

**Songhees Nation**  
**Consolidated Financial Statements**  
*March 31, 2019*

# **Songhees Nation Contents**

*For the year ended March 31, 2019*

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## **Management's Responsibility**

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To the Members of Songhees Nation:

The accompanying consolidated financial statements of Songhees Nation are the responsibility of management and have been approved by the Chief and Council.

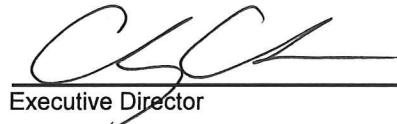
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate 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 Songhees Nation Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council are 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, both the Council and management to discuss their audit findings.

September 12, 2019



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Executive Director

# Independent Auditor's Report

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To the Members of Songhees Nation:

## Opinion

We have audited the consolidated financial statements of Songhees Nation (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, 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 Nation as at March 31, 2019, and the results of its consolidated operations, its consolidated remeasurement gains and losses 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 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.

## Other Matter

The financial statements of Songhees Nation for the year ended March 31, 2018 were audited by another firm of public accountants who issued an unqualified opinion on September 27, 2018.

## Responsibilities of Management and Those Charged with Governance 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 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.

Nanaimo, British Columbia

September 12, 2019

**MNP LLP**

Chartered Professional Accountants

**MNP**  
LLP

**Songhees Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2019*

**2019**                    **2018**  
*Restated*                    *(Note 21)*

<b>Financial assets</b>		
Cash and cash equivalents	22,347,280	3,899,009
Restricted cash (Note 4)	1,376,030	1,164,460
Term deposits (Note 5)	5,500,000	-
Accounts receivable (Note 6)	727,880	23,822,465
Investments (Note 7)	12,899,183	11,502,621
Funds held in trust (Note 9)	1,542	224
Investment in Nation business enterprises and partnerships (Note 11)	2,322,795	2,200,469
<b>Total financial assets</b>	<b>45,174,710</b>	<b>42,589,248</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 12)	1,079,938	5,390,834
Due to related parties (Note 13)	2,197,692	2,268,920
Long-term debt (Note 14)	23,285,773	23,903,895
<b>Total liabilities</b>	<b>26,563,403</b>	<b>31,563,649</b>
<b>Net financial assets</b>	<b>18,611,307</b>	<b>11,025,599</b>
<b>Contingencies (Note 18)</b>		
<b>Subsequent events (Note 20)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	36,660,698	36,392,964
Inventory	37,282	59,001
Prepaid expenses	276,432	218,467
<b>Total non-financial assets</b>	<b>36,974,412</b>	<b>36,670,432</b>
<b>Accumulated surplus (Note 15)</b>	<b>55,585,719</b>	<b>47,696,031</b>
<b>Accumulated surplus is comprised of:</b>		
Accumulated operating surplus	53,943,132	45,997,525
Accumulated remeasurement gains	1,642,587	1,698,506
	<b>55,585,719</b>	<b>47,696,031</b>

Approved by Chief and Council

Chief  
Chiffon Sam  
Don Ally  
Jackie Ally

Chief  
Councillor  
Councillor

Gary Allary  
M. Allary  
R. D. -

Councillor  
Councillor  
Councillor

**Songhees Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2019*

	<i>Schedules</i>	<b>2019</b> <i>Budget</i> <i>(Note 10)</i>	<b>2019</b>	<b>2018</b> <i>Restated</i> <i>(Note 21)</i>
<b>Revenue</b>				
Indigenous Services Canada (Note 16)		<b>2,754,391</b>	<b>3,123,640</b>	2,825,194
Property Taxation		-	1,037,623	918,878
Province of BC		<b>209,250</b>	<b>477,365</b>	391,536
First Nations Health Authority		<b>339,179</b>	<b>449,884</b>	339,172
Canada Mortgage and Housing Corporation		<b>41,187</b>	<b>42,561</b>	221,076
Benefit Agreement		-	<b>6,806,610</b>	375,000
FNGST		<b>1,600,000</b>	<b>1,635,448</b>	1,330,240
Lease income		<b>774,678</b>	<b>1,427,389</b>	784,760
Other income		<b>997,216</b>	<b>1,248,352</b>	889,359
Interest income		<b>32,150</b>	<b>478,072</b>	32,622
Earnings from investment in Nation business enterprises and partnerships		-	<b>282,374</b>	129,770
Investment income		-	<b>596,923</b>	455,314
Rental income		<b>222,299</b>	<b>398,836</b>	446,071
Other government funding		-	<b>398,489</b>	430,609
Settlement funds		-	-	24,500,000
		<b>6,970,350</b>	<b>18,403,566</b>	34,069,601
<b>Expenses</b>				
Administration and Governance	3	<b>775,363</b>	<b>1,441,717</b>	1,072,657
Local Services	4	<b>1,324,456</b>	<b>2,812,702</b>	3,163,026
Education Services	5	<b>2,403,734</b>	<b>2,500,518</b>	2,282,186
Health and Social Services	6	<b>815,807</b>	<b>904,508</b>	809,170
Community Services	7	<b>834,256</b>	<b>2,546,638</b>	10,216,129
Social Housing	8	<b>281,439</b>	<b>138,033</b>	424,193
		<b>6,435,055</b>	<b>10,344,116</b>	17,967,361
<b>Surplus before other items</b>		<b>535,295</b>	<b>8,059,450</b>	16,102,240
<b>Other income (expense)</b>				
Loss on disposal of tangible capital assets		-	<b>(113,843)</b>	-
<b>Annual surplus</b>		<b>535,295</b>	<b>7,945,607</b>	16,102,240
<b>Accumulated operating surplus, beginning of year , as previously stated</b>		<b>45,997,525</b>	<b>32,814,722</b>	17,069,485
Correction of errors (Note 21)		-	<b>13,182,803</b>	12,825,800
<b>Accumulated operating surplus, beginning of year, as restated</b>		<b>45,997,525</b>	<b>45,997,525</b>	29,895,285
<b>Accumulated operating surplus, end of year</b>		<b>46,532,820</b>	<b>53,943,132</b>	45,997,525

