

Seabird Island Band
Consolidated Financial Statements
March 31, 2018

Seabird Island Band Contents

For the year ended March 31, 2018

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Management's Responsibility

To the Members of Seabird Island Band:

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

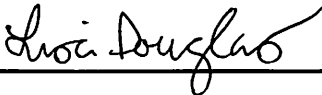
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate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

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

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

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

July 24, 2018



Director of Finance



CAO

Independent Auditors' Report

To the Members of Seabird Island Band:

We have audited the accompanying consolidated financial statements of Seabird Island Band, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of earnings and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Seabird Island Band as at March 31, 2018 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The previous year's comparative financial statements as at and for the year ended March 31, 2017 were audited and issued by another public accountant.

Chilliwack, British Columbia

July 24, 2018


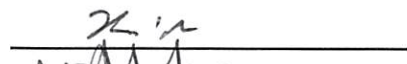
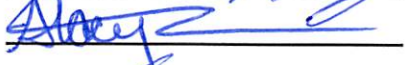





MNP LLP

Chartered Professional Accountants

Seabird Island Band
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017
Financial assets		
Cash and cash equivalents (Note 3)	13,687,301	10,294,979
Accounts receivable (Note 4)	2,202,808	2,289,411
Inventory for resale	67,538	67,331
Portfolio investments (Note 5)	2,495,899	2,517,585
Funds held in trust (Note 6)	33,227	33,192
Investments in First Nation partnerships and business entities (Note 7)	2,875,992	1,762,277
Total of financial assets	21,362,765	16,964,775
Liabilities		
Accounts payable and accruals (Note 8)	2,402,409	2,389,575
Deferred revenue (Note 9)	1,050,000	1,050,000
Long-term debt (Note 10)	5,099,005	4,352,687
Capital lease obligations	84,365	95,303
Total of financial liabilities	8,635,779	7,887,565
Net financial assets	12,726,986	9,077,210
Contingencies (Note 11)		
Commitments (Note 12)		
Non-financial assets		
Tangible capital assets (Schedule 1)	17,071,961	15,698,141
Inventories held for use	58,236	43,118
Prepaid expenses	220,003	891,035
Total non-financial assets	17,350,200	16,632,294
Accumulated surplus (Note 13)	30,077,186	25,709,504

Approved on behalf of the Council

	Councillor		Councillor
	Councillor		Councillor
	Councillor		Councillor
	Councillor		Councillor

Seabird Island Band

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2018

	Schedules	2018 Budget	2018	2017
Revenue				
Indigenous Services Canada		9,168,350	10,408,909	9,819,202
Province of British Columbia		2,888,581	3,085,718	2,395,904
Economic activity and other income		4,501,414	7,569,739	5,508,375
First Nation Health Authority		4,374,201	4,723,211	4,500,590
Rental income		1,052,389	1,100,035	1,059,863
Sto:lo Nation		650,040	964,704	811,912
First Nation Education Steering Committee		609,548	804,535	729,413
Other Federal funding		-	24,903	375,337
Canada Mortgage and Housing Corporation		281,216	777,544	318,761
Interest income		51,500	158,273	121,648
Earnings (loss) from investment in Nation partnerships		-	28,608	(12,016)
Repayment of funding		-	(128,415)	(17,351)
		23,577,239	29,517,764	25,611,638
Program expenses				
Administration	3	1,530,705	1,136,546	2,832,381
Capital Projects	4	471,848	667,978	666,046
Economic Development	5	-	58,132	197,349
Education	6	7,310,622	7,096,846	6,312,638
Health and Social Development	7	12,501,196	12,427,511	10,621,702
Housing	8	1,059,968	699,528	480,364
Public Works	9	1,211,758	1,467,764	1,223,868
Lands and Government Affairs	10	994,881	741,336	758,130
Reserves and Other	11	-	854,441	824,061
Total expenditures		25,080,978	25,150,082	23,916,539
Annual surplus (deficit)		(1,503,739)	4,367,682	1,695,099
Accumulated surplus, beginning of year		25,709,504	25,709,504	24,014,405
Accumulated surplus, end of year (Note 13)		24,205,765	30,077,186	25,709,504

