

Seabird Island Band
Consolidated Financial Statements
March 31, 2021

Seabird Island Band

Contents

For the year ended March 31, 2021

	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 - Segmented Information.....	18

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 First 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.

Signed by: Jason Campbell

Director of Finance Signed by: Nigel Selvadurai

CAO

To the Members of Seabird Island Band:

Opinion

We have audited the consolidated financial statements of Seabird Island Band (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, 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 First Nation as at March 31, 2021, and the results of its consolidated operations, changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 20, 2021

MNP LLP
Chartered Professional Accountants

Seabird Island Band
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020	
Financial assets			
Cash and cash equivalents (Note 3)	21,806,456	16,139,651	
Accounts receivable (Note 4)	3,357,447	3,117,140	
Portfolio investments (Note 5)	2,533,617	2,505,703	
Inventory for resale	140,613	126,617	
Funds held in trust (Note 6)	35,577	35,420	
Investment in Nation business entities (Note 7)	5,846,504	3,382,857	
Total of financial assets	33,720,214	25,307,388	
Liabilities			
Accounts payable and accruals	2,949,350	2,378,809	
Deferred revenue (Note 8)	-	967,665	
Long-term debt (Note 9)	6,144,985	5,679,340	
Capital lease obligations	11,810	22,551	
Total of financial liabilities	9,106,145	9,048,365	
Net financial assets	24,614,069	16,259,023	
Contingencies (Note 10)			
Commitments (Note 11)			
Non-financial assets			
Tangible capital assets	24,620,329	23,752,374	
Inventories held for use	46,406	42,384	
Prepaid expenses	135,460	286,663	
Total non-financial assets	24,802,195	24,081,421	
Accumulated surplus (Note 12)	49,416,264	40,340,444	
Approved on behalf of the Council			
Signed by: Chief James Harris	Chief	Signed by: Matthew Point	Councillor
Signed by: Alexis Grace	Councillor	Signed by: Paul Andrew	Councillor
Signed by: Rod Peters	Councillor		Councillor
Signed by: Marcia Peters	Councillor		Councillor
Signed by: Stacy McNeil	Councillor		Councillor

The accompanying notes are an integral part of these financial statements

Seabird Island Band
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	2021 Budget	2021	2020
Revenue			
Indigenous Services Canada	10,952,384	16,455,795	13,111,860
First Nation Health Authority	4,736,966	5,422,023	4,790,254
Economic activity and other income	5,309,555	5,138,616	5,019,159
Province of British Columbia	3,106,639	4,043,290	3,916,257
First Nation Education Steering Committee	946,946	2,465,377	1,469,432
Other federal funding	1,021,984	1,321,066	1,136,916
Rental income	1,116,633	1,117,342	1,100,898
Sto:lo Nation	647,582	536,860	512,089
Earnings from investment in Nation partnerships and business entities	-	1,258,657	997,816
Canada Mortgage and Housing Corporation	659,285	339,396	288,808
Investment income	608,000	826,547	870,291
	29,105,974	38,924,969	33,213,780
Program expenses			
Administration	1,480,307	1,752,336	1,460,452
Capital Projects	15,749	781,468	443,518
Economic Development	-	265,616	32,398
Education	8,844,777	8,977,161	8,942,900
Health and Social Development	14,681,790	13,583,475	13,639,166
Housing	1,087,677	804,887	805,844
Public Works	341,160	1,714,680	1,380,575
Lands and Government Affairs	1,418,133	807,710	862,826
Reserves and Other	-	1,161,816	1,103,246
Total expenditures	27,869,593	29,849,149	28,670,925
Annual surplus	1,236,381	9,075,820	4,542,855
Accumulated surplus, beginning of year	40,340,444	40,340,444	35,797,589
Accumulated surplus, end of year (Note 12)	41,576,825	49,416,264	40,340,444

Seabird Island Band
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2021

	<i>2021 Budget</i>	<i>2021</i>	<i>2020</i>
Annual surplus	1,236,381	9,075,820	4,542,855
Purchases of tangible capital assets	-	(2,052,648)	(4,759,525)
Amortization of tangible capital assets	-	1,161,816	1,068,706
Proceeds of disposal of tangible capital assets	-	22,877	-
	-	(867,955)	(3,690,819)
Acquisition of prepaid expenses	-	(135,460)	(286,663)
Use of prepaid expenses	-	286,663	178,381
Use (acquisition) of inventories held for use	-	(4,022)	15,128
	-	147,181	(93,154)
Increase in net financial assets	1,236,381	8,355,046	758,882
Net financial assets, beginning of year	16,259,023	16,259,023	15,500,141
Net financial assets, end of year	17,495,404	24,614,069	16,259,023

