and Government Affairs and Reserve and Other. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Retirement benefits

The Nation has a defined contribution pension plan covering substantially all full-time employees who have completed one year of service. There are no prior service costs. Contributions are discretionary, and are based on the percentage of participants' contributions, up to a maximum. The Nation follows the policy of funding retirement plan contributions as accrued. The Nation contributions totalled \$431,607 (2019 - \$375,734). There have been no changes to the plan in the current year.

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

3. Cash and cash equivalents

	2020	2019
Externally restricted		
CMHC operating reserve	663,594	633,070
CMHC replacement reserve	641,421	594,333
	1,305,015	1,227,403
Internally restricted		
Replacement and operating reserves (Note 15)	8,580,880	7,841,003
Unrestricted		
Operating funds	6,253,756	6,244,897
	16,139,651	15,313,303

Replacement Reserve

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") the Nation established a replacement reserve, funded by an annual allocation of \$86,766 (2019 - \$92,726), to ensure replacement of buildings financed by CMHC. The reserve was fully funded at March 31, 2020.

In accordance with terms of the agreement, CMHC reserve moneys must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

Operating Reserve

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") 1997 On-Reserve Program requirements, the Nation established an operating reserve retained by the Nation resulting from annual surplus after the payment of all costs and expenses including allocation to the replacement reserve. 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 otherwise mutually agreed to by the Nation and CMHC.

These funds may only be used for the ongoing operating costs of the housing projects committed under the 1997 On-Reserve Program. Accordingly, future years' deficits may be recovered from the Operating Reserve fund. At March 31, 2020 this reserve was fully funded.

4. Accounts receivable

	2020	2019
Funding and trade receivables	3,119,415	4,295,035
Dental and medical office receivable	58,523	126,079
Interest receivable	132,107	39,373
Member loans receivable	11,232	11,232
Allowance for doubtful accounts	(204,137)	(76,466)
	3,117,140	4,395,253

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

5. Portfolio investments

	2020	2019
Measured at cost:		
Boughton Law Corporation Trust Fund	400,000	400,000
BC First Nations Gaming Revenue Sharing LP	100	-
BC First Nations Gaming Sharing General Partner Ltd.	10	-
	400,110	400,000
Measured at fair value:		
First Nations Finance Authority - Cash	1,904	1,866
First Nations Finance Authority - Money Market	388,521	381,677
Investors Group Income Plus Portfolio	1,715,168	1,786,909
	2,105,593	2,170,452
	2,505,703	2,570,452

6. Funds held in trust

Capital and revenue trust funds are transferred to the Nation on the authorization of the Minister of Indigenous Services, with the consent of the Nation's Council.

	2020	2019
Capital Trust		
Balance, beginning and end of year	32,847	32,847
Revenue Trust		
Balance, beginning of year	2,689	380
Interest	2,850	3,074
	5,539	3,454
Less: Transfers to Nation	2,966	765
Balance, end of year	2,573	2,689
	35,420	35,536

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

7. Investments in First Nation partnerships and business entities

The Nation has investments in the following entities:

				2020
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
First Nation Government Business Enterprises				
Seabird Island Forestry Construction Ltd. - 100%	1	-	-	1
Stqó:ya Construction Ltd. - 50%	55	-	-	55
Sqéwqel Development Corporation - 100%	1	-	-	1
	57	-	-	57
First Nation Business Partnerships – Modified Equity:				
Stqó:ya Construction LP - 49.99%	50	(10,000)	1,354,685	1,344,735
Seabird Island Forestry Construction LP - 99.99%	1	-	-	1
Sqéwqel Development Corporation LLP - 99.99%	100	1,155,291	719,470	1,874,861
Sqéwqel Gas Bar LLP - 99.99%	100	(14,797)	177,900	163,203
	251	1,130,494	2,252,055	3,382,800
	308	1,130,494	2,252,055	3,382,857
				2019
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
First Nation Government Business Enterprises				
Seabird Island Forestry Construction Ltd. - 100%	1	-	-	1
Stqó:ya Construction Ltd. - 50%	55	-	-	55
Sqéwqel Development Corporation - 100%	1	-	-	1
	57	-	-	57
First Nation Business Partnerships – Modified Equity:				
Stqó:ya Construction LP - 49.99%	50	(10,000)	1,082,781	1,072,831
Seabird Island Forestry Construction LP - 99.99%	1	-	-	1
Sqéwqel Development Corporation LLP - 99.99%	100	1,399,327	426,844	1,826,271
Sqéwqel Gas Bar LLP - 99.99%	100	(14,697)	194,357	179,760
	251	1,374,630	1,703,982	3,078,863
	308	1,374,630	1,703,982	3,078,920

