

'Namgis First Nation

Financial Statements

March 31, 2017

'Namgis First Nation

Consolidated Financial Statements

March 31, 2017

Page

Management's Responsibility for Financial Reporting

Independent Auditor's Report

Financial Statements

Consolidated Statement of Financial Position	1
Consolidated Statement of Change in Net Financial Assets (Debt)	2
Consolidated Statement of Operations and Accumulated Surplus	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5 - 27

Consolidated Schedules of Financial position and Operations and Accumulated Surplus by Program

Consolidated Summary Schedule of Operations and Accumulated Surplus by Program	28 - 31
Education	
Post Secondary	32
Support Services - NISS	33
School O&M	34
T'lisalagi'lakw School	35
School Bus	36
Student Assistance	37
School Cultural Program	38
Secondary Program	39
Training and Employment Support Initiatives	40
Teacherage	41
Administration	
June Sports	42
Employee Benefits	43
Technical Services	44
'Namgis Administration	45
Funeral Trust Funds	46
Aboriginal Land Claims	47

'Namgis First Nation

Consolidated Financial Statements

March 31, 2017

Page

Consolidated Schedules of Financial position and Operations and Accumulated Surplus by Program (continued)

'Namgis Buildings	48
Sewage Treatment	49
Public Works	50
Net Loft & Breakwater	51
Economic Development	52
Tobacco Outlet	53
Nimpkish Fisheries	54
St. Michael's Prevention	55
Risk Management Governance	56
Business Resources	57
Asset Condition Report	58
New Market Housing Strategy	59
Health	
Dental Clinic	60
Health Centre O&M	61
Substance Abuse Treatment	62
Physician Services	63
Mental Health	64
Health Administration	65
Community Health	66
Health Care Fundraising	67
Patient Travel	68
Cultural Health Support	69
First Nation In-Home Care	70
New Horizons for Seniors	71
Emergency Management	72
Child and Family Services	
Recreation Centre Operations and Maintenance	73
Child and Family Services	74
Kwakwalatsi Operations	75

'Namgis First Nation

Consolidated Financial Statements

March 31, 2017

Page

Consolidated Schedules of Financial position and Operations and Accumulated Surplus by Program (continued)

Delegated Child Welfare	76
Aboriginal Infant Development	77
Amlilas	78
Victim Services	79
Social Assistance Service Delivery	80
Social Development	81
Community Development Fundraising	82
National Child Benefit	83
North Island Early Intervention	84
Home & Community Care	85
Assisted Living Service Delivery	86
Natural Resources	
CMT Survey Crew	87
Yukusam Heritage Society	88
Campsite Management	89
Fisheries	90
Forest and Range Agreement	91
Forestry	92
Natural Resources	93
Gwa'ni Hatchery	94
Treaty Related Measures	95
Provincial Parks	96
Capacity Initiative	97
TRM - Human Resource Plan	98
Johnstone Strait Kayak Tenure	99
Community Planning	100
Closed Containment	101
Economic Alternative Net Fishing	102
Fisheries TRM	103
Wild Salmon Ecosystem	104

'Namgis First Nation

Consolidated Financial Statements

March 31, 2017

Page

Consolidated Schedules of Financial position and Operations and Accumulated Surplus by Program (continued)

Northern Goshawk Strategy	105
Oil Spill Response	106
Land Management Code	107
Capital Projects and Revolving Housing Fund	
Revolving Housing Fund	108
T'lisalagi'lakw School-Capital	109
Capital Projects	110
Capital Reserve	111
Commercial Enterprises	
Orca Sand and Gravel	112
Kwagis Power Limited Partnership	113
Atli Resources Limited Partnership and Corporation	114
Gas Station	115
Kuterra Limited Partnership	116
Namgis Excavating LP	117
Mama'omas Limited Partnership	118
Danyas GP	119
Social Housing Fund	
Social Housing Fund - Pre-1997 ("Old") Schedule of Financial Position	120
Social Housing Fund - Pre-1997 ("Old")	121
Social Housing Fund - Post 1997 ("New") Schedule of Financial Position	122
Social Housing Fund - Post 1997 ("New")	123
Trust Fund	
Trust Fund Schedule of Financial Position	124
Trust Fund	125
Provision for Capital Assets	
Provision for Capital Assets	126
Treaty Process	
Treaty Process	127

'Namgis First Nation

Consolidated Financial Statements

March 31, 2017

Page

Consolidated Schedules of Financial position and Operations and Accumulated Surplus by Program (continued)

Benefit Funds

Kwagis Benefit Fund	128
Orca Sand and Gravel Benefit Fund	129

'Namgis First Nation

Management's Statement of Responsibility for Financial Reporting


March 31, 2017

The accompanying consolidated financial statements are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and necessarily include estimates which are based on management's best judgements.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

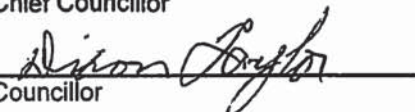
Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

McINTOSH | NORTON | WILLIAMS, an independent firm of chartered professional accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.