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, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	9,075,820	4,542,855
Non-cash items		
Amortization	1,161,816	1,068,706
Earnings from investment in Nation partnerships and business entities	(1,258,657)	(997,816)
	8,978,979	4,613,745
Changes in working capital accounts		
Accounts receivable	(240,307)	1,278,113
Inventory for resale	(13,996)	(52,852)
Funds held in trust	(157)	116
Accounts payable and accruals	570,540	(1,002,103)
Deferred revenue	(967,665)	(763,399)
Inventory held for use	(4,022)	15,128
Prepaid expenses	151,203	(108,282)
	8,474,575	3,980,466
Financing activities		
Advances of long-term debt	780,000	1,165,400
Repayment of long-term debt	(314,355)	(298,826)
Advances of capital lease obligations	7,320	-
Repayment of capital lease obligations	(18,061)	(19,795)
	454,904	846,779
Capital activities		
Purchases of tangible capital assets	(2,052,648)	(4,759,525)
Proceeds of disposal of tangible capital assets	22,877	-
	(2,029,771)	(4,759,525)
Investing activities		
Investment in Nation partnerships and business entities	(1,204,989)	-
Repayment of investment in Nation partnerships and business entities	-	693,879
Change in portfolio investments	(27,914)	64,749
	(1,232,903)	758,628
Increase in cash resources	5,666,805	826,348
Cash resources, beginning of year	16,139,651	15,313,303
Cash resources, end of year	21,806,456	16,139,651
Supplementary cash flow information		
Interest paid	122,607	90,334

The accompanying notes are an integral part of these financial statements

1. Operations

Seabird Island Band (the "First 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 First Nation and are either owned or controlled by the First Nation.

Impact of COVID-19 on operations

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on communities through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Nation's operations were not materially impacted by COVID-19.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation's operations 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. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the First Nation's operations.

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 First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Seabird Island Band are excluded from the First Nation reporting entity.

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

- Seabird Education Society, Lalme; lwesawtexw
- Seabird Island Holdings Ltd.
- Seabird Island Forestry Company Ltd.
- Seabird Island Forestry Limited Partnership

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.

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

Seabird Island Band business entities, owned or controlled by the First Nation's Council but not dependent on the First 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 First Nation. Thus, the First 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:

- 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.

Net financial assets

The First 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 First 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.

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

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by Indigenous Services 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 First 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

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 First 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 First 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 First 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.

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

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 First 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.

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 First 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, 2021.

At each financial reporting date, the First 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 First 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, 2021.

Segments

The First 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 First 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 First 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 First Nation follows the policy of funding retirement plan contributions as accrued. The First Nation contributions totalled \$561,677 (2020 - \$431,607). 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, 2021

3. Cash and cash equivalents

	2021	2020
Externally restricted		
CMHC operating reserve	728,179	663,594
CMHC replacement reserve	628,441	641,421
	1,356,620	1,305,015
Internally restricted		
Replacement and operating reserves (Note 14)	10,039,043	8,580,880
Unrestricted		
Operating funds	10,410,793	6,253,756
	21,806,456	16,139,651

Replacement Reserve

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") the First Nation established a replacement reserve, funded by an annual allocation of \$94,024 (2020 - \$86,766), to ensure replacement of buildings financed by CMHC. In addition to the annual allocation, the First Nation was required to allocate a supplemental assistance amount totalling \$51,156. The reserve was fully funded at March 31, 2021.

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 First Nation established an operating reserve retained by the First 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 First 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, 2021 this reserve was fully funded.