The accompanying notes are an integral part of these financial statements

Seabird Island Band
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Annual surplus (deficit)	(1,503,739)	4,367,682	1,695,099
Purchases of tangible capital assets	-	(2,238,633)	(717,665)
Amortization of tangible capital assets	-	854,441	824,061
Proceeds of disposal of tangible capital assets	-	10,372	-
	-	(1,373,820)	106,396
Acquisition of prepaid expenses	-	(220,002)	(891,035)
Use of prepaid expenses	-	891,035	65,307
Acquisition of inventories held for use	-	(15,119)	(16,298)
	-	655,914	(842,026)
Increase (decrease) in net financial assets	(1,503,739)	3,649,776	959,469
Net financial assets, beginning of year	9,077,210	9,077,210	8,117,741
Net financial assets, end of year	7,573,471	12,726,986	9,077,210

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, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	4,367,682	1,695,099
Non-cash items		
Amortization	854,441	824,061
Bad debts	-	23,328
Earnings (loss) from investment in Nation partners	(28,608)	12,016
	5,193,515	2,554,504
Changes in working capital accounts		
Accounts receivable	86,603	(1,422,195)
Prepaid expenses	671,033	(825,728)
Accounts payable and accruals	12,834	140,926
Deferred revenue	-	1,027,500
Inventory for resale	(206)	(24,301)
Funds held in trust	(35)	(17)
Inventory held for use	(15,118)	(16,298)
	5,948,626	1,434,391
Financing activities		
Advances of long-term debt	994,618	-
Repayment of long-term debt	(248,300)	(257,693)
Advances of capital lease obligation	-	68,660
Repayment of capital lease obligations	(10,938)	(13,321)
Advances to related Nation entities	75,000	(75,000)
	810,380	(277,354)
Capital activities		
Purchases of tangible capital assets	(2,238,633)	(717,665)
Proceeds of disposal of tangible capital assets	10,372	-
	(2,228,261)	(717,665)
Investing activities		
Investment in Nation business entities	(1,160,108)	-
Repayment of investment in Nation business entities	-	150,000
Change in portfolio investments	21,685	(101,893)
	(1,138,423)	48,107
Increase in cash resources	3,392,322	487,479
Cash resources, beginning of year	10,294,979	9,807,500
Cash resources, end of year	13,687,301	10,294,979
Supplementary cash flow information		
Interest paid	82,983	77,349

The accompanying notes are an integral part of these financial statements

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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 Nation and are either owned or controlled by the First 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 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 entity:

- Seabird Education Society, Lalme; lwesawtexw

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

Seabird Island Band business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the 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:

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

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

Net financial assets

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of 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 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. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Portfolio investments

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

Inventory

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

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First 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 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

Social housing assets acquired under Canada Mortgage and Housing Corporation ("CMHC") sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long-term debt. Amortization for other tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

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

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

Long-lived assets and discontinued operations

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

The 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.

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 First Nation uses the modified equity investment to account for its investments listed under reporting entity - consolidation. 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.

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

Inventory

Management has estimated the value of the inventory based upon their assessment of the realizable amount less selling costs.

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, 2018.

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, 2018.

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 base on the percentage of participants' contributions, up to a maximum. The First Nation follows the policy of funding retirement plant contributions as accrued. The First Nation contributions totalled \$366,358 (2017 - \$271,843).

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

3. Cash and cash equivalents

	2018	2017
Externally restricted		
CMHC operating reserve	528,378	435,004
CMHC replacement reserve	585,813	550,614
	1,114,191	985,618
Internally restricted		
Replacement reserves (Note 14)	6,891,477	6,137,625
Unrestricted		
Operating funds	5,681,633	3,171,736
	13,687,301	10,294,979

Replacement Reserve

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Nation established a replacement reserve, funded by an annual allocation of \$89,421 (2017 - \$86,716), to ensure replacement of buildings financed by CMHC. The reserve was fully funded at March 31, 2018.

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, 2018 this reserve was fully funded.