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

7. Investment in First Nation partnerships and business entities *(Continued from previous page)*

Financial information for the investments in First Nation partnerships and business entities is as follows:

	Seabird Island Forestry Construction Ltd.	Seabird Island Forestry Construction LP	Stqó:ya Construction Ltd.	Sqéwqel Development Corporation	2020	2019
Balance Sheet						
Assets	1	1	431	1	433	288
Liabilities	-	-	500	-	500	500
Equity	1	1	(69)	1	(67)	(212)
Total Liabilities and Equity	1	1	431	1	433	288
Income Statement						
Revenue	-	-	41	-	41	41
Expenses	-	-	-	-	-	-
Net Income (Loss)	-	-	41	-	41	41

	Stqó:ya Construction LP	Sqéwqel Development Corporation LLP	Sqéwqel Gas Bar LLP	2020	2019
Balance Sheet					
Assets	3,425,679	1,938,775	1,760,369	7,124,823	7,792,294
Liabilities	752,333	1,216,916	1,565,004	3,534,253	5,021,546
Equity	2,673,346	721,859	195,365	3,590,570	2,770,748
Total Liabilities and Equity	3,425,679	1,938,775	1,760,369	7,124,823	7,792,294
Income Statement					
Revenue	8,086,374	905,968	4,579,175	13,571,517	13,446,129
Expenses	6,642,531	613,415	4,595,749	11,851,695	12,750,801
Net Income (Loss)	1,443,843	292,553	(16,574)	1,719,822	695,328

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

8. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each funding source:

Deferred Revenue by Contributor are as follows:	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Contributions recognized</i>	<i>Balance, end of year</i>
Indigenous Services Canada Capital Funding	1,589,222	1,007,665	1,629,222	967,665
First Nations Health Authority Funding	93,972	-	93,972	-
Fraser Health Authority Funding	47,870	-	47,870	-
	1,731,064	1,007,665	1,771,064	967,665

9. Long-term debt

	2020	2019
Project #11 - All Nations Trust Company mortgage, blended monthly payments of \$1,792 at 1.11% per annum, maturing February 1, 2021.	19,602	40,759
Project #13 - All Nations Trust Company mortgage, blended monthly payments of \$1,795 at 1.39% per annum, maturing January 1, 2025.	100,629	120,617
Project #14 - All Nations Trust Company mortgage, blended monthly payments of \$2,932 at 1.86% per annum, maturing February 1, 2029.	288,983	318,495
Project #15 - All Nations Trust Company mortgage, blended monthly payments of \$2,728 at 2.14% per annum, maturing March 1, 2034.	396,033	420,036
Project #16 - All Nations Trust Company mortgage, blended monthly payments of \$2,912 at 2.14% per annum, maturing March 1, 2034.	422,696	448,315
Project #17 - All Nations Trust Company mortgage, blended monthly payments of \$5,491 at 1.48% per annum, maturing January 1, 2037.	981,636	1,032,603
Project #18 - All Nations Trust Company mortgage, blended monthly payments of \$2,541 at 2.68% per annum, maturing October 1, 2038.	446,603	464,905
Project #19 - All Nations Trust Company mortgage, blended monthly payments of \$2,492 at 2.21% per annum, maturing February 1, 2039.	462,436	481,914
Project #20 - All Nations Trust Company mortgage, blended monthly payments of \$2,254 at 0.94% per annum, maturing September 1, 2040.	504,318	526,515
Project #21 - All Nations Trust Company mortgage, blended monthly payments of \$4,929 at 2.06% per annum, maturing November 1, 2042.	891,004	958,607
Project #22 - All Nations Trust Company mortgage, blended monthly payments of \$4,430 at 0.98% per annum, maturing April 1, 2045.	1,165,400	-
	5,679,340	4,812,766