**Songhees Nation**  
**Consolidated Statement of Remeasurement Gains and Losses**  
*For the year ended March 31, 2019*

	<b>2019</b>	<b>2018</b>
		<i>Restated (Note 21)</i>
<b>Accumulated remeasurement gains, beginning of year</b>	<b>1,698,506</b>	-
Correction of errors (Note 21)	-	1,479,247
<b>Accumulated remeasurement gains, beginning of year, as restated</b>	<b>1,698,506</b>	1,479,247
<b>Unrealized gains (losses) attributable to:</b>		
Designated fair value financial instruments	<b>(55,919)</b>	219,259
<b>Accumulated remeasurement gains, end of year</b>	<b>1,642,587</b>	1,698,506

**Songhees Nation**  
**Consolidated Statement of Changes in Net Financial Assets**  
*For the year ended March 31, 2019*

	<b>2019</b> <i>Budget</i> <i>(Note 10)</i>	<b>2019</b>	<b>2018</b> <i>Restated</i> <i>(Note 21)</i>
<b>Annual surplus</b>	<b>535,295</b>	<b>7,945,607</b>	<b>16,102,240</b>
Purchases of tangible capital assets	(127,200)	(1,436,209)	(2,981,314)
Amortization of tangible capital assets	-	1,054,632	1,053,954
Loss on disposal of tangible capital assets	-	113,843	-
Purchase of inventory	-	-	(59,001)
Decrease in inventory	-	21,719	46,192
Decrease in prepaid expenses	-	(57,965)	(25,563)
Remeasurement gains (losses) for the year	-	(55,919)	219,259
 <b>Increase in net financial assets</b>	 <b>408,095</b>	 <b>7,585,708</b>	 <b>14,355,767</b>
<b>Net financial assets (net debt), beginning of year</b>	<b>11,025,599</b>	<b>11,025,599</b>	<b>(3,330,168)</b>
 <b>Net financial assets, end of year</b>	 <b>11,433,694</b>	 <b>18,611,307</b>	 <b>11,025,599</b>

**Songhees Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2019*

**2019**                    **2018**  
*Restated*  
*(Note 21)*

**Cash provided by (used for) the following activities**

**Operating activities**

Annual surplus	<b>7,945,607</b>	16,102,240
Non-cash items		
Amortization	<b>1,054,632</b>	1,053,954
Bad debts	<b>43,522</b>	476,282
Earnings from investment in Nation business enterprises and partnerships	<b>(282,374)</b>	(129,840)
Loss on disposal of tangible capital assets	<b>113,843</b>	-
Remeasurement gains (losses) for the year	<b>(55,919)</b>	219,259
Changes in working capital accounts	<b>8,819,311</b>	17,721,895
Accounts receivable	<b>23,264,494</b>	(22,753,447)
Accounts payable and accruals	<b>(4,310,896)</b>	4,320,045
Prepaid expenses	<b>(57,965)</b>	(25,563)
Inventory	<b>21,179</b>	(12,809)
Deferred revenue	<b>-</b>	(110,612)
	<b>27,736,123</b>	(860,491)

**Financing activities**

Advances of long-term debt	<b>11,820,000</b>	3,753,000
Repayment of long-term debt	<b>(12,438,122)</b>	(661,632)
Advances from related parties	<b>-</b>	2,285,091
Repayment of due to related parties	<b>(71,228)</b>	(569,942)
	<b>(689,350)</b>	4,806,517

**Capital activities**

Purchases of tangible capital assets	<b>(1,436,209)</b>	(2,981,314)
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**Investing activities**

Purchase of investments	<b>(2,020,740)</b>	(201,334)
Proceeds on disposal of investments	<b>752,229</b>	374,896
Change in restricted cash	<b>(211,570)</b>	(343,023)
Purchase of term deposits	<b>(5,500,000)</b>	-
Change in funds held in trust	<b>(1,316)</b>	1,328
Investments in Nation business enterprise and partnerships	<b>-</b>	(135,000)
	<b>(6,981,397)</b>	(303,133)

**Increase in cash and cash equivalents**

<b>Cash and cash equivalents, beginning of year</b>	<b>18,629,167</b>	661,579
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<b>Cash and cash equivalents, end of year</b>	<b>22,528,176</b>	3,899,009
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Interest paid	<b>782,044</b>	758,996
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**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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**1. Operations**

Songhees Nation (the "Nation") is located in the province of British Columbia, and provides various services to its members. Songhees Nation includes the 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 including 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's business enterprises and Nation business partnerships.

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

- Songhees James Bay Village Trust
- Songhees Tours Inc.
- Songhees Nation Investment Corporation Ltd.
- Lekwungen Development Corporation
- Songhees Seafood & Steam Ltd.
- 0903625 BC 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.

Songhees Nation business enterprises, owned or controlled by the Nation's Chief and Council but not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

First Nation business partnerships, jointly owned and controlled by the Nation's Chief and Council are 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 business entity accounting principles are not adjusted to conform to those of the Nation. Thus, Nation's investment in these entities are 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:

- Xhamasung Holdings Limited Partnership
- Matuilia Holdings Limited Partnership
- Skungeenes Holdings Limited Liability Partnership
- Xhamasung Holdings General Partner Corporation
- Matuilia Holdings General Partner Corporation

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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

***Cash and cash equivalents***

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

***Tangible capital assets***

Tangible capital assets are recorded at cost less accumulated amortization.

Contributed tangible capital assets are recorded at their fair market value at the time of acquisition.

***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. In the year of acquisition, amortization is taken at one-half of the rates. See below for amortization rates of specific asset categories.

All intangible assets and items inherited by the right of the Nation, such as reserve land, forests, water and mineral resources, are not recognized in the Nation's consolidated financial statements. In addition, artwork and carvings have an unlimited useful life, and therefore are not depreciated.

	<b>Method</b>	<b>Rate</b>
Automotive	straight-line	3 to 4 years
Boats	straight-line	3 to 4 years
Buildings and improvements	straight-line	20 to 25 years
Docks	straight-line	20 years
Food truck	straight-line	12 to 13 years
General equipment	straight-line	5 years
General housing	straight-line	25 years
Infrastructure	straight-line	25 years
Leasehold improvements	straight-line	4 years

***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.

***Long-lived assets***

Long-lived assets consist of tangible capital assets with finite useful lives. 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 quoted market prices. Any impairment is included in operations for the year.

***Funds held in trust***

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the 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.

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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**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 financial position. The net financial assets of the Nation is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non-financial assets and accumulated surplus.

***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 and prepaid expenses.

***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 Changes in fair value are recorded in the statement of remeasurement gains (losses).