Chief Councillor

Aug. 14, 2017
Date



Councillor

Aug. 14, 2017
Date



McINTOSH | NORTON | WILLIAMS
Chartered Professional Accountants

Cory McIntosh, CPA, CGA CAFM, CFP*

Jason S. Moore, BA, CPA, CGA*

Michael K. Williams, CPA, CGA*

**practising as a professional corporation.*

'It's not what you earn, it's what you keep!'

Independent Auditor's Report

To the Members of 'Namgis First Nation

We have audited the accompanying consolidated financial statements of 'Namgis First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, change in net financial assets (debt) 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's 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 First Nation'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 First Nation'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 'Namgis First Nation as at March 31, 2017, and the results of its operations, the changes in its net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

McINTOSH | NORTON | WILLIAMS
chartered professional accountants

Port Alberni, British Columbia
August 14, 2017

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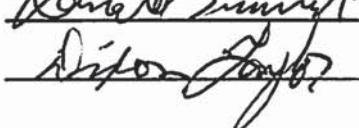
'Namgis First Nation**Consolidated Statement of Financial Position**

March 31	2017	2016
	\$	\$
Financial Assets		
Cash and term deposits (Note 4)	14,082,574	10,688,118
Restricted cash and deposits (Note 4)	1,839,624	1,033,985
Accounts receivable	1,028,778	549,132
Inventory (Note 5)	56,500	34,202
Long-term investments (Note 6)	14,312,810	13,524,034
	31,320,286	25,829,471
Liabilities		
Accounts payable	865,506	1,296,813
Deferred revenue (Note 7)	167,074	1,969
Security deposit	7,200	6,700
Reserves (Note 8)	1,028,177	1,009,377
Long-term debt (Note 9)	23,432,524	24,077,931
	25,500,481	26,392,790
Net financial assets (debt)	5,819,805	(563,319)
Non-financial Assets		
Capital assets (Note 10)	13,187,520	13,700,072
Prepaid expenses	222,085	182,523
	13,409,605	13,882,595
Accumulated Surplus (Note 14)	19,229,410	13,319,276

Contingent liabilities (Note 16)

Approved on behalf of the 'Namgis First Nation

 Chief Councillor

 Councillor

The accompanying notes are an integral part of the financial statements

'Namgis First Nation**Consolidated Statement of Change in Net Financial Assets (Debt)**

For the year ended March 31	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Excess of revenue over expenditures	892,825	5,910,134	5,263,576
Acquisition of tangible capital assets	-	(1,003,746)	(466,675)
Amortization of tangible capital assets	1,247,134	970,259	1,036,339
Loss on disposal of capital assets	-	546,039	210,796
	1,247,134	512,552	780,460
Acquisition of prepaid asset	-	(39,562)	(46,329)
Increase in net financial assets	2,139,959	6,383,124	5,997,707
Net debt at beginning of year	(563,319)	(563,319)	(6,561,026)
Net financial assets (net debt) at end of year	1,576,640	5,819,805	(563,319)

The accompanying notes are an integral part of the financial statements

'Namgis First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Revenue			
Indigenous and Northern Affairs Canada	5,297,558	5,192,825	5,201,003
Share of net income of enterprises	2,399,000	3,859,994	4,904,162
First Nation Health Authority	3,706,990	3,779,393	3,626,982
Province of B.C.	1,747,342	1,935,766	1,888,526
Other	1,896,249	1,911,590	1,037,263
Sales	1,342,294	1,544,825	1,377,966
Contributions from related entities	-	806,770	9,000
Fisheries & Oceans	592,486	608,411	572,622
Rental income	684,998	567,576	508,545
Canada Mortgage and Housing Corporation	11,000	233,469	15,370
First Nation Education Steering Committee	172,469	209,338	116,019
Nimpkish Fisheries Service	-	170,798	280,080
Municipal services	128,647	119,517	121,455
North Vancouver Island Aboriginal Training Society	70,468	109,091	175,359
Interest income	85,460	95,633	79,119
Licence lease	-	74,787	91,191
School District #85	12,031	12,000	51,256
	18,146,992	21,231,783	20,055,918
Expenditures			
Expenditures (Note 17)	17,254,167	15,321,649	14,792,342
Excess of revenue over expenditures	892,825	5,910,134	5,263,576
Surplus at beginning of year	13,319,275	13,319,276	8,055,700
Surplus at end of year	14,212,100	19,229,410	13,319,276

