

**Seabird Island Band**  
**Consolidated Financial Statements**  
*March 31, 2022*

# Seabird Island Band

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*For the year ended March 31, 2022*

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**Management's Responsibility**

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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.

July 5, 2022

Original signed by Nigel Selvadurai

Director of Finance

Original signed by Jason Campbell

CAO

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# Independent Auditor's Report

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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, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules 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, 2022, and the results of its operations, changes in its net financial assets and its 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.

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 5, 2022

  
Chartered Professional Accountants

*As at March 31, 2022*

<u>Original signed by James Harris</u>	<b>Chief</b>	<u>Original signed by Alexis Grace</u>	<b>Councillor</b>
<u>Original signed by Marcia Peters</u>	<b>Councillor</b>	<u>Original signed by Paul Andrew</u>	<b>Councillor</b>
<u>Original signed by Carol Hope</u>	<b>Councillor</b>	<u>Original signed by James Bobb</u>	<b>Councillor</b>
<u>Original signed by Rod Peters</u>	<b>Councillor</b>	<u>Original signed by Stacy McNeil</u>	<b>Councillor</b>
Original signed by Ronald Joe	<b>Councillor</b>		<b>Councillor</b>

**Seabird Island Band**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2022*

	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
<b>Revenue</b>			
Indigenous Services Canada	15,331,141	14,337,307	16,455,795
First Nation Health Authority	5,394,412	5,476,773	5,422,023
Economic activity and other income	7,363,702	6,672,304	5,138,616
Province of British Columbia	3,505,105	4,793,403	4,043,290
First Nation Education Steering Committee	943,165	1,486,337	2,465,377
Other federal funding	293,755	467,534	1,321,066
Rental income	1,082,957	1,370,577	1,117,342
Sto:lo Nation	574,420	599,052	536,860
Earnings from investment in Nation partnerships and business entities	500,000	2,275,326	1,258,657
Canada Mortgage and Housing Corporation	299,157	299,181	339,396
Investment income	644,471	461,642	826,547
	<b>35,932,285</b>	<b>38,239,436</b>	<b>38,924,969</b>
<b>Program expenses</b>			
Administration	1,609,943	2,151,749	1,752,336
Capital Projects	836,463	314,693	781,468
Economic Development	658,000	347,567	265,616
Education	9,362,412	9,307,317	8,977,161
Health and Social Development	16,315,207	16,142,497	13,583,475
Housing	1,120,553	923,867	804,887
Public Works	1,028,206	1,502,846	1,714,680
Lands and Government Affairs	1,688,902	1,094,564	807,710
Reserves and Other	-	1,460,636	1,161,816
<b>Total expenditures</b>	<b>32,619,686</b>	<b>33,245,736</b>	<b>29,849,149</b>
<b>Annual surplus</b>	<b>3,312,599</b>	<b>4,993,700</b>	<b>9,075,820</b>
<b>Accumulated surplus, beginning of year</b>	<b>49,416,264</b>	<b>49,416,264</b>	<b>40,340,444</b>
<b>Accumulated surplus, end of year (Note 12)</b>	<b>52,728,863</b>	<b>54,409,964</b>	<b>49,416,264</b>

**Seabird Island Band**  
**Consolidated Statement of Change in Net Financial Assets**  
*For the year ended March 31, 2022*

	<i>2022 Budget</i>	<i>2022</i>	<i>2021</i>
<b>Annual surplus</b>	<b>3,312,599</b>	<b>4,993,700</b>	9,075,820
Purchases of tangible capital assets	-	<b>(13,056,504)</b>	(2,052,648)
Amortization of tangible capital assets	-	<b>1,427,196</b>	1,161,816
Proceeds of disposal of tangible capital assets	-	-	22,877
	-	<b>(11,629,308)</b>	(867,955)
Acquisition of prepaid expenses	-	<b>(127,878)</b>	(135,460)
Use of prepaid expenses	-	<b>135,460</b>	286,663
Use (acquisition) of inventories held for use	-	<b>9,129</b>	(4,022)
	-	<b>16,711</b>	147,181
<b>Increase (decrease) in net assets</b>	<b>3,312,599</b>	<b>(6,618,897)</b>	8,355,046
<b>Net financial assets, beginning of year</b>	<b>24,614,069</b>	<b>24,614,069</b>	16,259,023
<b>Net financial assets, end of year</b>	<b>27,926,668</b>	<b>17,995,172</b>	24,614,069