Long-term investments in entities that are not owned, controlled or influenced by the Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

***Measurement uncertainty***

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Inventories are valued at lower of cost and net realizable value using the first in, first out costing method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

A liability for a contaminated site reflects management's best estimate of the amount required to remediate the contaminated site. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation. Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

***Financial instruments***

The First Nation's financial instruments consist of cash and cash equivalents, restricted cash, term deposits, accounts receivable, investments, accounts payable and accruals, due to related parties and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, credit, or currency risks, arising from these financial instruments.

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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

***Revenue recognition***

**Government Transfers**

The Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**Funds held in trust**

The Nation recognizes revenues of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

**Rental income**

Rental income 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.

**Property Taxation**

Property taxation revenues are recognized in the year that they are levied.

**Sales**

Revenue from the sale of goods and services are recognized as services are rendered or goods are sold, once amounts can be reasonably measured, and collectibility is reasonably assured.

**Other Revenue**

Other revenue is recognized when a sale is made or a service has been provided, once amounts can be reasonably measured, and collectibility is reasonably assured.

***Liability for contaminated site***

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, 2019.

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. As at March 31, 2019, no liability for contaminated sites exists.

***Segments***

The Nation conducts its business through seven of reportable segments as described in Note 17. 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.

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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**3. Change in accounting policies**

Effective April 1, 2018, the Nation adopted the recommendations relating to *PS 3430 Restructuring Transactions* as set out in the CPA Canada Public Sector Accounting Handbook. The main features of this standard are as follows:

- A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.
- Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

There was no material impact on the consolidated financial statements of adopting the new section.

***Financial instruments***

Effective April 1, 2018, the Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section *PS 3450 Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

**4. Restricted cash**

*Social Housing Reserves*

Post 1996 phases

Under the terms of the agreements with CMHC, the replacement reserve account is to be credited in the amount of \$16,000 (2018 - \$16,000) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year-end, the Post 1996 replacement reserve balance was \$157,405 (2018 - \$139,344) and was adequately funded (2018 - \$14,064 underfunded).

Under the terms of the agreements with CMHC, excess federal assistance payments may be retained in an Operating 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 may otherwise be approved by CMHC from time to time. For the Post 1996 phases, the funds may be used to offset future deficits. Withdrawals are credits to interest first and then principal. At year-end, the operating reserve balance was \$105,114 (2018 - \$90,114) and was underfunded by \$8,680 (2018 - \$16,049).

Pre 1997 phases

Under the terms of the agreements with CMHC, the replacement reserve account is to be credited in the amount of \$4,976 (2018 - \$4,976) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year-end, the Pre 1997 replacement reserve balance was \$72,441 (2018 - \$67,465) was adequately funded (2018 - \$3,024 underfunded).

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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**5. Term deposits**

	<b>2019</b>	<b>2018</b>
Guaranteed Investment Certificates maturing February 05, 2020, bearing interest at 2.15%.	<b>4,500,000</b>	-
Guaranteed Investment Certificates maturing February 17, 2020, bearing interest at 2.01%.	<b>1,000,000</b>	-
	<b>5,500,000</b>	-

**6. Accounts receivable**

	<b>2019</b>	<b>2018</b>
		<i>Restated (Note 21)</i>
Property tax receivable	<b>330,404</b>	460,368
Rent receivable	<b>362,802</b>	351,380
Other receivable	<b>465,289</b>	497,215
CMHC subsidy assistance	<b>3,547</b>	3,547
Settlement receivable	<b>-</b>	22,914,549
	<b>1,162,042</b>	24,227,059
Less: allowance for doubtful accounts	<b>434,162</b>	404,594
	<b>727,880</b>	23,822,465

**7. Investments**

	<b>2019</b>	<b>2018</b>
		<i>Restated (Note 21)</i>
Measured at cost:		
Salish Sea Industrial Services Ltd.	<b>26</b>	26
Measured at fair value:		
James Bay Village Trust	<b>9,162,765</b>	9,587,218
Municipal Finance Authority, money market funds	<b>2,577,056</b>	1,915,377
Zenabis Global Inc.	<b>1,159,336</b>	-
	<b>12,899,183</b>	11,502,621

**8. Demand loan**

The Nation holds a revolving credit facility to a maximum of \$100,000 available with the Royal Bank of Canada bearing interest at prime plus 1.00%. There are no specified terms of repayment. The credit facility is secured by a general security agreement over all personal property of the Nation. As at March 31, 2019 no amount is drawn on the credit facility.

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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**9. Funds held in trust**

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

	<b>2019</b>	<b>2018</b>
		<i>Restated (Note 21)</i>
<b>Capital Trust</b>		
Balance, beginning and end of year	<b>219</b>	219
<b>Revenue Trust</b>		
Balance, beginning of year	5	1,333
Interest	19	21
British Columbia Special Distribution	<b>1,299</b>	1,308
Withdrawals	-	(2,657)
Balance, end of year	<b>1,323</b>	5
	<b>1,542</b>	224

Ottawa Trust Funds

The Ottawa Trust accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

**10. Budget information**

Budget figures represent the budget adopted by Songhees Nation on March 28, 2018. The adopted budget included capital expenditures rather than amortization expense, transfers, and mortgage principal repayments as an expense.

The following reconciliation of the annual surplus is provided to show which items must be added or removed to reflect the adopted budget.

Budgeted annual surplus per the Consolidated Statement of Operations and Accumulated Surplus	535,295
<b>Adjusted for:</b>	
Transfers from local revenue	500,000
Transfers to business entities	(151,600)
Capital purchases	(127,200)
Debt repayments	(756,495)
<b>Budgeted surplus approved by Chief and Council</b>	<b>-</b>

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

**11. Investment in Nation business enterprises and partnerships**

The Nation uses the investees year-end financial statements to account for its investment in these investees. All investees have a March 31, 2019 year-end.