The accompanying notes are an integral part of the financial statements

'Namgis First Nation**Consolidated Statement of Cash Flows**

For the year ended March 31, 2017	2017	2016
	\$	\$
Cash flows from		
Operating activities		
Excess of revenue over expenditures	5,910,134	5,263,576
Items not affecting cash		
Amortization	970,259	1,036,339
Loss on disposal	546,039	210,796
Share of losses (income) of government business enterprises, net	(3,859,994)	(4,904,162)
	3,566,438	1,606,549
Change in non-cash operating working capital	(788,907)	(488,499)
	2,777,531	1,118,050
Capital activities		
Acquisition of capital assets	(1,012,746)	(466,671)
Proceeds on disposal of capital assets	9,000	-
	(1,003,746)	(466,671)
Financing activities		
Security deposit	500	1,298
Long-term debt	(645,408)	(2,022,536)
	(644,908)	(2,021,238)
Investing activities		
Advances from Government Business Partnerships	3,071,218	2,444,700
Increase in cash and cash equivalents	4,200,095	1,074,841
Cash and cash equivalents, beginning of year	11,722,103	10,647,262
Cash and cash equivalents, end of year	15,922,198	11,722,103
Represented by		
Cash and term deposits	14,082,574	10,688,118
Restricted cash and deposits	1,839,624	1,033,985
	15,922,198	11,722,103

The accompanying notes are an integral part of the financial statements

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

1. Basis of Presentation and Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Reporting entity principles of financial reporting

These financial statements consolidate the assets, liabilities and results of operations for the 'Namgis First Nation ("First Nation") government and all related entities which are either owned or controlled by the First Nation. The entities that are included in the consolidated financial statements are as follows:

1. 'Namgis First Nation Government
2. 'Namgis First Nation Trust Funds
3. 'Namgis First Nation Social Housing Programs
4. 'Namgis Substance Abuse Treatment Centre Society
5. 'Namgis First Nation Holding Company Ltd.

All inter-entity assets and liabilities have been eliminated, but transactions between funds have been shown on the individual fund schedules.

(b) Government Business Enterprises

Commercial enterprises that are owned, controlled or subject to significant influence by the Nation and meet the definition of a government business enterprise are included in the consolidated financial statements using the modified equity method. These include:

- Atli Resources Corporation
- Atli Resources Limited Partnership
- Kwagis Power Limited Partnership
- 'Namgis Power Corporation
- 'Namgis Sand & Gravel Ltd.
- Orca Sand and Gravel Limited Partnership
- Kuterra Limited Partnership
- Kuterra General Partner Inc.
- Mama'omas Limited Partnership
- Danyas Forest Products Limited Partnership

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

1. Basis of Presentation and Significant Accounting Policies (continued)

(c) Fund accounting

'Namgis First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual, or voluntary actions. The various funds have been amalgamated in the Consolidated Financial Statements. The Nation maintains the following funds:

- Revenue and Capital Projects and Revolving Housing Funds, which report the general activities and capital assets of the First Nation, together with their related financing
- The Social Housing Fund, which reports the Social Housing assets of the First Nation, together with the related activities
- Government Trust Funds, which reports on trust funds owned by the First Nation and held by the Government of Canada

(d) 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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

(e) Financial instruments

The First Nation's financial instruments consist of cash and term deposits, accounts receivable, restricted cash and deposits, funds held in trust by government, investment in First Nation affiliated entities, accounts payable and accrued liabilities, security deposits and down payments and long-term debt. It is Council's opinion that the First Nation is not exposed to significant interest rate and credit risks arising from these financial instruments and that the carrying values approximate fair values.

(f) Inventory

Inventories are valued at the lower of cost and net realizable value.

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

1. Basis of Presentation and Significant Accounting Policies (continued)

(g) Tangible capital assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, where the useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital asset policies of government business enterprises entities that are consolidated in the financial statements are not adjusted to conform to First Nation policies. Policies that could differ include amortization rates, estimates of useful lives and dollar thresholds for capitalization.

Certain assets which have historical or cultural value, including works of art historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Social Housing

Social Housing housing units are amortized at a rate equivalent to the annual principal reduction in related long-term debt.

'Namgis First Nation Government

Tangible capital assets, other than the tangible capital assets of its Social Housing Programs, are amortized over their estimated useful lives on the declining-balance method, as disclosed in Notes 9, 10 and 12.