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

9. Long-term debt *(Continued from previous page)*

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2021	316,452
2022	301,997
2023	307,240
2024	312,584
2025	314,429

10. Contingencies

As at March 31, 2020, the First Nation is contingently liable in respect of guarantee individual Band member mortgages with various financial institutions totalling \$674,499 (2019 - \$674,499).

In addition, the First Nation has guaranteed the debts of Sqéwqel Gas Bar LLP of approximately \$1,602,500 (2019 - \$1,602,500).

11. Subsequent event

Subsequent to year-end, there was a global outbreak of the COVID-19 virus, which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

12. Commitments

The First Nation is committed to the lease of various office equipment. The terms of the leases call for monthly payments, with the next two years of repayment estimated as follows:

2021	\$19,290
2022	3,548

13. Accumulated surplus

Accumulated surplus consists of the following:

	2020	2019
Equity in Tangible Capital Assets	18,050,482	15,206,442
Internally Restricted Equity (Note 15)	8,580,880	7,841,003
Operating Surplus	12,368,647	11,487,205
Equity in Ottawa Trust Funds	35,420	35,536
Equity in CMHC Replacement and Operating Reserves	1,305,015	1,227,403
	40,340,444	35,797,589

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

14. Budget information

The disclosed budget information has been approved by the Chief and Council of the Seabird Island Band at the Chief and Council meeting held on July 16, 2019. The budget information is unaudited and is projected based on operating expenses to be incurred during the year on a program by program basis.

15. Internally restricted equity

	2020	2019
Funded reserves consist of the following:		
Seabird Island Futures Reserve	2,131,074	1,860,076
Murphy Land	28,648	24,798
First Nations Youth Work Experience	4,399	8,800
Student Loan Reserve	273,406	287,942
Post Secondary Reserve	966,170	1,007,255
Replacement Reserve - Matured Phase 3 - 5	414,647	461,001
Health Program Reserve	1,200,846	1,190,846
Bear Bus Reserve	100,000	100,000
Maintenance Reserve	18,733	19,036
Contingency Reserve	473,236	378,509
Chief and Council Discretionary Reserve	495,452	224,455
Capital Replacement Fund Reserve	1,957,469	2,278,285
School Maintenance Reserve	500,000	-
Recovery Home Reserve	16,800	-
	8,580,880	7,841,003

16. Segments

The Nation conducts its business through nine reportable segments, which are differentiated by major activities, accountability and control relationships. The reportable segments and their activities are as follows:

Administration

Includes general operations, IT support and financial management of the Nation along with an arm related to discretionary revenue, property taxation and governance activities.

Capital Projects

Includes revenue and expenses related to capital projects and capital project flow through funding administered on behalf of Indigenous Services Canada.

Economic Development

Includes activities related to the growth of the revenue producing projects within the Nation, land management along with an arm of rights and resource management.

Education

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

Health and Social Development

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

Housing

Includes property management related to the mortgaged homes owned by the Nation and the administration of social housing programs.

Public Works

Includes revenue and expenses related to ongoing community maintenance.

Lands and Government Affairs

Includes revenue and expenses related to general governance activities, lands administration, membership and aboriginal rights and title.