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Withdrawals</i>	<i>2019 Total investment</i>
<b>First Nation Business Enterprises</b>					
Matullia Holdings General Partner Corporation - 50%	1	-	(102)	-	(101)
Xhamasung Holdings General Partner Corporation - 50%	1	-	(184)	-	(183)
	2	-	(286)	-	(284)

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Withdrawals</i>	<i>2019 Total investment</i>
<b>First Nation Business Partnerships</b>					
Matullia Holdings Limited Partnership - 50%	1,939,449	-	286,430	(118,614)	2,107,265
Xhamasung Holdings Limited Partnership - 50%	305,478	89,621	(57,278)	(136,620)	201,201
Skungeenes Holdings Limited Partnership - 50%	(44,460)	43,209	15,864	-	14,613
	2,200,467	132,830	245,016	(255,234)	2,323,079
	2,200,469	132,830	244,730	(255,234)	2,322,795

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Withdrawals</i>	<i>2018 Total investment Restated (Note 21)</i>
<b>First Nation Business Enterprises</b>					
Matullia Holdings General Partner Corporation- 50%	1	-	-	-	1
Xhamasung Holdings General Partner Corporation- 50%	1	-	-	-	1
	2	-	-	-	2

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings (loss)</i>	<i>Withdrawals</i>	<i>2018 Total investment Restated (Note 21)</i>
<b>First Nation Business Partnerships</b>					
Matullia Holdings Limited Partnership - 50%	1,655,031	-	284,418	-	1,939,449
Xhamasung Holdings Limited Partnership - 50%	280,666	135,000	(110,188)	-	305,478
Skungeenes Holdings Limited Partnership - 50%	-	-	(44,460)	-	(44,460)
	1,935,697	135,000	129,770	-	2,200,467
	1,935,699	135,000	129,770	-	2,200,469

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**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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**11. Investment in Nation business enterprises and partnerships** *(Continued from previous page)*

Summary financial information for each Nation business enterprise and partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Matullia Holdings Limited Partnership</i> <i>As at March 31, 2019</i>	<i>Xhamasung Holdings Limited Partnership</i> <i>As at March 31, 2019</i>	<i>Skungeenes Holdings Limited Partnership</i> <i>As at March 31, 2019</i>	<i>Matullia Holdings General Partner Corporation</i> <i>As at March 31, 2019</i>
<b>Assets</b>				
Cash	287,478	409,307	33,918	-
Term deposit	1,217,251	-	-	-
Development costs	210,569	-	-	-
Due to related parties	316,122	-	-	-
Inventory	-	33,320	-	-
Prepaid expenses	-	3,312	-	-
Accounts receivable	-	-	-	54
Property, plant and equipment	2,193,182	4,770,169	-	-
<b>Total assets</b>	<b>4,224,602</b>	<b>5,216,108</b>	<b>33,918</b>	<b>54</b>
<b>Liabilities</b>				
Accounts payable and accruals	10,270	48,530	4,693	-
Deferred revenue	-	139,254	-	-
Customer deposits	-	14,677	-	-
Investment in Limited Partnership	-	-	-	256
Long-term debt	-	4,611,613	-	-
<b>Total liabilities</b>	<b>10,270</b>	<b>4,814,074</b>	<b>4,693</b>	<b>256</b>
<b>Partners' capital</b>	<b>4,214,332</b>	<b>402,034</b>	<b>29,225</b>	<b>(202)</b>
<b>Total revenue</b>	<b>616,876</b>	<b>661,557</b>	<b>22,500</b>	<b>57</b>
<b>Total expenses</b>	<b>43,959</b>	<b>776,124</b>	<b>(9,227)</b>	<b>313</b>
<b>Net income (loss)</b>	<b>572,917</b>	<b>(114,567)</b>	<b>31,727</b>	<b>(256)</b>

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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**11. Investment in Nation business enterprises and partnerships** *(Continued from previous page)*

	<i>Xhamasung Holdings General Partner Corporation As at March 31, 2019</i>
<b>Assets</b>	
Cash	-
Term deposit	-
Development costs	-
Due to related parties	-
Inventory	-
Prepaid expenses	-
Accounts receivable	2
Property, plant and equipment	-
<b>Total assets</b>	<b>2</b>
<b>Liabilities</b>	
Accounts payable and accruals	-
Deferred revenue	-
Customer deposits	-
Investment in Limited	369
Partnership	369
Long-term debt	-
<b>Total liabilities</b>	<b>369</b>
<b>Partners' capital</b>	<b>(367)</b>
<b>Total revenue</b>	<b>-</b>
<b>Total expenses</b>	<b>349</b>
<b>Net income (loss)</b>	<b>(349)</b>

**12. Accounts payable and accruals**

	<b>2019</b>	<b>2018</b>	
			<i>Restated (Note 21)</i>
Trade payable and accruals	586,869	788,180	
ISC payable	456,385	510,510	
Wage benefits payable	36,684	-	
Settlement payable to members	-	3,549,700	
Land trust - Pacific Village II	-	542,444	
	<b>1,079,938</b>	5,390,834	

**13. Due to related parties**

The amounts due to related parties are unsecured, non-interest bearing, and have no fixed terms of repayment.

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

**14. Long-term debt**

	<b>2019</b>	<b>2018</b>
		<i>Restated (Note 21)</i>
Royal Bank of Canada - repayable at \$83,973 per month including interest at prime plus 0.5%; due June, 2039, secured by general security agreement against all personal property of the Nation.	<b>11,766,006</b>	-
First Nations Finance Authority - repayable at \$24,447 per month including interest at 3.79%; due June, 2024, secured by Nation council resolution and Lease income.	<b>4,783,087</b>	4,891,831
First Nations Finance Authority - interest only at 3.75%; no set repayment terms. secured by Nation council resolution and Lease income.	<b>2,700,000</b>	3,753,000
Bank of Montreal demand loan - repayable in quarterly installments of \$30,000, interest at prime rate, secured by general security agreement providing a first charge on the regular investments and promissory notes for all loan facilities.	<b>2,160,000</b>	2,280,000
First Nations Finance Authority - repayable at \$5,970 per month including interest at 3.65%; due June 1, 2028. secured by Nation council resolution and Lease income.	<b>1,036,400</b>	-
All Nations Trust - repayable at \$905 per month including interest at 4.25%; due July, 2023; secured by guarantee of Indigenous Services Canada.	<b>143,449</b>	148,640
Phase 7 - All Nations Trust - repayable at \$1,385 per month including interest at 2.04%, secured by guarantee of Indigenous Services Canada, matures February 1, 2020.	<b>15,087</b>	31,280
Phase 8 - All Nations Trust - repayable at \$1,534 per month including interest at 1.82%, secured by guarantee of Indigenous Services Canada, matures August 1, 2029 and renewing September 1, 2019.	<b>174,570</b>	189,953
Phase 9 - All Nations Trust - repayable at \$3,528 per month including interest at 1.97%, secured by guarantee of Indigenous Services Canada, matures November 1, 2032 and renewing on December 1, 2022.	<b>507,174</b>	540,118
Vancouver City Savings Credit Union - repaid during the year.	<b>-</b>	12,069,073
	<b>23,285,773</b>	23,903,895

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

	Principal
2020	711,040
2021	724,651
2022	755,172
2023	787,012
2024	820,228
	<hr/>
	3,798,103
	<hr/>
Thereafter	19,487,670

At March 31, 2019, the prime rate was at 3.95% (2018 - 3.45%).