(h) Revenue recognition

Revenue from government funding agencies is recognized as it becomes receivable under the terms of the applicable funding agreement. Funding that is restricted by a funding agency as to its use is recognized as the funds are spent on the particular project. The total unspent portion of funding is recorded as deferred revenue. Unrestricted contributions are recognized as revenue when received.

Revenue from rents is recognized on a monthly basis as it is earned and when collectability is reasonably assured. Interest and other income is recognized as they are earned and collectability is reasonably assured. Revenues from sales of tobacco products, gasoline, dental and medical services is recognized upon delivery of the products or services.

(i) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the year reported. Actual results could differ from those estimates. Items requiring the use of significant estimates include tangible capital assets (amortization), accounts payable and accrued liabilities.

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

1. Basis of Presentation and Significant Accounting Policies (continued)

(j) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

(k) Budget

Draft budgets are prepared early in the fiscal year and are reviewed and approved by the appropriate boards and committees. They are then reviewed by the First Nation's Finance Committee, who recommends their adoption to Chief and Council. Later in the fiscal year, the budgets are updated to reflect funding and expenditure changes. The revised budgets go through the same approval process as the draft budgets. The committees that review the budgets include the Education Board and Health Board.

(l) Comparative figures

Prior year's comparative amounts have been reclassified where necessary to conform to the current year's presentation.

2. Related Party Transactions

Transactions with related parties, if any, are in the normal course of business, and are for fair consideration that is mutually agreed upon by the related parties.

3. Economic Dependence

The First Nation receives a substantial portion of its revenues from Indigenous and Northern Affairs Canada and First Nations Health Authority. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

4. Cash and term deposits

	2017 \$	2016 \$
Externally restricted:		
Social Housing - Pre-1997 "Old" Program	33,807	29,705
Social Housing - Post 1997 "New" Program	120,313	109,596
Ottawa Trust Funds	29,316	24,506
Internally restricted:		
Sewage Treatment Plant	1,137	17,765
Fishing License Program	789,427	852,413
Kwagis Community Benefit Fund	60,026	-
Orca Sand and Gravel Community Benefit Fund	805,596	-
Unrestricted:		
Social Housing - Pre-1997 "Old" Program	128,218	100,432
Social Housing - Post 1997 "New" Program	19,260	19,185
Operating Fund	13,935,098	10,568,501
	15,922,198	11,722,103

The First Nation has two unused operating loan credit facilities with Coastal Community Credit Union of \$20,000 and \$200,000, respectively. The interest rate on both operating loans is at the Credit Union's prime rate plus 0.50% per annum. Both are secured by cash collateral equal to the amount of any borrowings.

- a) Social Housing funds held in Replacement, Subsidy Surplus and Operating Reserves according to the terms of the agreements with CMHC under Section 95 of the National Housing Act of Canada are presented on the Statements of Funded Reserves with the Social Housing Fund financial information.

Under the terms of the agreements with CMHC these funds, along with accumulated interest, must be held in separate bank accounts and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise may be mutually agreed to by the First Nation and CMHC. Withdrawals from the reserves are credited to interest first and then to principal.

At the year end, the funds in the reserves consisted of cash and term deposits.

Pre-1997 ("Old") Social Housing Program

Under the terms of the agreement with CMHC, the Replacement Reserve account must be credited by up to \$3,435 annually. The funds in the account may only be used as approved by CMHC.

Under the terms of the agreement with CMHC, excess Federal assistance payments received may be retained in a Subsidy Surplus Reserve up to a maximum of \$500 per unit plus interest. The funds in this account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum Federal assistance. At year end there were no funds in the Subsidy Surplus Reserve.

"New" Social Housing Program

Under the terms of the agreement with CMHC, the Replacement Reserve account must be credited by up to \$6,000 annually. The funds in the account may only be used as approved by CMHC.

Under terms of the agreement with CMHC, operating surpluses may be retained in an Operating Reserve. The funds in this reserve may only be used for the ongoing operating costs of the program. Accordingly, future years' deficits may be recovered from the Operating Reserve fund.