*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, 2022*

	2022	2021
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	4,993,700	9,075,820
Non-cash items		
Amortization	1,427,196	1,161,816
Earnings from investment in Nation partnerships and business entities	(2,275,326)	(1,258,657)
	4,145,570	8,978,979
Changes in working capital accounts		
Accounts receivable	(1,144,673)	(240,307)
Inventory for resale	(60,561)	(13,996)
Funds held in trust	53	(157)
Accounts payable and accruals	(55,164)	570,540
Deferred revenue	6,173,143	(967,665)
Inventory held for use	9,129	(4,022)
Prepaid expenses	7,582	151,203
	9,075,079	8,474,575
<b>Financing activities</b>		
Advances of long-term debt	10,012,000	780,000
Repayment of long-term debt	(457,494)	(314,355)
Advances of capital lease obligations	-	7,320
Repayment of capital lease obligations	(6,198)	(18,061)
	9,548,308	454,904
<b>Capital activities</b>		
Purchases of tangible capital assets	(13,056,504)	(2,052,648)
Proceeds of disposal of tangible capital assets	-	22,877
	(13,056,504)	(2,029,771)
<b>Investing activities</b>		
Investment in Nation partnerships and business entities	(30,072)	(1,204,989)
Repayment of advances in investment in Nation partnerships and business entities	1,643,403	-
Change in portfolio investments	22,824	(27,914)
	1,636,155	(1,232,903)
<b>Increase in cash resources</b>	7,203,038	5,666,805
<b>Cash resources, beginning of year</b>	21,806,456	16,139,651
<b>Cash resources, end of year</b>	29,009,494	21,806,456
<b>Supplementary cash flow information</b>		
Interest paid	150,218	122,607

**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
- Sqéwqel 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 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:

	<b><i>Method</i></b>	<b><i>Years</i></b>
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***

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, 2022.

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, 2022.

**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 totaled \$474,676 (2021 - \$561,677). 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, 2022*

**3. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
<b>Externally restricted</b>		
CMHC operating reserve	<b>652,927</b>	728,179
CMHC replacement reserve	<b>732,623</b>	628,441
	<b>1,385,550</b>	1,356,620
<b>Internally restricted</b>		
Replacement and operating reserves (Note 14)	<b>12,091,797</b>	10,039,043
<b>Unrestricted</b>		
Operating funds	<b>15,532,147</b>	10,410,793
	<b>29,009,494</b>	21,806,456

**Replacement Reserve**

Under agreements with Canada Mortgage and Housing Corporation ("CMHC") the First Nation established a replacement reserve, funded by an annual allocation of \$89,811 (2021 - \$94,024), to ensure replacement of buildings financed by CMHC. The reserve was fully funded at March 31, 2022.

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, 2022 this reserve was fully funded.

**4. Accounts receivable**

	<b>2022</b>	<b>2021</b>
Funding and trade receivables	<b>5,009,147</b>	3,505,955
Interest receivable	<b>34,604</b>	34,604
Dental and medical office receivable	<b>17,705</b>	51,050
Member loans receivable	<b>11,232</b>	11,232
Allowance for doubtful accounts	<b>(570,568)</b>	(245,394)
	<b>4,502,120</b>	3,357,447

**Seabird Island Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2022*

**5. Portfolio investments**

	2022	2021
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
	<b>400,110</b>	400,110
Measured at fair value:		
Municipal Finance Authority - Short Term Bond	1,919	1,931
Municipal Finance Authority - Money Market	391,030	390,291
Investors Group Portfolio	393,960	830,955
RBC Dominion Securities Portfolio	1,323,774	910,330
	<b>2,110,683</b>	2,133,507
	<b>2,510,793</b>	2,533,617