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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**15. Accumulated surplus**

Accumulated annual surplus consists of the following:

	<b>2019</b>	<b>2018</b>
		<i>Restated (Note 21)</i>
Equity in Ottawa Trust Funds	1,542	224
Unrestricted surplus	<b>29,106,740</b>	24,100,853
Equity in tangible capital assets	<b>13,374,927</b>	12,489,069
Equity in nation business enterprises and partnerships	<b>1,797,825</b>	1,702,038
Equity in James Bay Village Trust	<b>6,748,936</b>	6,931,152
Equity in local revenue reserve	<b>2,585,794</b>	2,440,177
Equity in social Housing	<b>327,368</b>	314,012
Accumulated remeasurement gains	<b>1,642,587</b>	1,698,506
	<hr/>	<hr/>
	<b>55,585,719</b>	49,676,031

**16. Indigenous Services Canada funding reconciliation**

	<b>2019</b>	<b>2018</b>
Revenue per confirmation	<b>3,123,640</b>	3,047,683
ISC recoveries	-	(222,489)
	<hr/>	<hr/>
	<b>3,123,640</b>	2,825,194

**17. Segments**

The Nation receives revenues and incurs expenses from many different projects and sources. For management and reporting purposes, the revenues, expenses and surpluses or deficits are organized by the following segments:

**Administration and Governance**

This segment includes administrative support, financial management, and governance operations of the Nation

**Local Services**

This segment includes revenues and expenses from dealing with the management of land and maintenance of roads, property taxation, water and waste as well as municipal type service agreements for fire protection and CRD services.

**Education**

This segment includes revenues and expenses relating to the primary, secondary and post-secondary education of the members and status residents of the Nation.

**Community Services**

This segment report revenue generated from FNGST, land leases, benefit agreements and economic development. Expenditures include community events, food fish, distributions to members and transfers to support programs and services.

**Health and Social Services**

This segment includes revenues and expenses relating to health and social services, other family services and income assistance for eligible clients.

**Social Housing Program**

This segment includes activities related to the provision of CMHC subsidized housing for Songhees members.

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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**18. Contingencies**

The Nation may be contingently liable with respect to Ministerial guarantees for "On Reserve Housing Loans" to various financial institutions in the amount of \$82,269 (2018 - \$97,863). These loan guarantees are in addition to CMHC mortgages.

These consolidated financial statements are subject to review by the Nation's funding agents. It is possible that adjustment could be made based on the results of their reviews. Any liabilities resulting from these reviews will be accounted for as an expense at the time of resolution.

**19. Financial Instruments**

The Nation as part of its operations carries a number of financial instruments. It is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

***Risk Management Policy***

The Nation does not have formal risk management policies in place.

***Credit risk***

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. Financial instruments that potentially subject the Nation to concentrations of credit risk consists principally of cash, restricted cash, accounts receivable and investments. The maximum credit risk exposure is \$37,169,553 (2018 - \$40,558,702).

The Nation manages its credit risk by holding cash balances with a chartered financial institution and holding investments in a well diversified portfolio.

***Market risk***

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Nation manages exposure through diversification of the portfolio and low risk investments.

**20. Subsequent events**

Subsequent to year-end, the Nation purchased Admirals Self Storage on May 16, 2019 for \$5,400,000.

Subsequent to year-end, the Nation created the Songhees Nation Cardboro Bay Minors Trust for the use and benefit of the minors of Songhees Nation. \$1,990,000 was transferred to the trust on June 19, 2019.

Subsequent to year-end, the Nation created the Songhees Nation Cardboro Trust for the use and benefit of the members of Songhees Nation. \$10,753,152 was transferred to the trust on August 21, 2019.

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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**21. Correction of errors**

During the year, the Nation determined:

- \$1,174,143 of legal fees for Cadboro Bay claim were recorded twice in the prior year. For 2018, the impact of this correction was an increase in annual surplus and a decrease in accounts payable of \$1,174,143.
- \$398,740 of accounts receivable balances at prior year end were unlikely to be collected. For 2018, the impact of this correction was a decrease in annual surplus of \$398,740 and decrease in accounts receivable.
- \$288,022 of ISC recovery from 2016 was not previously recorded in the financial statements. For 2018, the impact of this correction was a decrease in accumulated operating surplus and increase in accounts payable of \$288,022.
- \$77,478 of contributions to members for the Cardboro Bay settlements were over accrued in the prior year. For 2018, the impact of this correction was an increase in annual surplus and decrease in accounts payable of \$77,478.
- \$66,000 of advances from Songhees James Bay Village Trust to Songhees Nation was treated as income in Songhees Nation in 2018. For 2018, the impact of this correction is a decrease in annual surplus and an increase in due from related parties for \$66,000.
- \$50,000 of Investment in Skwin'ang'eth Se'las Development Corporation and \$15,957 due from Skwin'ang'eth Se'las Development Corporation included in the accounts receivable balance at prior year end was unlikely to be recovered. For 2018, the impact of this correction is a decrease in annual surplus of \$65,957, a decrease in accounts receivable of \$15,957 and decrease in investments of \$50,000 and increase in bad debt of \$65,957.
- \$120,000 included in due to related parties was over accrued by \$120,000 in 2018. For 2018, the impact of this correction was increase in annual surplus of \$120,000 and decrease in due to related parties and decrease in contribution expense of \$120,000.
- \$129,840 of earnings from Xhamasung Holdings Limited Partnership, Matuilia Holdings Limited Partnership and Skungeenes Holdings Limited Liability Partnership was not recorded in the prior year. For 2018, the impact of this correction was a increase in annual surplus and increase in long-term investments of \$129,840.
- \$1,419,951 of distribution from Songhees James Bay Village Trust for contribution to Matullia Holdings Limited Partnership from 2016 was not recorded in Songhees Nation. For 2018, the impact of this correction is an increase in opening accumulated operating surplus and an increase in Investment in Nation business Partnerships of \$1,419,951.
- \$142,023 of gain on the purchase of preferred shares of Songhees Seafood and Steam Ltd. and \$16,710 of expenses related Songhees Seafood and Steam Ltd. were not recorded in 2017. For 2018, the impact of this correction was increase accumulated operating surplus and Increase in Long-term Investments of \$125,313.
- Songhees Seafood and Steam Ltd. was not consolidated into the Songhees Nation consolidated financial statements in 2018. For 2018, the impact was increase in accounts receivable \$65, tangible capital assets \$178,613, prepaid expenses \$1,361, accounts payable \$22,900 and decrease in accumulated operating surplus of \$275,475.
- The James Bay Village Trust was not consolidated into the Songhees Nation consolidated financial statements in 2018. For 2018, the impact of this correction was increase in cash \$137,756, portfolio investments \$9,587,218, accounts payable \$5,000, long-term debt \$2,280,000, accumulated operating surplus \$6,931,152, accumulated remeasurement gains \$1,698,506 and decrease in due to related parties of \$961,257, Increase in annual surplus for \$49,302 and increase in accumulated operating surplus for \$6,931,152.
- The Songhees Nation Investment Corporation was not consolidated into the consolidated financial statements in 2018. For 2018, the impact of this correction was decrease in annual surplus for \$85,146, increase in accumulated operating surplus for \$3,108,139, increase in cash \$123,351, accounts receivable \$3,157, prepaid expense \$166,656, accounts payable \$128,526, decrease in investment in business enterprises and partnerships of \$ 2,884,841 and increase in tangible capital assets of \$5,653,196.