Reserves 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 Band
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2020

	<i>Automobile Equipment</i>	<i>Housing</i>	<i>Infrastructure</i>	<i>Buildings</i>	<i>Other equipment</i>	<i>2020</i>	<i>2019</i>
Cost							
Balance, beginning of year	2,231,598	12,368,963	10,785	16,455,862	3,031,217	34,098,425	30,141,740
Acquisition of tangible capital assets	460,539	850,906	-	956,124	417,983	2,685,552	2,109,102
Construction-in-progress	-	-	-	2,073,974	-	2,073,974	1,847,583
Disposal of tangible capital assets	(17,095)	-	-	-	-	(17,095)	-
Balance, end of year	2,675,042	13,219,869	10,785	19,485,960	3,449,200	38,840,856	34,098,425
Accumulated amortization							
Balance, beginning of year	1,459,660	3,603,583	10,785	7,079,245	1,883,598	14,036,871	13,069,779
Annual amortization	138,358	375,026	-	381,838	173,484	1,068,706	967,092
Accumulated amortization on disposals	(17,095)	-	-	-	-	(17,095)	-
Balance, end of year	1,580,923	3,978,609	10,785	7,461,083	2,057,082	15,088,482	14,036,871
Net book value of tangible capital assets	1,094,119	9,241,260	-	12,024,877	1,392,118	23,752,374	20,061,554
2019 Net book value of tangible capital assets	771,938	8,765,380	-	9,376,617	1,147,619	20,061,554	

Seabird Island Band
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2020

	2020	2019
Consolidated expenses by object		
Administration	28,043	165,683
Allowances	682,387	470,333
Amortization	1,068,706	967,092
Bad debts (recovery)	(13,796)	54,438
Bank charges and interest	36,074	28,301
Basic needs, shelter and other social assistance	1,497,744	1,531,587
Community donations	36,214	54,403
Consulting	294,235	126,859
Contracted services	3,914,000	2,927,687
Fire protection	41,115	47,483
Honoraria	24,506	17,676
Insurance	472,755	791,858
Interest on long-term debt	90,334	92,939
Licenses and fees	203,824	115,853
Meetings and community events	750,041	1,019,494
Office supplies and expenses	363,196	283,000
Professional fees	162,931	198,279
Property tax	2,079	-
Repairs and maintenance	681,023	495,299
Salaries and benefits	14,366,626	13,502,708
Staff appreciation and events	24,851	57,177
Student expenses	366,835	364,746
Supplies, materials and equipment	1,390,861	1,120,743
Telephone and internet	158,936	152,247
Training and workshops	269,830	172,673
Travel	552,918	364,647
Tuition	1,576,672	1,349,702
Utilities	363,171	297,553
Intersegmental recovery of administration and rents	(735,186)	(524,706)
	28,670,925	26,245,754

Seabird Island Band
Administration

Schedule 3 - Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2020

	2020	2019
Revenue		
Economic activity and other income	1,620,801	1,575,665
Indigenous Services Canada	1,027,813	901,478
Rental income	471,456	472,109
Province of British Columbia	190,770	177,926
Other federal funding	-	127
Interest income	922,742	280,464
Earnings from investment in Nation partnerships and business entities	997,816	490,921
	5,231,398	3,898,690
Expenses		
Bank charges and interest	30,558	22,879
Community donations	20,374	32,172
Consulting	154,589	75,197
Contracted services	775,651	280,932
Insurance	30,153	294,215
Licenses and fees	37,359	28,268
Meetings and community events	210,942	206,611
Office supplies and expenses	100,426	82,994
Professional fees	89,615	94,584
Rent (recovery)	(82,034)	54,083
Repairs and maintenance	2,670	328
Salaries and benefits	2,182,815	1,879,927
Staff appreciation and events	3,075	7,052
Student expenses	-	2,000
Supplies, materials and equipment	171,329	81,815
Telephone and internet	62,909	71,350
Training and workshops	30,052	5,852
Travel	57,713	29,657
Tuition	10,989	-
Recovery of administration	(2,428,733)	(2,518,455)
	1,460,452	731,461
Surplus before transfers	3,770,946	3,167,229
Transfers between programs	(1,966,551)	(2,057,956)
Surplus	1,804,395	1,109,273