**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.

	2022	2021
<b>Capital Trust</b>		
Balance, beginning and end of year	32,847	32,847
<b>Revenue Trust</b>		
Balance, beginning of year	2,730	2,573
Interest and distributions	2,986	2,730
	<b>5,716</b>	5,303
Less: Transfers to Nation	3,039	2,573
Balance, end of year	2,677	2,730
	<b>35,524</b>	35,577

**Seabird Island Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2022*

**7. Investments in First Nation partnerships and business entities**

The First Nation has investments in the following entities:

				2022
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings</i>	<i>Total investment</i>
<b>First Nation Government Business Enterprises</b>				
Seabird Island Forestry Company Ltd. - 100%	1	-	-	1
Stqó:ya Construction Ltd. - 50%	55	-	-	55
Sqéwqel Development Corporation - 100%	1	-	-	1
	<b>57</b>	<b>-</b>	<b>-</b>	<b>57</b>
<b>First Nation Business Partnerships – Modified Equity:</b>				
Stqó:ya Construction LP - 49.99%	50	(10,055)	2,520,090	2,510,085
Seabird Island Forestry LP - 99.99%	1	-	-	1
Sqéwqel Development Corporation LLP - 99.99%	100	747,007	2,826,095	3,573,202
Sqéwqel Gas Bar LLP - 99.99%	100	(14,799)	439,853	425,154
	<b>251</b>	<b>722,153</b>	<b>5,786,038</b>	<b>6,508,442</b>
	<b>308</b>	<b>722,153</b>	<b>5,786,038</b>	<b>6,508,499</b>
				2021
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings</i>	<i>Total investment</i>
<b>First Nation Government Business Enterprises</b>				
Seabird Island Forestry Company Ltd. - 100%	1	-	-	1
Stqó:ya Construction Ltd. - 50%	55	-	-	55
Sqéwqel Development Corporation - 100%	1	-	-	1
	<b>57</b>	<b>-</b>	<b>-</b>	<b>57</b>
<b>First Nation Business Partnerships – Modified Equity:</b>				
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
	<b>251</b>	<b>2,335,484</b>	<b>3,510,712</b>	<b>5,846,447</b>
	<b>308</b>	<b>2,335,484</b>	<b>3,510,712</b>	<b>5,846,504</b>



**Seabird Island Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2022*

**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	2022	2021
<b>Balance Sheet</b>						
Assets	1	1	585	1	588	588
Liabilities	-	-	500	-	500	500
Equity (Deficit)	1	1	85	1	88	88
Total Liabilities and Equity	1	1	585	1	588	588
<b>Income Statement</b>						
Revenue	-	-	154	-	154	154
Expenses	-	-	-	-	-	-
Net Income	-	-	154	-	154	154

	Stqó:ya Construction LP	Sqéwqel Development Corporation LLP	Sqéwqel Gas Bar LLP	2022	2021
<b>Balance Sheet</b>					
Assets	8,115,127	4,101,660	2,003,393	14,220,180	11,868,233
Liabilities	3,110,738	1,272,965	1,546,071	5,929,774	6,251,647
Equity	5,004,389	2,828,695	457,322	8,290,406	5,616,586
Total Liabilities and Equity	8,115,127	4,101,660	2,003,393	14,220,180	11,868,233
<b>Income Statement</b>					
Revenue	24,616,535	2,801,855	5,315,871	32,734,261	19,912,542
Expenses	23,820,002	1,211,281	5,029,158	30,060,441	17,886,526
Net Income (Loss)	796,533	1,590,574	286,713	2,673,820	2,026,016

**8. Deferred revenue**

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

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Balance, end of year</i>
Indigenous Services Canada Funding	-	4,797,189	4,797,189
First Nations Health Authority Funding	-	349,108	349,108
First Nation Education Steering Committee Funding	-	518,609	518,609
Other Funding	-	508,237	508,237
	-	6,173,143	6,173,143