4. Accounts receivable

	2021	2020
Funding and trade receivables	3,505,955	3,119,415
Dental and medical office receivable	51,050	58,523
Interest receivable	34,604	132,107
Member loans receivable	11,232	11,232
Allowance for doubtful accounts	(245,394)	(204,137)
	3,357,447	3,117,140

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

5. Portfolio investments

	2021	2020
Measured at cost:		
Boughton Law Corporation Trust Fund	400,000	400,000
BC First Nations Gaming Revenue Sharing LP	100	100
BC First Nations Gaming Sharing General Partner Ltd.	10	10
	400,110	400,110
Measured at fair value:		
Municipal Finance Authority - Short Term Bond	1,931	1,904
Municipal Finance Authority - Money Market	390,291	388,521
Investors Group Portfolio	830,955	1,715,168
RBC Dominion Securities Portfolio	910,330	-
	2,133,507	2,105,593
	2,533,617	2,505,703

6. Funds held in trust

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

	2021	2020
Capital Trust		
Balance, beginning and end of year	32,847	32,847
Revenue Trust		
Balance, beginning of year	2,573	2,689
Interest and distributions	2,730	2,850
	5,303	5,539
Less: Transfers to Nation	2,573	2,966
Balance, end of year	2,730	2,573
	35,577	35,420

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

7. Investments in First Nation partnerships and business entities

The First Nation has investments in the following entities:

				2021
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings</i>	<i>Total investment</i>
First Nation Government Business Enterprises				
Seabird Island Forestry Company 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	1,495,425	2,121,863	3,617,338
Seabird Island Forestry LP - 99.99%	1	-	-	1
Sqéwqel Development Corporation LLP - 99.99%	100	854,856	1,235,680	2,090,636
Sqéwqel Gas Bar LLP - 99.99%	100	(14,797)	153,169	138,472
	251	2,335,484	3,510,712	5,846,447
	308	2,335,484	3,510,712	5,846,504
				2020
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings</i>	<i>Total investment</i>
First Nation Government Business Enterprises				
Seabird Island Forestry Company 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 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

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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	2021	2020
Balance Sheet						
Assets	1	1	585	1	588	433
Liabilities	-	-	500	-	500	500
Equity (Deficit)	1	1	85	1	88	(67)
Total Liabilities and Equity	1	1	585	1	588	433
Income Statement						
Revenue	-	-	154	-	154	41
Expenses	-	-	-	-	-	-
Net Income	-	-	154	-	154	41

	Stqó:ya Construction LP	Sqéwqel Development Corporation LLP	Sqéwqel Gas Bar LLP	2021	2020
Balance Sheet					
Assets	7,836,417	2,299,328	1,732,488	11,868,233	7,124,823
Liabilities	3,628,561	1,061,207	1,561,879	6,251,647	3,534,253
Equity	4,207,856	1,238,121	170,609	5,616,586	3,590,570
Total Liabilities and Equity	7,836,417	2,299,328	1,732,488	11,868,233	7,124,823
Income Statement					
Revenue	14,976,396	1,166,836	3,769,310	19,912,542	13,571,517
Expenses	13,441,886	650,574	3,794,066	17,886,526	11,851,695
Net Income (Loss)	1,534,510	516,262	(24,756)	2,026,016	1,719,822

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:	Balance, beginning of year	Contributions received	Contributions recognized	Balance, end of year
Indigenous Services Canada Capital Funding	967,665	-	967,665	-
	967,665	-	967,665	-

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

9. Long-term debt

	2021	2020
Project #13 - All Nations Trust Company mortgage, blended monthly payments of \$1,766 at 0.69% per annum, maturing January 1, 2025.	80,152	100,629
Project #14 - All Nations Trust Company mortgage, blended monthly payments of \$2,932 at 1.86% per annum, maturing February 1, 2029.	258,888	288,983
Project #15 - All Nations Trust Company mortgage, blended monthly payments of \$2,728 at 2.14% per annum, maturing March 1, 2034.	371,475	396,033
Project #16 - All Nations Trust Company mortgage, blended monthly payments of \$2,912 at 2.14% per annum, maturing March 1, 2034.	396,485	422,696
Project #17 - All Nations Trust Company mortgage, blended monthly payments of \$5,491 at 1.48% per annum, maturing January 1, 2037.	929,846	981,636
Project #18 - All Nations Trust Company mortgage, blended monthly payments of \$2,541 at 2.68% per annum, maturing October 1, 2038.	427,752	446,603
Project #19 - All Nations Trust Company mortgage, blended monthly payments of \$2,492 at 2.21% per annum, maturing February 1, 2039.	442,478	462,436
Project #20 - All Nations Trust Company mortgage, blended monthly payments of \$2,202 at 0.70% per annum, maturing September 1, 2040.	481,624	504,318
Project #21 - All Nations Trust Company mortgage, blended monthly payments of \$4,929 at 2.06% per annum, maturing November 1, 2042.	852,799	891,004
Project #22 - All Nations Trust Company mortgage, blended monthly payments of \$4,430 at 0.98% per annum, maturing April 1, 2045.	1,140,285	1,165,400
Bank of Montreal, blended monthly payments of \$3,614 at 2.79% per annum, maturing June 30, 2025.	763,201	-
All Nations Trust Company mortgage	-	19,602
	6,144,985	5,679,340