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

4. Cash and term deposits (continued)

- b) The Nation leases out several different types of fishing licenses. Surplus lease revenues are placed in a fund for purchasing additional licenses.
- c) In 2011 the Nation signed an Operation and Maintenance Contribution Agreement with the Village of Alert Bay regarding the sharing of the Nation's wastewater treatment plant operating costs. The Nation agreed to place any surplus funds, up to a maximum of \$50,000, into an operating reserve. Operating reserve funds are to be used in years when treatment plant operating costs exceed revenues.
- d) The Nation established the Kwagis Community Benefit Fund for the development of social, cultural and community interests. Each year, a contribution is made to the fund from Kwagis Power Limited Partnership. 'Namgis members may apply for an allocation of funds from the Fund in accordance with the procedures and criteria set out in the Kwagis Community Benefit Fund Policy.
- e) Beginning with the 2017 fiscal year, the Nation receives annual payments from Orca Sand and Gravel Limited Partnership equal to \$0.06 per tonne of sand and gravel sold by the Partnership. These funds are for the development of social, cultural, economic development and environmental interests of the Nation.

5. Inventory

	2017	2016
	\$	\$
Tobacco Outlet	11,153	6,835
Gas Station	45,347	27,367
	56,500	34,202

6. Long-term investments

Long-term investments consist of the following:

	2017	2016
	\$	\$
Investment in Orca Sand & Gravel Limited Partnership	5,308,957	5,473,891
Investment in Kwagis Power Limited Partnership	8,625,789	7,298,284
Investment in Atli Resources Limited Partnership	680,662	1,691,725
Investment in Wa'as Power Limited Partnership	-	2,525
Investment in Kuterra Limited Partnership	(1,474,724)	(1,515,377)
Investment in 'Namgis Excavating Limited Partnership	-	122
Investment in Mama'omas Limited Partnership	461,058	339,403
Investment in Danyas Forest Products Limited Partnership	711,068	233,461
	14,312,810	13,524,034

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

6. Long-term investments, continued

Orca Sand & Gravel Limited Partnership

On April 1, 2005 the First Nation and Polaris Minerals Corporation ("Polaris") formed the Orca Sand & Gravel Limited Partnership to develop a sand and gravel pit adjacent to the Cluxewe River. The First Nation has a 12% interest in the Partnership.

The First Nation formed 'Namgis Sand & Gravel Ltd. to hold its 12% interest in Orca Sand & Gravel Ltd., the Partnership's General Partner. Pursuant to a loan agreement entered into on April 1, 2005 and amended March 31, 2010, 'Namgis Sand & Gravel Ltd. also acts as borrower regarding advances made by Quality Sand & Gravel Ltd. ("Quality"), a subsidiary of Polaris, to finance the First Nation's required contributions to the Partnership. As at March 31, 2017, Quality has advanced \$11,558,783 (2016 - \$11,558,783) to the First Nation (Note 9).

Kwagis Power Limited Partnership

On October 26, 2006 the First Nation and Brookfield Power Inc. ("Brookfield") formed the Kwagis Power Limited Partnership to design, develop, construct, maintain, own, operate and manage a 41.5MW run of river hydroelectric power generation facility within the Kokish River watershed near Beaver Cove, British Columbia. The First Nation has 25% interest in the Partnership. The fiscal year end of the Partnership is December 31.

The First Nation formed 'Namgis Power Corporation ("Namgis Power") to hold its 25% interest in Kwagis Power GP Inc., the Partnership's General Partner.

The liability of the First Nation for the Partnership's liabilities is limited to the amount of the First Nation's contribution of capital for its Limited Partnership Units, plus its share of the undistributed income of the Partnership. Following the full payment of the subscription price for its Limited Partnership units, the First Nation will not be liable for any further calls for assessments or further contributions to the Partnership.

On April 22, 2010 the Limited Partnership signed an Electricity Purchase Agreement with B.C. Hydro. The term is for forty years after the Commercial operation date of the hydro power generation facility. The hydroelectric power generation facility became operational April 9, 2014.

Wa'as Power Limited Partnership

On November 9, 2007 the First Nation and Brookfield Power Inc. formed the Wa'as Power Limited Partnership to design, develop, construct, maintain, own, operate and manage a hydroelectric power generation facility on Clint Creek, which flows into Woss Lake, near Woss, British Columbia. The First Nation has a 15% interest in the Partnership. The fiscal year end of the Partnership is December 31.

'Namgis Power, wholly-owned by the First Nation, holds a 25% interest in Wa'as Hydro GP Inc., the Partnership's General Partner.

The liability of the First Nation for the Partnership's liabilities is limited to the amount of the First Nation's contribution of capital for its Limited Partnership Units, plus its share of the undistributed income of the Partnership. Following the full payment of the subscription price for its Limited Partnership units, the First Nation will not be liable for any further calls for assessments or further contributions to the Partnership.

An equity loan agreement between the First Nation and Brookfield is being negotiated.

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

6. Long-term investments, continued

The Limited Partnership has not yet received the environmental certificates necessary for the project to proceed. No further work is being done on the project until economic conditions improve.