**Seabird Island Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2022*

**9. Long-term debt**

	2022	2021
Project #13 - All Nations Trust Company mortgage, blended monthly payments of \$1,766 at 0.69% per annum, maturing January 1, 2025.	59,446	80,152
Project #14 - All Nations Trust Company mortgage, blended monthly payments of \$2,932 at 1.86% per annum, maturing February 1, 2029.	228,243	258,888
Project #15 - All Nations Trust Company mortgage, blended monthly payments of \$2,728 at 2.14% per annum, maturing March 1, 2034.	346,408	371,475
Project #16 - All Nations Trust Company mortgage, blended monthly payments of \$2,912 at 2.14% per annum, maturing March 1, 2034.	369,730	396,485
Project #17 - All Nations Trust Company mortgage, blended monthly payments of \$5,491 at 1.48% per annum, maturing January 1, 2037.	877,331	929,846
Project #18 - All Nations Trust Company mortgage, blended monthly payments of \$2,541 at 2.68% per annum, maturing October 1, 2038.	408,420	427,752
Project #19 - All Nations Trust Company mortgage, blended monthly payments of \$2,492 at 2.21% per annum, maturing February 1, 2039.	422,100	442,478
Project #20 - All Nations Trust Company mortgage, blended monthly payments of \$2,202 at 0.70% per annum, maturing September 1, 2040.	458,489	481,624
Project #21 - All Nations Trust Company mortgage, blended monthly payments of \$4,929 at 2.06% per annum, maturing November 1, 2042.	813,853	852,799
Project #22 - All Nations Trust Company mortgage, blended monthly payments of \$4,430 at 0.98% per annum, maturing April 1, 2045.	1,070,067	1,140,285
Bank of Montreal, blended monthly payments of \$3,614 at 2.79% per annum, maturing June 30, 2025.	740,780	763,201
Bank of Montreal, blended monthly payments of \$12,951 at 2.16% per annum, maturing May 31, 2023.	2,923,309	-
Prospera Credit Union, blended monthly payments of \$4,133 at 3.12% per annum, maturing January 14, 2024.	859,917	-
Prospera Credit Union, blended monthly payments of \$29,105 at 3.00% per annum, maturing January 1, 2027.	6,121,398	-
	<b>15,699,491</b>	<b>6,144,985</b>

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:

2023	609,652
2024	623,362
2025	633,884
2026	630,540
2027	645,159

**Seabird Island Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2022*

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

Security for the Prospera loans consist of:

- an agreement providing a mortgage of \$6,150,000 over 1755 Agassiz-Rosedale No. 9 Highway, Agassiz, BC
- an agreement providing a mortgage of \$862,000 over 7820 Industrial Way, Agassiz, BC
- a general security agreement over all present and after-acquired capital assets
- a guarantee of all indebtedness (form 1996)
- assignment of all rents and/or leases of the 1755 Agassiz-Rosedale property
- assignment of all rents and/or leases of the 7820 Industrial Way property
- assignment of a \$50,000 deposit in favour of Prospera Credit Union supported by a commercial assignment of Credit Union shares (form 1086).

The terms of the Prospera Credit Union loans require that a certain measurable covenant are met. As at March 31, 2022, the First Nation is in compliance with the covenant.

**10. Contingencies**

As at March 31, 2022, the First Nation is contingently liable in respect of guaranteed individual Band member mortgages with various financial institutions totaling \$1,800,772 (2021 - \$1,986,902).

Bank of Montreal (BMO) has authorized up to \$7,050,000 (2021 - \$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 \$957,898 (2021 - \$1,044,494).

In addition, the First Nation is a guarantor of undrawn debts (2021 - \$nil) of Stqo:ya Construction LP. Under this debt agreement, Stqo:ya Construction LP has access to \$700,000.