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:

2022	324,798
2023	330,478
2024	336,268
2025	338,643
2026	326,913

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

10. Contingencies

The Nation has been named as a defendant in a lawsuit on behalf of an employee previously employed by the Nation, as a result of claims of alleged wrongful dismissal.

As at March 31, 2021, the First Nation is contingently liable in respect of guaranteed individual Band member mortgages with various financial institutions totalling \$1,986,902 (2020 - \$1,798,262).

Bank of Montreal (BMO) has authorized up to \$7,050,000 of residential mortgage loans to members of Seabird Island Band. Under this agreement, the First Nation is to provide guarantees on all Band member mortgages. The total amounts guaranteed under this agreement are included above.

In addition, the First Nation has guaranteed the debts of Sqéwqel Gas Bar LLP of approximately \$1,044,494 (2020 - \$1,093,475).

11. 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 five years of repayment estimated as follows:

2022	6,198
2023	1,464
2024	1,464
2025	1,464
2026	1,220

12. Accumulated surplus

Accumulated surplus consists of the following:

	2021	2020
Equity in Tangible Capital Assets	18,463,534	18,050,482
Internally Restricted Equity (Note 14)	10,039,043	8,580,880
Operating Surplus	19,521,490	12,368,647
Equity in Ottawa Trust Funds	35,577	35,420
Equity in CMHC Replacement and Operating Reserves	1,356,620	1,305,015
	49,416,264	40,340,444

13. 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 21, 2021. The budget information is unaudited and is projected based on operating expenses to be incurred during the year on a program by program basis.

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

14. Internally restricted equity

	2021	2020
Funded reserves consist of the following:		
Seabird Island Futures Reserve	2,350,367	2,131,074
Murphy Land	36,348	28,648
First Nations Youth Work Experience	-	4,399
Student Loan Reserve	324,843	273,406
Post Secondary Reserve	1,044,279	966,170
Replacement Reserve - Matured Phase 3 - 5	497,213	414,647
Health Program Reserve	1,210,846	1,200,846
Bear Bus Reserve	100,000	100,000
Maintenance Reserve	20,003	18,733
Contingency Reserve	561,592	473,236
Chief and Council Discretionary Reserve	714,745	495,452
Capital Replacement Fund Reserve	1,938,007	1,957,469
School Maintenance Reserve	1,200,000	500,000
Recovery Home Reserve	40,800	16,800
	10,039,043	8,580,880

15. Segments

The First 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 First 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 First 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 First Nation, and operations relating to First 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 First Nation and social assistance programs.

Housing

Includes property management related to the mortgaged homes owned by the First 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, 2021

	<i>Automobile Equipment</i>	<i>Housing</i>	<i>Infrastructure</i>	<i>Buildings</i>	<i>Other equipment</i>	<i>2021</i>	<i>2020</i>
Cost							
Balance, beginning of year	2,675,042	13,219,869	10,785	19,485,960	3,449,200	38,840,856	34,098,425
Acquisition of tangible capital assets	437,876	-	-	-	54,887	492,763	2,685,552
Construction-in-progress	-	-	-	1,559,885	-	1,559,885	2,073,974
Disposal of tangible capital assets	(22,877)	-	-	-	-	(22,877)	(17,095)
Balance, end of year	3,090,041	13,219,869	10,785	21,045,845	3,504,087	40,870,627	38,840,856
Accumulated amortization							
Balance, beginning of year	1,580,923	3,978,609	10,785	7,461,083	2,057,082	15,088,482	14,036,871
Annual amortization	178,225	403,916	-	393,228	186,447	1,161,816	1,068,706
Accumulated amortization on disposals	-	-	-	-	-	-	(17,095)
Balance, end of year	1,759,148	4,382,525	10,785	7,854,311	2,243,529	16,250,298	15,088,482
Net book value of tangible capital assets	1,330,893	8,837,344	-	13,191,534	1,260,558	24,620,329	23,752,374
2020 Net book value of tangible capital assets	1,094,119	9,241,260	-	12,024,877	1,392,118	23,752,374	