4. Accounts receivable

	2018	2017
Funding and trade receivables	2,055,474	2,166,338
Dental and medical office receivable	136,525	127,530
Interest receivable	21,605	5,971
Member loans receivable	11,232	11,600
Allowance for doubtful accounts	(22,028)	(22,028)
	2,202,808	2,289,411

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

5. Portfolio investments

	2018	2017
Measured at cost:		
Boughton Law Corporation Trust Fund	400,000	418,355
<hr/>		
Measured at fair value:		
First Nations Finance Authority - Cash	1,822	1,807
First Nations Finance Authority - Money Market	374,931	370,780
Investors Group Income Plus Portfolio	1,719,146	1,726,643
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	2,095,899	2,099,230
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	2,495,899	2,517,585
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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.

	2018	2017
Capital Trust		
Balance, beginning and end of year	32,847	32,847
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Revenue Trust		
Balance, beginning of year	345	328
Interest	2,681	2,899
<hr/>		
	3,026	3,227
Less: Transfers to Nation	2,646	2,882
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Balance, end of year	380	345
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	33,227	33,192
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Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

7. Investments in First Nation partnerships and business entities

The First Nation has investments in the following entities:

	2018			
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
First Nation Government Business Enterprises				
Seabird Island Forestry Construction Ltd. - 100%	1	-	-	1
Stqó:ya Construction Ltd. - 50%	55	-	-	55
Sqéwqel Development Corporation - 100%	1	-	-	1
	57	-	-	57
First Nation Business Partnerships – Modified Equity:				
Stqó:ya Construction LP - 49.99%	50	(10,000)	878,451	868,501
Sqéwqel Development Corporation LLP - 99.99%	100	1,687,321	148,805	1,836,226
Sqéwqel Gas Bar LLP - 99.99%	100	(14,697)	185,805	171,208
	250	1,662,624	1,213,061	2,875,935
	307	1,662,624	1,213,061	2,875,992
	2017			
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
First Nation Government Business Enterprises				
Seabird Island Forestry Construction Ltd. - 100%	1	-	-	1
Stqó:ya Construction Ltd. - 50%	55	-	-	55
Sqéwqel Development Corporation - 100%	1	-	-	1
	57	-	-	57
First Nation Business Partnerships – Modified Equity:				
Stqó:ya Construction LP - 49.99%	50	65,000	694,445	759,495
Sqéwqel Development Corporation LLP - 99.99%	100	515,642	284,756	800,498
Sqéwqel Gas Bar LLP - 99.99%	100	(14,697)	216,824	202,227
	250	565,945	1,196,025	1,762,220
	307	565,945	1,196,025	1,762,277

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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.	Stqó:ya Construction Ltd.	Sqéwqel Development Corporation	2018	2017
Balance Sheet					
Assets	1	245	1	247	133
Liabilities	-	500	-	500	500
Equity	1	(255)	1	(253)	(367)
Total Liabilities and Equity	1	245	1	247	133
Income Statement					
Revenue	-	42	-	42	-
Expenses	-	-	-	-	-
Net Income (Loss)	-	42	-	42	-

	Stqó:ya Construction LP	Sqéwqel Development Corporation LLP	Sqéwqel Gas Bar LLP	2018	2017
Balance Sheet					
Assets	2,371,360	1,926,129	1,998,749	6,296,238	5,610,000
Liabilities	650,556	1,774,891	1,802,653	4,228,100	3,778,489
Equity	1,720,804	151,238	196,096	2,068,138	1,831,511
Total Liabilities and Equity	2,371,360	1,926,129	1,998,749	6,296,238	5,610,000
Income Statement					
Revenue	4,640,487	1,067,631	3,853,230	9,561,348	8,049,981
Expenses	4,225,318	1,203,582	3,884,249	9,313,149	7,794,170
Net Income (Loss)	415,169	(135,951)	(31,019)	248,199	255,811

8. Accounts payable and accruals

Included in accounts payable and accruals is \$87,753 (2017 - \$141,217) of government remittances payable and \$268,540 (2017 - \$246,553) of employee vacation payable.

9. Deferred revenue

Deferred revenue consists of capital funding received from Indigenous Services Canada.