**Songhees Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2019*

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**21. Correction of errors** *(Continued from previous page)*

- \$1,354,453 was classified as reserves instead of accumulated surplus in the prior year. For 2018, the impact of this reclassification was decrease in annual surplus and decrease in reserves of \$1,354,453.

	<i>2018 Previously stated</i>	<i>2018 Adjustments</i>	<i>2018 Restated</i>
Cash	3,562,064	336,945	3,899,009
Restricted cash	296,924	867,536	1,164,460
Accounts receivable	24,314,668	(492,203)	23,822,465
Related parties receivable	2,990,392	(2,990,392)	-
Investments	2,974,262	8,528,359	11,502,621
Trust funds	13,872	(13,648)	224
Long-term investments	-	2,200,469	2,220,469
	<b>34,152,182</b>	<b>8,437,066</b>	<b>42,609,248</b>
Accounts payable and accrued liabilities	9,506,416	(4,115,582)	5,390,834
Due to related parties	-	2,268,920	2,268,920
Reserves	1,354,453	(1,354,453)	-
Long-term debt	21,623,895	2,280,000	23,903,895
	<b>32,484,764</b>	<b>(921,115)</b>	<b>31,563,649</b>
Tangible capital assets	30,561,154	5,831,810	36,392,964
Inventory	59,001	-	59,001
Prepaid expenses	527,149	(308,682)	218,467
	<b>31,147,304</b>	<b>5,523,128</b>	<b>36,670,432</b>
Accumulated surplus	32,814,722	13,182,803	45,997,525
Accumulated remeasurement gains	-	1,698,506	1,698,506
	<b>32,814,722</b>	<b>14,881,309</b>	<b>47,696,031</b>
Annual surplus	<b>15,620,191</b>	<b>482,049</b>	<b>16,102,240</b>

**22. Comparative figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

**Songhees Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2019*

	<i>Automotive</i>	<i>Boats</i>	<i>Building &amp; improvements</i>	<i>Docks</i>	<i>Food truck</i>	<i>Infrastructure</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	49,717	9,000	29,160,229	58,638	217,019	583,766	30,078,369
Acquisition of tangible capital assets	48,251	21,917	108,947	-	-	-	179,115
Disposal of tangible capital assets	-	-	(151,610)	-	-	-	(151,610)
Balance, end of year	97,968	30,917	29,117,566	58,638	217,019	583,766	30,105,874
<b>Accumulated amortization</b>							
Balance, beginning of year	49,717	9,000	2,812,433	54,233	39,787	303,557	3,268,727
Annual amortization	7,238	2,192	636,773	2,932	17,362	23,351	689,848
Accumulated amortization on disposals	-	-	(37,767)	-	-	-	(37,767)
Balance, end of year	56,955	11,192	3,411,439	57,165	57,149	326,908	3,920,808
<b>Net book value of tangible capital assets</b>	<b>41,013</b>	<b>19,725</b>	<b>25,706,127</b>	<b>1,473</b>	<b>159,870</b>	<b>256,858</b>	<b>26,185,066</b>
2018 Net book value of tangible capital assets (Restated Note 21)	-	-	26,347,797	4,405	177,232	280,209	26,811,661

**Songhees Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2019*

	<b>Subtotal</b>	<b>General equipment</b>	<b>General housing</b>	<b>Artwork and carvings</b>	<b>Land</b>	<b>Subtotal</b>
<b>Cost</b>						
Balance, beginning of year	30,078,369	1,690,320	1,456,690	327,714	8,025,018	41,578,111
Acquisition of tangible capital assets	179,115	9,921	41,004	-	1,162,051	1,392,091
Disposal of tangible capital assets	(151,610)	-	-	-	-	(151,610)
Balance, end of year	<b>30,105,874</b>	<b>1,700,241</b>	<b>1,497,694</b>	<b>327,714</b>	<b>9,187,069</b>	<b>42,818,592</b>
<b>Accumulated amortization</b>						
Balance, beginning of year	3,268,727	1,221,081	695,339	-	-	5,185,147
Annual amortization	689,848	299,159	64,522	-	-	1,053,529
Accumulated amortization on disposals	(37,767)	-	-	-	-	(37,767)
Balance, end of year	<b>3,920,808</b>	<b>1,520,240</b>	<b>759,861</b>	<b>-</b>	<b>-</b>	<b>6,200,909</b>
<b>Net book value of tangible capital assets</b>	<b>26,185,066</b>	<b>180,001</b>	<b>737,833</b>	<b>327,714</b>	<b>9,187,069</b>	<b>36,617,683</b>
2018 Net book value of tangible capital assets (Restated Note 21)	26,811,661	469,238	761,351	327,714	8,025,018	36,394,982