Seabird Island Band
Capital Projects

Schedule 4 - Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada	197,493	726,818
Expenses		
Administration	12,864	130,717
Consulting	-	938
Contracted services	304,858	21,593
Insurance	2,955	-
Professional fees	2,500	-
Repairs and maintenance	104,755	111,606
Salaries and benefits	1,745	5,410
Supplies, materials and equipment	-	34
Utilities	13,841	4,403
	443,518	274,701
Surplus before transfers	(246,025)	452,117
Transfers between programs	(34,085)	(737,660)
Deficit	(280,110)	(285,543)

Seabird Island Band
Economic Development
Schedule 5 - Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada	1,668,691	882,467
Economic activity and other income	-	226,461
Rental income	14,228	28,497
	1,682,919	1,137,425
Expenses		
Administration	8,263	110,000
Bank charges and interest	1,149	-
Consulting	10,352	-
Contracted services	7,780	204,635
Professional fees	4,111	115
Salaries and benefits	-	43,825
Telephone and internet	743	624
	32,398	359,199
Surplus before transfers	1,650,521	778,226
Transfers between programs	(2,202,327)	(787,498)
Deficit	(551,806)	(9,272)

Seabird Island Band
Education

Schedule 6 - Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada	5,899,138	5,648,883
First Nation Education Steering Committee	1,298,092	1,272,316
HRSDC Funding	1,111,916	1,032,874
Province of British Columbia	1,117,529	949,628
Economic activity and other income	105,492	300,559
First Nation Health Authority	25,434	-
	9,557,601	9,204,260
Expenses		
Administration	836,602	723,339
Allowances	-	78
Bank charges and interest	-	5
Community donations	12,645	19,457
Consulting	13,572	-
Contracted services	920,656	1,097,020
Honoraria	3,706	5,772
Insurance	98,310	96,397
Licenses and fees	5,321	263
Meetings and community events	94,319	91,367
Office supplies and expenses	93,708	68,224
Professional fees	2,797	3,314
Rent	474,048	462,139
Repairs and maintenance	30,631	23,297
Salaries and benefits	3,991,113	3,635,815
Staff appreciation and events	3,898	12,330
Student expenses	351,755	301,846
Supplies, materials and equipment	356,416	261,748
Telephone and internet	17,756	16,198
Training and workshops	14,089	10,713
Travel	55,875	18,109
Tuition	1,565,683	1,349,702
	8,942,900	8,197,133
Surplus before transfers	614,701	1,007,127
Transfers between programs	(917,301)	(895,516)
Surplus (deficit)	(302,600)	111,611

Seabird Island Band
Health and Social Development
Schedule 7 - Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2020

	2020	2019
Revenue		
First Nation Health Authority	4,764,820	4,676,466
Indigenous Services Canada	3,508,490	3,307,113
Economic activity and other income	2,562,250	2,681,851
Province of British Columbia	2,482,958	2,418,771
Sto:lo Nation	512,089	599,039
First Nation Education Steering Committee	171,340	119,987
Rental income	28,875	21,250
Other Federal funding	25,000	1,600
	14,055,822	13,826,077
Expenses		
Administration	1,226,788	1,229,272
Allowances	682,387	470,255
Bank charges and interest	2,095	2,817
Basic needs, shelter and other social assistance	1,497,744	1,531,587
Community donations	1,015	2,574
Contracted services	1,245,919	1,124,241
Insurance	75,565	116,828
Licenses and fees	93,421	60,045
Meetings and community events	439,414	687,527
Office supplies and expenses	112,797	97,636
Professional fees	1,500	2,805
Rent	147,861	75,336
Repairs and maintenance	82,616	53,129
Salaries and benefits	6,620,328	6,493,939
Staff appreciation and events	14,698	26,913
Student expenses	15,079	60,900
Supplies, materials and equipment	680,249	625,980
Telephone and internet	60,313	51,837
Training and workshops	205,577	150,617
Travel	414,110	296,311
Utilities	19,690	20,903
	13,639,166	13,181,452
Surplus before transfers	416,656	644,625
Transfers between programs	233,074	92,808
Surplus	649,730	737,433