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

10. Long-term debt

	2018	2017
Project #11 - All Nations Trust Company mortgage, blended monthly payments of \$1,792 at 1.11% per annum, maturing February 1, 2021.	61,684	82,379
Project #12 - All Nations Trust Company mortgage, blended monthly payments of \$2,007 at 1.82% per annum, maturing February 1, 2019.	21,882	45,381
Project #13 - All Nations Trust Company mortgage, blended monthly payments of \$1,794 at 1.39% per annum, maturing January 1, 2025.	140,332	159,777
Project #14 - All Nations Trust Company mortgage, blended monthly payments of \$2,940 at 1.92% per annum, maturing February 1, 2029.	347,387	375,732
Project #15 - All Nations Trust Company mortgage, blended monthly payments of \$2,709 at 2.04% per annum, maturing March 1, 2034.	443,747	466,982
Project #16 - All Nations Trust Company mortgage, blended monthly payments of \$2,891 at 2.04% per annum, maturing March 1, 2034.	473,623	498,422
Project #17 - All Nations Trust Company mortgage, blended monthly payments of \$5,491 at 1.48% per annum, maturing January 1, 2037.	1,082,857	1,132,376
Project #18 - All Nations Trust Company mortgage, blended monthly payments of \$2,482 at 2.40% per annum, maturing October 1, 2038.	483,111	501,122
Project #19 - All Nations Trust Company mortgage, blended monthly payments of \$2,463 at 2.08% per annum, maturing February 1, 2039.	501,250	520,207
Project #20 - All Nations Trust Company mortgage, blended monthly payments of \$2,254 at 0.94% per annum, maturing September 1, 2040.	548,514	570,309
Project #21 - All Nations Trust Company mortgage, blended monthly payments of \$4,929 at 2.06% per annum, maturing November 1, 2042.	994,618	-
	5,099,005	4,352,687

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:

2019	289,237
2020	272,052
2021	275,035
2022	260,069
2023	264,792

Seabird Island Band
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

11. Contingent liabilities

As at March 31, 2018, the First Nation is contingently liable in respect of guarantee individual Band member mortgages with various financial institutions totalling \$587,163 (2017 - \$627,922).

In addition, the First Nation has guaranteed the debts of Sqéwqel Gas Bar LLP of approximately \$1,446,550 (2017 - \$1,421,268).

12. Commitments

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

2019	\$23,726
2020	3,336
2021	2,502

13. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
Equity in Tangible Capital Assets	11,888,591	11,250,151
Internally Restricted Equity (Note 14)	6,891,477	6,137,625
Operating Surplus	10,149,700	7,302,918
Equity in Ottawa Trust Funds	33,227	33,192
Equity in CMHC Replacement and Operating Reserves	1,114,191	985,618
	30,077,186	25,709,504

14. Internally restricted equity

	2018	2017
Funded reserves consist of the following:		
Seabird Island Futures Reserve	1,635,623	1,373,576
Murphy Land	20,948	20,948
First Nations Youth Work Experience	13,201	17,602
Student Loan Reserve	274,212	275,731
Post Secondary Reserve	968,449	1,040,170
Replacement Reserve - Matured Phase 3 - 5	417,771	501,753
Health Program Reserve	1,531,673	1,521,673
Bear Bus Reserve	100,000	100,000
Maintenance Reserve	20,370	11,953
Contingency Reserve	293,014	4,860
Chief and Council Discretionary Reserve	262,046	-
Capital Replacement Fund Reserve	1,354,170	1,269,359
	6,891,477	6,137,625

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 Band discretionary revenues, property taxation and governance activities.

Capital Projects

Includes revenues 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 revenues 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 revenues 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.

16. 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 October 17, 2017. The budget information is unaudited and is projected based on operating expenses to be incurred during the year on a program by program basis.