**Songhees Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2019*

	<i>Subtotal</i>	<i>Leasehold improvements</i>	<i>2019</i>	<i>2018</i>
				<i>Restated (Note 21)</i>
<b>Cost</b>				
Balance, beginning of year	41,578,111	-	41,578,111	38,705,332
Acquisition of tangible capital assets	1,392,091	44,118	1,436,209	2,981,314
Disposal of tangible capital assets	(151,610)	-	(151,610)	(108,535)
Balance, end of year	<b>42,818,592</b>	<b>44,118</b>	<b>42,862,710</b>	<b>41,578,111</b>
<b>Accumulated amortization</b>				
Balance, beginning of year	5,185,147	-	5,185,147	4,239,728
Annual amortization	1,053,529	1,103	1,054,632	1,053,954
Accumulated amortization on disposals	(37,767)	-	(37,767)	(108,535)
Balance, end of year	<b>6,200,909</b>	<b>1,103</b>	<b>6,202,012</b>	<b>5,185,147</b>
<b>Net book value of tangible capital assets</b>	<b>36,617,683</b>	<b>43,015</b>	<b>36,660,698</b>	<b>36,392,964</b>
2018 Net book value of tangible capital assets (Restated Note 21)	36,394,982	-	36,392,964	

**Songhees Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2019*

	<b>2019</b> <i>Budget</i> <i>(Note 10)</i>	<b>2019</b>	<b>2018</b> <i>Restated</i> <i>(Note 21)</i>
<b>Consolidated expenses by object</b>			
Administration (recovery)	-	101,146	(54,795)
Amortization	-	1,054,632	1,053,954
Bad debts	41,066	43,522	476,282
Bank charges and interest	-	30,953	75,271
Community events	255,478	109,094	13,525
Contracted services	928,932	1,286,194	1,006,691
Cost of goods sold	-	346,019	174,395
Donations	-	145,901	416,741
Education and training	706,705	443,523	381,381
Grants and contributions	-	129,741	6,025,641
Honoraria	295,550	303,618	210,291
Insurance	78,211	102,852	97,359
Interest on long-term debt	-	782,045	758,993
Management fees	-	128,210	129,976
Materials	276,473	338,354	377,005
Office	36,323	72,163	47,050
Professional fees	439,500	687,068	2,545,533
Property tax	-	76,671	102,776
Rent	-	80,600	51,214
Repairs and maintenance	12,000	150,134	385,398
Salaries and benefits	1,617,843	2,165,758	1,988,787
Social assistance	279,074	206,396	185,309
Travel	124,700	131,098	82,602
Tuition	1,150,000	1,251,381	1,239,569
Utilities	193,200	177,043	196,413
	<b>6,435,055</b>	<b>10,344,116</b>	<b>17,967,361</b>

**Songhees Nation**  
**Administration and Governance**  
**Schedule 3 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2019*

	<b>2019 Budget (Note 10)</b>	<b>2019</b>	<b>2018 Restated (Note 21)</b>
<b>Revenue</b>			
Indigenous Services Canada	359,073	382,680	364,075
Interest income	30,000	46,152	25,702
Other income	98,290	185,813	51,990
Other government funding	-	60,000	60,000
	<b>487,363</b>	<b>674,645</b>	<b>501,767</b>
<b>Expenses</b>			
Administration (recovery)	(389,049)	(398,065)	(471,448)
Amortization	-	378,437	431,956
Bad debts	-	4,312	85,762
Bank charges and interest	-	13,117	10,361
Contracted services	129,300	155,813	108,208
Education and training	20,000	16,071	13,925
Honoraria	278,500	262,765	160,850
Insurance	10,450	12,209	11,123
Interest on long-term debt	-	-	9,991
Materials	23,400	39,723	16,912
Office	16,274	19,096	17,618
Professional fees	117,000	300,203	143,752
Repairs and maintenance	12,000	12,266	41,496
Salaries and benefits	488,088	553,427	426,846
Travel	44,400	50,004	43,358
Utilities	25,000	22,339	21,947
	<b>775,363</b>	<b>1,441,717</b>	<b>1,072,657</b>
<b>Other income (expense)</b>			
Loss on disposal of capital assets	-	(113,843)	-
<b>Deficit before transfers</b>	<b>(288,000)</b>	<b>(880,915)</b>	<b>(570,890)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>522,756</b>	<b>62,218</b>
<b>Annual deficit</b>	<b>(288,000)</b>	<b>(358,159)</b>	<b>(508,672)</b>

**Songhees Nation**  
**Local Services**  
**Schedule 4 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2019*

	<b>2019 Budget (Note 10)</b>	<b>2019</b>	<b>2018 Restated (Note 21)</b>
<b>Revenue</b>			
Indigenous Services Canada	369,955	471,078	444,337
Canada Mortgage and Housing Corporation	-	-	179,449
First Nations Health Authority	-	-	7,029
Property Taxation	-	1,037,623	918,878
Rental income	-	11,173	11,799
Interest income	-	56,439	2,656
Other income	-	11,430	27,866
Other government funding	100,000	100,000	106,112
	<b>469,955</b>	<b>1,687,743</b>	<b>1,698,126</b>
<b>Expenses</b>			
Administration	10,640	111,397	115,205
Amortization	-	541,298	498,942
Bad debts	-	22,610	5,731
Bank charges and interest	-	6,403	7,839
Community events	-	-	507
Contracted services	536,956	588,292	446,590
Donations	-	145,901	416,741
Education and training	10,000	-	2,326
Grants and contributions	-	10,327	20,672
Honoraria	1,000	1,500	1,875
Insurance	30,265	47,210	45,119
Interest on long-term debt	-	689,801	668,261
Materials	136,860	114,703	129,207
Office	-	857	1,027
Professional fees	125,000	56,089	249,831
Repairs and maintenance	-	80,682	92,408
Salaries and benefits	323,735	255,150	298,778
Travel	7,000	8,894	15,765
Utilities	143,000	131,588	146,202
	<b>1,324,456</b>	<b>2,812,702</b>	<b>3,163,026</b>
<b>Deficit before transfers</b>	<b>(854,501)</b>	<b>(1,124,959)</b>	<b>(1,464,900)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>1,896,379</b>	<b>1,940,199</b>
<b>Annual surplus (deficit)</b>	<b>(854,501)</b>	<b>771,420</b>	<b>475,299</b>