Atli Resources Limited Partnership and Atli Resources Corporation

In 2007 the First Nation set up Atli Resources Limited Partnership to carry out logging activities in the First Nation's Traditional Territory. The Nation formed Atli Resources Corporation to act as the Partnership's General Partner. In 2008 a Non-Renewable Forest License for 228,000 cubic meters was secured. The license was renewed in 2014 for a period of 20 years, expiring July 2034. In addition, the Partnership owns a Woodlot license with an annual allowable cut of 1,864 cubic meters which expires in 2032.

Atli Resources Limited Partnership had assets of \$1,325,649 and liabilities of \$646,140 as at March 31, 2017 and revenues of \$479,453 and net income of \$14,104 for the year then ended.

Kuterra Limited Partnership

In 2012 the First Nation set up Kuterra Limited Partnership to construct and operate a land-based, closed containment recirculating aquaculture system (RAS) for Atlantic salmon.

Kuterra Limited Partnership had assets of \$3,177,592 and liabilities of \$4,821,805 as at March 31, 2017 and revenues of \$2,045,803 and a net income of \$16,157 for the year then ended.

Mama'omas Limited Partnership

Mama'omas Limited Partnership was established in 2012 to manage fishing licences that the Nation was given access to by the Department of Fisheries and Oceans through two different programs. Mama'omas Limited Partnership had assets of \$474,227 and liabilities of \$178,107 as at March 31, 2017 and revenues of \$402,922 and a net income of \$124,431 for the year then ended.

Danyas Forest Products Limited Partnership

The First Nation owns 49.5% of Danyas Forest Products Limited Partnership. The Partnership was established in 2016 to operate in the forest industry. The Partnership had assets of \$1,990,600 and liabilities of \$513,704 as at December 31, 2017 and revenues of \$8,914,430 and a net income of \$2,909,773 for the period then ended.

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

7. Deferred revenue

Funding that is restricted as to its use is recognized as revenue as funds are spent. The unspent funding is recorded as deferred revenue. Deferred revenue at March 31 is as follows:

	2017	2016
	\$	\$
Indigenous and Northern Affairs Canada		
Water system improvements	152,552	-
Vancouver Island Health Authority	4,522	1,969
BC Rural Dividend Fund	10,000	-
	<hr/>	<hr/>
	167,074	1,969
	<hr/>	<hr/>

8. Reserves

	2017	2016
	\$	\$
Fishing License Program	869,660	862,900
Sewage Treatment Plant Reserve	17,769	17,765
Replacement Reserve - "Old" Social Housing	17,481	14,913
Replacement Reserve - "New" Social Housing	69,676	64,190
Operating Reserve - "New" Social Housing	53,591	49,609
	<hr/>	<hr/>
	1,028,177	1,009,377
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'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

9. Long-term debt

	2017 \$	2016 \$
Quality Sand & Gravel Ltd. - loan payable, including interest payable of \$3,526,446 (see note below)	11,558,783	11,558,783
PPP Canada Inc. - loan payable from periodic distributions from the Kwagis Power Limited Partnership; interest calculated at 4.5% per annum; due February 2027. Payments are made directly to PPP Canada Inc. by Kwagis Power Limited Partnership out of partnership distributions. The first \$250,000 of such payment is payable to 'Namgis First Nation as a distribution of partnership profits. The balance of each payment is applied to the loan interest and principal. Secured by a second charge against all property and assets pertaining to the power project.	2,644,022	3,265,497
Government of Canada - loan payable under BC Treaty Process (see note below)	9,072,929	9,072,929
All Nations Trust Company mortgage payable in monthly instalments of \$1,117 including interest at 1.83% per annum, maturing October 1, 2019.	33,804	46,470
All Nations Trust Company - mortgage payable in monthly instalments of \$1,144 including interest at 1.92% per annum, maturing April 1, 2019.	122,986	134,252
	23,432,524	24,077,931
Less current portion	1,545,249	1,904,222
	21,887,275	22,173,709

Principal due within each of the next five years and thereafter on long-term debt is approximately as follows:

2018	1,545,249
2019	1,148,050
2020	107,512
2021	-
2022 and thereafter	20,631,713
	23,432,524

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

9. Long-term debt, continued

The loan payable to Quality Sand & Gravel Ltd. is repayable from amounts distributable from Orca Sand & Gravel Limited Partnership (Note 5). The lender has no recourse against the Nation or 'Namgis Sand & Gravel Ltd. for repayment of the advances except as to the distributions from the Partnership to which the Nation is entitled. Pursuant to the loan agreement, should the Partnership terminate the sand and gravel project, the lender will forgive the entire amount owing by the Nation and 'Namgis Sand & Gravel Ltd.