17. Comparative figures

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

Seabird Island Band
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2018

	<i>Automobile Equipment</i>	<i>Band Housing</i>	<i>Infrastructure</i>	<i>Buildings</i>	<i>Other equipment</i>	<i>2018</i>	<i>2017</i>
Cost							
Balance, beginning of year	2,119,637	10,016,782	10,785	13,796,303	2,017,941	27,961,448	27,779,923
Acquisition of tangible capital assets	85,151	1,498,133	-	484,161	171,188	2,238,633	717,665
Disposal of tangible capital assets	(58,341)	-	-	-	-	(58,341)	(536,140)
Balance, end of year	2,146,447	11,514,915	10,785	14,280,464	2,189,129	30,141,740	27,961,448
Accumulated amortization							
Balance, beginning of year	1,306,087	2,934,552	10,785	6,376,707	1,635,176	12,263,307	11,975,385
Annual amortization	93,576	316,023	-	341,878	102,963	854,440	824,062
Accumulated amortization on disposals	(47,968)	-	-	-	-	(47,968)	(536,140)
Balance, end of year	1,351,695	3,250,575	10,785	6,718,585	1,738,139	13,069,779	12,263,307
Net book value of tangible capital assets	794,752	8,264,340	-	7,561,879	450,990	17,071,961	15,698,141
2017 Net book value of tangible capital assets	813,550	7,082,230	-	7,419,596	382,765	15,698,141	

Seabird Island Band
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2018

	2018	2017
Consolidated expenses by object		
Administration	198,983	291,060
Allowances	420,427	386,741
Amortization	854,441	824,061
Bad debts	6,384	23,328
Bank charges and interest	32,045	25,988
Basic needs, shelter and other social assistance	1,459,343	1,306,202
Community donations	101,791	28,074
Consulting	78,331	30,643
Contracted services	2,763,842	2,496,441
Fire protection	46,975	39,774
Honoraria	22,290	60,119
Insurance	500,054	620,409
Interest on long-term debt	82,983	77,349
Licenses and fees	78,268	97,838
Meetings and community events	763,810	733,488
Office supplies and expenses	301,371	318,777
Professional fees	127,244	179,211
Repairs and maintenance	902,428	1,021,147
Salaries and benefits	13,110,957	12,273,413
Staff appreciation and events	38,577	70,867
Student expenses	352,565	416,583
Supplies, materials and equipment	1,164,835	1,057,288
Telephone and internet	184,095	182,607
Training and workshops	131,937	127,180
Travel	407,364	374,876
Tuition	1,359,134	1,208,918
Utilities	278,114	282,436
Intersegmental recovery of administration and rents	(618,506)	(638,279)
	25,150,082	23,916,539

Seabird Island Band
Administration

Schedule 3 - Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2018

	2018	2017
Revenue		
Economic activity and other income	3,698,201	1,531,965
Indigenous Services Canada	804,275	769,374
Rental income	493,761	446,323
Province of British Columbia	178,025	196,991
Other Federal funding	1,757	7,675
Interest income	142,652	106,858
Earnings (loss) from investment in Nation partnerships	28,608	(12,016)
	5,347,279	3,047,170
Expenses		
Bank charges and interest	22,132	21,173
Community donations	17,543	19,539
Consulting	19,471	12,000
Contracted services	87,592	94,511
Insurance	127,451	251,621
Licenses and fees	13,125	16,632
Meetings and community events	217,533	231,738
Office supplies and expenses	73,175	81,725
Professional fees	71,096	88,404
Rent	47,240	73,177
Repairs and maintenance	3,372	2,258
Salaries and benefits	2,075,845	1,855,163
Staff appreciation and events	5,894	3,830
Supplies, materials and equipment	121,899	55,596
Telephone and internet	87,900	105,772
Training and workshops	4,421	20,589
Travel	24,374	18,418
Utilities	4,932	4,858
Recovery of administration	(1,888,449)	(124,623)
	1,136,546	2,832,381
Surplus before transfers	4,210,733	214,789
Transfers between programs	(2,712,217)	(2,313,489)
Surplus (deficit)	1,498,516	(2,098,700)