**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:

2023	1,464
2024	1,464
2025	1,464
2026	1,220
2027	\$Nil

**12. Accumulated surplus**

Accumulated surplus consists of the following:

	2022	2021
Equity in Tangible Capital Assets	20,544,534	18,463,534
Internally Restricted Equity (Note 14)	12,091,797	10,039,043
Operating Surplus	20,352,559	19,521,490
Equity in Ottawa Trust Funds	35,524	35,577
Equity in CMHC Replacement and Operating Reserves	1,385,550	1,356,620
	<b>54,409,964</b>	<b>49,416,264</b>

**Seabird Island Band**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2022*

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

**14. Internally restricted equity**

	<b>2022</b>	<b>2021</b>
<b>Funded reserves consist of the following:</b>		
Seabird Island Futures Reserve	<b>2,556,725</b>	2,350,367
Murphy Land	<b>36,358</b>	36,348
Admin Transfers Reserve	<b>1,000,000</b>	-
Student Loan Reserve	<b>327,359</b>	324,843
Post Secondary Reserve	<b>1,059,525</b>	1,044,279
Replacement Reserve - Matured Phase 3 - 5	<b>464,460</b>	497,213
Health Program Reserve	<b>1,220,846</b>	1,210,846
Bear Bus Reserve	<b>100,000</b>	100,000
Maintenance Reserve	<b>24,686</b>	20,003
Contingency Reserve	<b>654,502</b>	561,592
Chief and Council Discretionary Reserve	<b>921,106</b>	714,745
Capital Replacement Fund Reserve	<b>2,406,649</b>	1,938,007
School Maintenance Reserve	<b>1,200,000</b>	1,200,000
Committed Funds Reserve	<b>30,781</b>	-
Recovery Home Reserve	<b>88,800</b>	40,800
	<b>12,091,797</b>	10,039,043

**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, 2022*

	<i>Automobile Equipment</i>	<i>Housing</i>	<i>Infrastructure</i>	<i>Buildings</i>	<i>Other equipment</i>	<i>2022</i>	<i>2021</i>
<b>Cost</b>							
Balance, beginning of year	3,090,041	13,219,869	10,785	21,045,845	3,504,087	40,870,627	38,840,856
Acquisition of tangible capital assets	219,500	-	-	12,378,919	458,085	13,056,504	492,763
Construction-in-progress	-	-	-	-	-	-	1,559,885
Disposal of tangible capital assets	-	-	-	-	-	-	(22,877)
Balance, end of year	3,309,541	13,219,869	10,785	33,424,764	3,962,172	53,927,131	40,870,627
<b>Accumulated amortization</b>							
Balance, beginning of year	1,759,148	4,382,525	10,785	7,854,311	2,243,529	16,250,298	15,088,482
Annual amortization	199,878	389,098	-	625,744	212,476	1,427,196	1,161,816
Balance, end of year	1,959,026	4,771,623	10,785	8,480,055	2,456,005	17,677,494	16,250,298
<b>Net book value of tangible capital assets</b>	<b>1,350,515</b>	<b>8,448,246</b>	<b>-</b>	<b>24,944,709</b>	<b>1,506,167</b>	<b>36,249,637</b>	<b>24,620,329</b>
2021 Net book value of tangible capital assets	1,330,893	8,837,344	-	13,191,534	1,260,558	24,620,329	