On March 31, 2010, the First Nation signed a "First Amendment to Loan Agreement" with Quality Sand & Gravel Ltd. amending the loan agreement dated April 1, 2005. Pursuant to the amending agreement, interest is to be accrued on the loan as follows:

- (i) Interest has been suspended on all loans effective September 30, 2009. No interest shall accrue on the loans until the date that is one year after the end of the first fiscal year in which the Orca quarry has shipped four million metric tonnes of product.
- (ii) Commencing on the date that is one year after the end of the first fiscal year in which the Orca quarry has shipped four million metric tonnes of product, the loans and any accrued and unpaid interest will accrue interest at a rate per annum equal to six percent.

Subsequent to the year ended March 31, 2017, the loan was amended further. Under the amended agreement, the accrued interest of \$3,526,446 is forgiven and is not payable. No interest shall accrue on the loan until the date that is one year after the end of the first fiscal year in which the lender has shipped four (4) million metric tonnes of product from, collectively, the Orca Sand & Gravel Project and the Black Bear Project. Commencing on the date that is one year after the end of the first fiscal year in which the Lender has shipped four (4) million metric tonnes of product from, collectively, the Orca Sand & Gravel Project and the Black Bear Project, the loan and any accrued and unpaid interest shall accrue at a rate per annum equal to six percent (6%).

Treaty Loan

'Namgis First Nation has signed First Nation Negotiation Support Agreements resulting in loans totaling \$9,072,929 (2016 - \$9,072,929), made by Canada for treaty negotiations. Repayment provisions for these loans are outlined in Sections 13.0 and 14.0 of the First Nations Negotiation Support Agreements. Under the Agreements, the loan advances are without interest until the loans become due and payable.

On August 21, 2015 the First Nation signed an extension agreement with the British Columbia Treaty Commission and Canada, which extended the date the loans are due and payable, under section 13.1 (b) or 13.1 (c) of the First Nation Negotiation Support Agreements, to January 6, 2020.

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

10. Tangible Capital Assets

Tangible capital assets are amortized over their estimated useful lives on the declining balance method, at the annual rates indicated below. One-half of the amortization rates are applied to assets acquired during the year. Assets are not amortized in the year of disposition.

	Rate	Balance, beginning of year \$	Additions \$	Disposals \$	Balance, end of year \$	Accumulated amortization		Balance, end of year \$	Net book value	
						Amortization \$	Accumulated amortization on disposals \$		2017 \$	2016 \$
Land		619,178	-	-	619,178	-	-	-	619,178	619,178
Buildings	10%	17,963,731	-	-	17,963,731	14,528,275	343,546	-	3,091,910	3,435,456
Automotive	30%	1,372,756	156,781	(70,000)	1,459,537	1,241,649	41,849	(67,599)	243,638	131,107
Computer Equipment	30%	1,366,738	27,587	-	1,394,325	1,256,682	37,155	-	100,488	110,056
Office Furniture & Equipment	10%	674,834	1,564	-	676,398	495,368	18,025	-	163,005	179,466
Other Equipment	20%	1,517,961	20,385	-	1,538,346	1,290,273	47,576	-	200,497	227,688
Boats & Motors	15%	264,323	-	-	264,323	150,998	16,999	-	96,326	113,325
Water & Sewer	5%	6,277,843	148,511	-	6,426,354	3,905,768	122,316	-	2,398,270	2,372,075
Roads	4%	1,803,002	111,043	-	1,914,045	1,017,592	33,638	-	862,815	785,410
Other Infrastructure	4%	3,373,123	-	-	3,373,123	874,082	99,962	-	2,399,079	2,499,040
Gas Station Equipment	20%	245,000	-	-	245,000	175,958	13,808	-	55,234	69,042
Work-in-Progress		-	5,816	-	5,816	-	-	-	5,816	-
Revolving Housing (Note 11)		9,435,054	538,300	(552,638)	9,420,716	6,789,791	166,039	-	2,464,886	2,645,263
Social Housing (Note 12)		765,055	-	-	765,055	280,283	23,934	-	460,838	484,772
Substance Abuse Treatment Centre (Note 13)		145,502	2,758	-	148,260	117,308	5,412	-	25,540	28,194
		45,824,100	1,012,745	(622,638)	46,214,207	32,124,027	970,259	(67,599)	13,187,520	13,700,072

On June 1, 2007 the Nation signed a lease agreement with the Village of Alert Bay whereby the fire truck is leased to the Village of Alert Bay for a lease payment of \$1 per year. The term of the lease is fifty years or until the Nation sells or otherwise disposes of the fire truck.