Seabird Island Band
Capital Projects
Schedule 4 - Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Services Canada	1,085,639	758,735
Economic activity and other income (repayment)	(12,500)	17,995
Canada Mortgage and Housing Corporation	504,950	-
	1,578,089	776,730
Expenses		
Administration	22,750	17,091
Bank charges and interest	4,530	-
Consulting	-	357
Contracted services	413,898	3,203
Insurance	1,000	-
Professional fees	2,200	-
Repairs and maintenance	206,320	639,592
Salaries and benefits	11,406	4,284
Supplies, materials and equipment	1,903	(928)
Travel	167	-
Utilities	3,804	2,447
	667,978	666,046
Surplus before transfers	910,111	110,684
Transfers between programs	(454,946)	(2,993)
Surplus	455,165	107,691

Seabird Island Band
Economic Development

Schedule 5 - Schedule of Revenue and Expenses and Accumulated Surplus
For the year ended March 31, 2018

	2018	2017
Revenue		
Economic activity and other income	75,756	39,358
Indigenous Services Canada	44,602	164,810
Rental income	-	14,234
	120,358	218,402
Expenses		
Administration	-	14,491
Contracted services	22,625	141,032
Office supplies and expenses	-	(431)
Professional fees	1,385	41,826
Salaries and benefits	33,602	-
Telephone and internet	520	431
	58,132	197,349
Surplus	62,226	21,053

Seabird Island Band
Education

Schedule 6 - Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Services Canada	5,052,739	5,040,188
Province of British Columbia	893,550	842,403
First Nation Education Steering Committee	788,117	722,181
Economic activity and other income	376,757	541,237
Sto:lo Nation	196,470	-
Other Federal funding	-	322,812
	7,307,633	7,468,821
Expenses		
Administration	596,037	11,345
Allowances	19,184	-
Bad debts	6,384	-
Bank charges and interest	55	-
Community donations	11,718	458
Contracted services	338,475	439,620
Honoraria	9,590	26,476
Insurance	88,903	95,726
Licenses and fees	5,188	2,041
Meetings and community events	94,916	65,364
Office supplies and expenses	72,128	55,848
Professional fees	5,207	7,145
Rent	362,882	297,892
Repairs and maintenance	24,522	45,508
Salaries and benefits	3,529,018	3,373,437
Staff appreciation and events	5,978	23,511
Student expenses	287,195	315,713
Supplies, materials and equipment	233,992	298,323
Telephone and internet	15,295	13,140
Training and workshops	9,136	11,483
Travel	21,909	20,690
Tuition	1,359,134	1,208,918
	7,096,846	6,312,638
Surplus before transfers	210,787	1,156,183
Transfers between programs	370,176	(55,946)
Surplus	580,963	1,100,237

Seabird Island Band
Health and Social Development
Schedule 7 - Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2018

	2018	2017
Revenue		
First Nation Health Authority	4,653,911	4,400,590
Economic activity and other income	2,708,317	2,608,550
Indigenous Services Canada	2,634,309	2,352,270
Province of British Columbia	1,964,143	1,356,510
Sto:lo Nation	674,750	584,912
Other Federal funding	23,146	23,100
Rental income	20,400	14,475
First Nation Education Steering Committee	16,418	7,232
Repayment of funding	(114,470)	(17,351)
	12,580,924	11,330,288
Expenses		
Administration	1,106,550	240,660
Allowances	401,242	386,741
Bank charges and interest	2,800	2,328
Basic needs, shelter and other social assistance	1,459,343	1,306,202
Community donations	72,705	5,618
Consulting	-	1,325
Contracted services	1,231,074	1,253,823
Honoraria	-	150
Insurance	107,543	97,138
Licenses and fees	30,028	52,181
Meetings and community events	442,667	432,716
Office supplies and expenses	117,806	126,734
Professional fees	-	1,789
Rent	136,923	13,669
Repairs and maintenance	64,058	50,326
Salaries and benefits	5,984,786	5,475,969
Staff appreciation and events	19,900	31,624
Student expenses	65,369	100,870
Supplies, materials and equipment	685,870	582,515
Telephone and internet	54,503	50,029
Training and workshops	96,149	77,514
Travel	338,177	329,068
Utilities	10,018	2,713
	12,427,511	10,621,702
Surplus before transfers	153,413	708,586
Transfers between programs	(80,806)	274,055
Surplus	72,607	982,641