**Songhees Nation  
Education Services**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2019*

	<b>2019 Budget (Note 10)</b>	<b>2019</b>	<b>2018 Restated (Note 21)</b>
<b>Revenue</b>			
Indigenous Services Canada	1,606,892	1,851,411	1,625,943
Province of BC	569,247	435,755	306,246
Other income	104,878	164,493	65,552
Other government funding	125,217	184,007	196,651
	<b>2,406,234</b>	<b>2,635,666</b>	<b>2,194,392</b>
<b>Expenses</b>			
Administration	50,000	59,404	79,454
Contracted services	58,100	372,981	90,575
Education and training	618,800	290,047	263,984
Honoraria	8,000	20,206	20,979
Materials	52,100	46,064	76,554
Office	1,000	3,385	4,011
Repairs and maintenance	-	16,435	22,105
Salaries and benefits	457,534	430,464	476,302
Travel	1,800	2,722	1,895
Utilities	6,400	7,429	6,758
Tuition	1,150,000	1,251,381	1,239,569
	<b>2,403,734</b>	<b>2,500,518</b>	<b>2,282,186</b>
<b>Surplus (deficit) before transfers</b>	<b>2,500</b>	<b>135,148</b>	<b>(87,794)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>103,000</b>	<b>15,017</b>
<b>Annual surplus (deficit)</b>	<b>2,500</b>	<b>238,148</b>	<b>(72,777)</b>

**Songhees Nation**  
**Health and Social Services**  
**Schedule 6 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2019*

	<b>2019 Budget (Note 10)</b>	<b>2019</b>	<b>2018 Restated (Note 21)</b>
<b>Revenue</b>			
Indigenous Services Canada	392,595	392,595	165,122
First Nations Health Authority	408,899	449,884	332,143
Province of BC	13,013	41,610	85,290
Other income	24,000	28,413	46,027
Other government funding	-	54,482	67,846
	<b>838,507</b>	<b>966,984</b>	696,428
<b>Expenses</b>			
Administration	51,163	51,163	48,823
Bank charges and interest	-	22	5
Contracted services	35,947	68,981	22,145
Education and training	50,429	135,304	91,894
Honoraria	4,550	14,797	5,025
Materials	45,364	106,483	70,402
Office	4,049	4,333	3,324
Professional fees	20,000	578	3,570
Repairs and maintenance	-	4,218	53,280
Salaries and benefits	313,731	296,461	313,114
Social assistance	279,074	206,396	185,309
Travel	11,500	14,775	12,155
Utilities	-	997	124
	<b>815,807</b>	<b>904,508</b>	809,170
<b>Surplus (deficit) before transfers</b>	<b>22,700</b>	<b>62,476</b>	<b>(112,742)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>12,000</b>	<b>(15,021)</b>
<b>Annual surplus (deficit)</b>	<b>22,700</b>	<b>74,476</b>	<b>(127,763)</b>

**Songhees Nation  
Community Services**  
**Schedule 7 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2019*

	<b>2019 Budget (Note 10)</b>	<b>2019</b>	<b>2018 Restated (Note 21)</b>
<b>Revenue</b>			
Indigenous Services Canada	25,876	25,876	225,717
Benefit Agreement	-	6,806,610	375,000
FNGST	1,600,000	1,635,448	1,330,240
Lease income	774,678	1,427,389	784,760
Other income	99,500	857,546	697,924
Investment income	1,500	596,923	455,314
Interest income	-	373,980	3,676
Rental income	107,800	289,060	331,572
Earnings from investment in Nation business enterprise and partnerships	-	282,374	129,770
Settlement funds	-	-	24,500,000
	<b>2,609,354</b>	<b>12,295,206</b>	<b>28,833,973</b>
<b>Expenses</b>			
Administration	262,246	262,246	167,131
Amortization	-	70,376	60,167
Bad debts	-	8,101	71,180
Bank charges and interest	-	11,411	57,066
Community events	255,478	109,094	13,018
Contracted services	41,079	99,293	338,651
Cost of goods sold	-	346,019	174,395
Education and training	7,478	2,101	9,253
Grants and contributions	-	119,414	6,004,969
Honoraria	3,500	4,350	21,562
Insurance	3,025	20,518	19,113
Interest on long-term debt	-	79,394	67,309
Management fees	-	128,210	129,976
Materials	15,900	31,341	83,354
Office	15,000	44,492	21,070
Professional fees	170,000	322,698	2,145,301
Property tax	-	76,671	102,776
Rent	-	80,600	51,214
Repairs and maintenance	-	30,656	174,065
Salaries and benefits	-	630,256	473,746
Travel	60,000	54,703	9,430
Utilities	550	14,694	21,383
	<b>834,256</b>	<b>2,546,638</b>	<b>10,216,129</b>
<b>Surplus before transfers</b>	<b>1,775,098</b>	<b>9,748,568</b>	<b>18,617,844</b>
<b>Transfers between programs</b>	<b>-</b>	<b>(2,525,396)</b>	<b>(2,061,936)</b>
<b>Annual surplus</b>	<b>1,775,098</b>	<b>7,223,172</b>	<b>16,555,908</b>

**Songhees Nation**  
**Social Housing**  
**Schedule 8 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2019*

	<b>2019 Budget (Note 10)</b>	<b>2019</b>	<b>2018 Restated (Note 21)</b>
<b>Revenue</b>			
Canada Mortgage and Housing Corporation	41,186	42,561	41,627
Rental income	114,499	98,604	102,700
Interest income	-	1,501	588
Other income	3,250	656	-
	<b>158,935</b>	<b>143,322</b>	144,915
<b>Expenses</b>			
Administration	15,000	15,000	6,040
Amortization	-	64,521	62,889
Bad debts	41,066	8,499	313,608
Contracted services	130,050	833	522
Insurance	34,471	22,914	22,003
Interest on long-term debt	-	12,850	13,433
Materials	2,849	39	575
Professional fees	5,000	7,500	3,080
Repairs and maintenance	-	5,877	2,043
Salaries and benefits	34,755	-	-
Utilities	18,248	-	-
	<b>281,439</b>	<b>138,033</b>	424,193
<b>Surplus (deficit) before transfers</b>	<b>(122,504)</b>	<b>5,289</b>	(279,278)
<b>Transfers between programs</b>	<b>-</b>	<b>(8,739)</b>	59,523
<b>Annual deficit</b>	<b>(122,504)</b>	<b>(3,450)</b>	(219,755)