Seabird Island Band
Schedule 2 - Segmented Information
For the year ended March 31, 2021

	Administration	Capital Projects	Economic Development	Education	Health and Social Development	Housing	Public Works	Lands and Government Affairs	Reserves and Other	2021
Revenue										
ISC	\$ 1,736,759	\$ 1,717,745	\$ 89,226	\$ 6,622,901	\$ 4,916,277	\$ 66,345	\$ 1,008,932	\$ 297,610	\$ -	\$ 16,455,795
Other government	1,183,932	-	-	4,387,490	9,345,255	341,671	457,559	237,360	2,329	15,955,596
Economic activities and other	3,314,577	-	58,328	72,267	2,056,723	865,037	48,685	97,560	401	6,513,578
	6,235,268	1,717,745	147,554	11,082,659	16,318,255	1,273,053	1,515,175	632,530	2,730	38,924,969
Expenses										
Amortization	-	-	-	-	-	-	-	-	1,161,816	1,161,816
Operating expenses (recovery)	(1,756,908)	679,172	83,485	1,949,484	2,547,886	523,942	147,619	95,132	-	4,269,814
Salaries, wages and benefits	2,822,379	927	67,036	4,019,375	6,600,949	280,988	886,988	527,292	-	15,205,933
Program and services delivery expenses (recovery)	686,865	101,369	115,094	3,008,302	4,434,639	(44)	680,074	185,286	-	9,211,585
	1,752,336	781,468	265,616	8,977,161	13,583,475	804,887	1,714,680	807,710	1,161,816	29,849,149
Surplus (deficit) before transfers	4,482,932	936,277	(118,062)	2,105,498	2,734,780	468,166	(199,505)	(175,180)	(1,159,086)	9,075,820
Transfers between programs	1,378,867	270,561	1,552,492	(14,989)	(75,347)	263,682	(482,577)	(427,461)	(2,465,228)	-
Annual surplus (deficit)	\$ 3,104,065	\$ 665,716	\$ (1,670,553)	\$ 2,120,487	\$ 2,810,127	\$ 204,484	\$ 283,072	\$ 252,281	\$ 1,306,142	\$ 9,075,820

	Administration	Capital Projects	Economic Development	Education	Health and Social Development	Housing	Public Works	Lands and Government Affairs	Reserves and Other	2020
Revenue										
ISC	\$ 1,027,813	\$ 197,493	\$ 1,668,691	\$ 5,899,138	\$ 3,508,490	\$ -	\$ 527,548	\$ 282,687	\$ -	\$ 13,111,860
Other government	984,893	-	-	3,620,760	7,943,504	284,186	240,102	150,240	2,305	13,225,990
Economic activities and other (loss)	3,218,693	-	14,228	37,703	2,603,829	907,016	90,807	74,851	- 71,197	6,875,929
	5,231,399	197,493	1,682,919	9,557,601	14,055,822	1,191,202	858,457	507,778	(68,892)	33,213,780
Expenses										
Amortization	-	-	-	-	-	-	-	-	1,068,706	1,068,706
Operating expenses (recovery)	(1,847,392)	(297,097)	14,267	1,736,911	2,556,622	429,070	(453,355)	185,769	34,540	2,359,335
Salaries, wages and benefits	2,182,815	1,745	-	4,066,161	6,668,885	299,725	784,196	484,625	-	14,488,151
Program and services delivery expenses	1,125,029	738,870	18,131	3,139,829	4,413,660	77,049	1,049,734	192,432	-	10,754,733
	1,460,452	443,518	32,398	8,942,900	13,639,166	805,844	1,380,575	862,826	1,103,246	28,670,925
Surplus (deficit) before transfers	3,770,946	(246,025)	1,650,521	614,701	416,656	385,358	(522,117)	(355,048)	(1,172,138)	4,542,855
Transfers between programs	1,966,551	34,085	2,202,327	917,301	(233,074)	195,381	762,422	(147,059)	(5,697,934)	-
Annual surplus (deficit)	\$ 1,804,396	\$ (280,110)	\$ (551,806)	\$ (302,600)	\$ 649,730	\$ 189,977	\$ (1,284,539)	\$ (207,989)	\$ 4,525,796	\$ 4,542,855