**Seabird Island Band**  
**Schedule 2 - Segmented Information**  
*For the year ended March 31, 2022*

	Administration	Capital Projects	Economic Development	Education	Health and Social Development	Housing	Public Works	Lands and Government Affairs	Reserves and Other	2022
<b>Revenue</b>										
ISC	\$ 1,269,182	\$ 440,646	\$ 155,568	\$ 6,904,728	\$ 4,191,713	\$ 3,348	\$ 758,167	\$ 363,956	\$ 250,000	\$ 14,337,307
Other government	963,478	60,293	-	3,149,061	8,985,991	316,361	606,564	935,657	2,320	15,019,726
Economic activities and other	4,271,665	294,562	220,145	48,520	3,085,826	845,625	50,310	65,085	666	8,882,403
	<b>6,504,325</b>	<b>795,501</b>	<b>375,713</b>	<b>10,102,309</b>	<b>16,263,530</b>	<b>1,165,333</b>	<b>1,415,040</b>	<b>1,364,699</b>	<b>252,986</b>	<b>38,239,436</b>
<b>Expenses</b>										
Amortization	-	-	-	-	-	-	-	-	1,427,196	1,427,196
Operating expenses (recovery)	(1,603,518)	(74,649)	108,515	2,242,952	4,190,903	599,561	(170,761)	380,414	30,272	5,703,689
Salaries, wages and benefits	3,014,592	2,511	123,728	4,090,980	7,467,713	312,644	913,552	476,213	3,068	16,405,001
Program and services delivery expenses	740,675	386,830	115,324	2,973,386	4,483,881	11,662	760,056	237,937	100	9,709,850
	<b>2,151,749</b>	<b>314,693</b>	<b>347,567</b>	<b>9,307,317</b>	<b>16,142,497</b>	<b>923,867</b>	<b>1,502,846</b>	<b>1,094,564</b>	<b>1,460,636</b>	<b>33,245,736</b>
<b>Surplus (deficit) before transfers</b>	<b>4,352,576</b>	<b>480,808</b>	<b>28,146</b>	<b>794,992</b>	<b>121,034</b>	<b>241,466</b>	<b>(87,806)</b>	<b>270,135</b>	<b>(1,207,650)</b>	<b>4,993,700</b>
<b>Transfers between programs</b>	<b>1,530,098</b>	<b>872,850</b>	<b>(2,440,228)</b>	<b>222,409</b>	<b>(293,044)</b>	<b>183,338</b>	<b>3,683,451</b>	<b>(376,016)</b>	<b>(3,382,859)</b>	<b>-</b>
<b>Annual surplus (deficit)</b>	<b>\$ 2,822,478</b>	<b>\$ (392,042)</b>	<b>\$ 2,468,374</b>	<b>\$ 572,584</b>	<b>\$ 414,077</b>	<b>\$ 58,128</b>	<b>\$ (3,771,257)</b>	<b>\$ 646,151</b>	<b>\$ 2,175,209</b>	<b>\$ 4,993,700</b>

	Administration	Capital Projects	Economic Development	Education	Health and Social Development	Housing	Public Works	Lands and Government Affairs	Reserves and Other	2021
<b>Revenue</b>										
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
	<b>6,235,268</b>	<b>1,717,745</b>	<b>147,554</b>	<b>11,082,659</b>	<b>16,318,255</b>	<b>1,273,053</b>	<b>1,515,175</b>	<b>632,530</b>	<b>2,730</b>	<b>38,924,969</b>
<b>Expenses</b>										
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
	<b>1,752,336</b>	<b>781,468</b>	<b>265,616</b>	<b>8,977,161</b>	<b>13,583,475</b>	<b>804,887</b>	<b>1,714,680</b>	<b>807,710</b>	<b>1,161,816</b>	<b>29,849,149</b>
<b>Surplus (deficit) before transfers</b>	<b>4,482,932</b>	<b>936,277</b>	<b>(118,062)</b>	<b>2,105,498</b>	<b>2,734,780</b>	<b>468,166</b>	<b>(199,505)</b>	<b>(175,180)</b>	<b>(1,159,086)</b>	<b>9,075,820</b>
<b>Transfers between programs</b>	<b>1,378,867</b>	<b>270,561</b>	<b>1,552,492</b>	<b>(14,989)</b>	<b>(75,347)</b>	<b>263,682</b>	<b>(482,577)</b>	<b>(427,461)</b>	<b>(2,465,228)</b>	<b>-</b>
<b>Annual surplus (deficit)</b>	<b>\$ 3,104,065</b>	<b>\$ 665,716</b>	<b>\$ (1,670,553)</b>	<b>\$ 2,120,487</b>	<b>\$ 2,810,127</b>	<b>\$ 204,484</b>	<b>\$ 283,072</b>	<b>\$ 252,281</b>	<b>\$ 1,306,142</b>	<b>\$ 9,075,820</b>