Seabird Island Band
Housing

Schedule 8 - Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2020

	2020	2019
Revenue		
Rental income	550,766	584,111
Economic activity and other income	340,038	308,949
Canada Mortgage and Housing Corporation	288,808	293,937
Interest income	11,590	-
	1,191,202	1,186,997
Expenses		
Administration	236,676	237,427
Bad debt expense (recovery)	(13,796)	54,438
Bank charges and interest	12	87
Contracted services	23,483	4,344
Honoraria	1,200	-
Insurance	56,388	71,499
Interest on long-term debt	90,334	92,939
Licenses and fees	53,199	-
Meetings and community events	(5,365)	8,511
Office supplies and expenses	2,041	3,649
Repairs and maintenance	134,881	81,814
Salaries and benefits	304,917	294,746
Staff appreciation and events	400	1,400
Supplies, materials and equipment	5,846	10,637
Telephone and internet	2,691	2,868
Training and workshops	7,182	(2,295)
Travel	(2,869)	3,328
Utilities	13,363	8,501
Recovery of administration	(104,739)	(118,695)
	805,844	755,198
Surplus before transfers	385,358	431,799
Transfers between programs	(195,381)	(389,115)
Surplus	189,977	42,684

Seabird Island Band

Public Works

Schedule 9 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada	527,548	516,662
First Nation Health Authority	-	400,000
Economic activity and other income	295,337	294,240
Rental income	35,572	16,940
Province of British Columbia	-	12,498
	858,457	1,240,340
Expenses		
Administration	85,190	122,997
Bank charges and interest	-	158
Contracted services	572,918	121,966
Fire protection	41,115	47,483
Insurance	207,055	134,350
Licenses and fees	14,525	27,181
Meetings and community events	2,881	1,488
Office supplies and expenses	22,651	8,106
Professional fees	1,553	8,082
Property tax	2,079	-
Repairs and maintenance	290,914	180,336
Salaries and benefits	800,683	733,036
Staff appreciation and events	1,825	3,350
Supplies, materials and equipment	129,007	133,184
Telephone and internet	12,950	7,510
Training and workshops	8,978	5,878
Travel	13,389	270
Utilities	316,277	263,746
Recovery of administration	(1,143,415)	(931,482)
	1,380,575	867,639
Surplus (deficit) before transfers	(522,118)	372,701
Transfers between programs	(762,421)	(786,749)
Deficit	(1,284,539)	(414,048)

Seabird Island Band
Lands and Government Affairs
Schedule 10 - Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2020

	2020	2019
Revenue		
Indigenous Services Canada	282,687	344,462
Economic activity and other income	95,240	179,834
Province of British Columbia	125,000	130,000
Other Federal funding	-	20,000
Interest income	4,851	3,001
	507,778	677,297
Expenses		
Administration	50,393	93,042
Bank charges and interest	2,260	2,354
Community donations	2,180	200
Consulting	115,721	50,725
Contracted services	62,736	72,956
Honoraria	19,600	11,905
Insurance	2,329	2,122
Licenses and fees	-	97
Meetings and community events	7,851	23,991
Office supplies and expenses	31,572	22,391
Professional fees	60,855	89,379
Repairs and maintenance	17	370
Salaries and benefits	465,025	492,457
Staff appreciation and events	956	6,132
Supplies, materials and equipment	48,015	7,344
Telephone and internet	1,574	1,861
Training and workshops	3,953	1,909
Travel	14,699	16,972
Recovery of administration	(26,910)	(28,748)
	862,826	867,459
Deficit before transfers	(355,048)	(190,162)
Transfers between programs	147,059	894,989
Surplus (deficit)	(207,989)	704,827

Seabird Island Band
Reserves and Other
Schedule 11 - Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2020

	2020	2019
Revenue		
Investment income (loss)	(68,892)	68,254
Expenses		
Amortization	1,068,706	967,092
Repairs and maintenance	34,540	44,420
	1,103,246	1,011,512
Deficit before transfers	(1,172,138)	(943,258)
Transfers between programs	5,697,934	4,666,697
Surplus	4,525,796	3,723,439