Seabird Island Band
Housing

Schedule 8 - Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2018

	2018	2017
Revenue		
Rental income	575,465	572,962
Economic activity and other income	327,605	325,187
Canada Mortgage and Housing Corporation	272,594	318,761
	1,175,664	1,216,910
Expenses		
Administration	234,433	118,811
Bad debts	-	23,328
Bank charges and interest	75	35
Consulting	130	-
Contracted services	12,722	18,899
Insurance	62,062	60,424
Interest on long-term debt	82,983	77,349
Licenses and fees	248	369
Meetings and community events	1,168	401
Office supplies and expenses	2,054	3,126
Repairs and maintenance	289,584	49,518
Salaries and benefits	154,288	226,150
Staff appreciation and events	1,200	1,500
Supplies, materials and equipment	14,904	6,285
Telephone and internet	2,754	2,638
Training and workshops	834	65
Travel	734	1,866
Utilities	6,943	5,440
Recovery of administration	(167,588)	(115,840)
	699,528	480,364
Surplus before transfers	476,136	736,546
Transfers between programs	(253,780)	(515,567)
Surplus	222,356	220,979

Seabird Island Band
Public Works

Schedule 9 - Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Services Canada	575,436	521,892
Economic activity and other income	276,107	151,699
Sto:lo Nation	93,484	227,000
First Nation Health Authority	69,300	100,000
Rental income	10,409	11,870
Other Federal funding	-	21,750
Repayment of funding	(13,945)	-
	1,010,791	1,034,211
Expenses		
Administration	82,711	13,285
Bank charges and interest	144	121
Community donations	(176)	-
Contracted services	624,620	514,929
Fire protection	46,975	39,774
Insurance	110,970	115,081
Licenses and fees	29,640	26,068
Meetings and community events	1,234	772
Office supplies and expenses	9,520	17,411
Professional fees	4,970	-
Repairs and maintenance	313,472	233,945
Salaries and benefits	815,296	765,020
Staff appreciation and events	2,750	5,705
Supplies, materials and equipment	100,662	95,171
Telephone and internet	20,178	7,444
Training and workshops	17,730	11,994
Travel	131	770
Utilities	252,416	266,978
Recovery of administration	(965,479)	(890,600)
	1,467,764	1,223,868
Deficit before transfers	(456,973)	(189,657)
Transfers between programs	564,336	116,609
Surplus (deficit)	107,363	(73,048)

Seabird Island Band
Lands and Government Affairs
Schedule 10 - Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2018

	2018	2017
Revenue		
Indigenous Services Canada	211,909	211,933
Economic activity and other income	129,868	38,015
Province of British Columbia	50,000	-
Interest income	3,234	3,243
	395,011	253,191
Expenses		
Administration	44,951	-
Bank charges and interest	2,310	2,331
Community donations	-	2,459
Consulting	58,730	16,961
Contracted services	32,836	30,424
Honoraria	12,700	33,493
Insurance	2,125	419
Licenses and fees	40	547
Meetings and community events	6,292	2,497
Office supplies and expenses	26,687	34,365
Professional fees	42,386	40,046
Repairs and maintenance	1,099	-
Salaries and benefits	506,716	573,390
Staff appreciation and events	2,856	4,696
Supplies, materials and equipment	5,605	20,326
Telephone and internet	2,945	3,154
Training and workshops	3,667	5,536
Travel	21,872	4,064
Recovery of administration	(32,481)	(16,578)
	741,336	758,130
Deficit before transfers	(346,325)	(504,939)
Transfers between programs	496,345	468,285
Surplus (deficit)	150,020	(36,654)

Seabird Island Band
Reserves and Other
Schedule 11 - Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2018

	2018	2017
Revenue		
Economic activity and other income (expense)	(10,373)	254,369
Interest income	12,387	11,548
	2,014	265,917
Expenses		
Amortization	854,441	824,061
Deficit before transfers	(852,427)	(558,144)
Transfers between programs	2,070,891	2,029,046
Surplus	1,218,464	1,470,902