Work-in-Progress are costs related to projects currently under planning, development, or construction that will result in a finished asset at a future date. Costs related to planning, development, or construction are capitalized until such time as the property is ready for use. These costs have not been amortized. Amortization of these assets will commence when each specific asset is put into service.

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

11. Tangible Capital Assets - Revolving Housing Program

Old Agreement Houses

Prior to March 31, 1988 under the 'Namgis Revolving Housing Program, the First Nation would build a house for a First Nation member, who would then assume title of the home and would owe the First Nation monies equal to the costs of construction. The First Nation member would then accumulate equity in the home by repaying the initial loan. Houses built using these agreements are called "Old Agreement Houses". These houses are not amortized.

Licence to Occupy Houses

Since April 1, 1988, First Nation members are required to sign a twenty-five year "Licence to Occupy" housing agreement, in which case title to the house remains with the First Nation until the costs of construction are repaid in full to the Revolving Housing Program. Houses built under these agreements are called "Licence to Occupy Houses".

Rentals

The Revolving Housing Program also provides rental accommodation to First Nation members. First Nation owned rental stock includes eight single family houses, two duplexes, two triplexes and four apartment buildings with thirteen apartment units. In addition, the First Nation has leased two houses and a duplex off reserve available as rental accommodation for First Nation members and non-members.

The net investment in the 'Namgis Revolving Housing Program represents expenditures, net of applicable amortization.

		2017		2016
	Cost	Accumulated	Net book	Net book
	\$	amortization	value	value
		\$	\$	\$
Houses	6,958,085	5,590,885	1,367,200	1,436,429
Major repair projects	647,543	-	647,543	718,425
Lot clearing	8,034	-	8,034	8,034
Yalis Apartments	464,458	447,998	16,460	18,289
Rental Houses	563,279	405,410	157,869	175,688
Duplexes	322,764	250,221	72,543	80,604
Triplexes	374,311	261,316	112,995	125,552
Smitty's Lot	36,792	-	36,792	36,792
Smitty's Hill	45,450	-	45,450	45,450
	9,420,716	6,955,830	2,464,886	2,645,263

Capital assets of the Revolving Housing Program, other than Old Agreement Houses, are amortized over their estimated useful lives on the declining balance method, at an annual rate of 10%. One-half of the amortization rate is applied to assets acquired during the year.

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

12. Tangible Capital Assets - Social Housing Program

The First Nation operates two separate social housing programs:

Pre-1997 ("Old") Program

Eighteen houses were constructed with funds borrowed from financial institutions pursuant to Section 95 of the National Housing Act ("NHA"), under the Pre-1997 On-Reserve Program provisions. The mortgage for the first five houses was paid off in 2006. Those houses have been transferred to the Revolving Housing Program Program (Note 11).

"New" Program

Three duplexes were constructed with funds borrowed from financial institutions pursuant to Section 95 of the National Housing Act, under the 1997 On-Reserve Program.

	Cost \$	2017 Accumulated amortization \$	Net book value \$	2016 Net book value \$
<u>Pre-1997 ("Old") Program</u>				
Phase III	244,051	169,696	74,355	87,022
<u>"New" Program</u>				
Phase I	521,004	134,521	386,483	397,750
	765,055	304,217	460,838	484,772

Amortization is provided on houses and duplexes at a rate equal to the annual principal reduction of the related mortgage insured by CMHC (Note 9). The land on which the houses and duplexes are situated is owned by the First Nation.

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

13. Tangible Capital Assets - 'Namgis Substance Abuse Treatment Centre Society

	Rate	Cost \$	2017 Accumulated amortization \$	Net book value \$	2016 Net book value \$
Vehicles	30%	29,413	28,774	639	913
Computer Equipment	30%	29,038	27,965	1,073	1,534
Office Furniture & Equipment	10%	14,459	10,443	4,016	4,463
Other Equipment	20%	67,150	50,055	17,095	18,265
Shed	10%	8,200	5,483	2,717	3,019
		148,260	122,720	25,540	28,194

Capital assets are amortized over their estimated useful lives on the declining-balance method, at the annual rates indicated. One-half of the amortization rates are applied to assets acquired during the year. Assets are not amortized in the year of disposition.

The 'Namgis Substance Abuse Treatment Centre Society was incorporated in March 2003. On April 1, 2003 the First Nation transferred all the moveable assets in its treatment centre to the Society when the Society entered into a Health Transfer Agreement with Health Canada. The assets were transferred at values mutually agreed upon by the First Nation and Health Canada.

14. Accumulated surplus

	2017 \$	2016 \$
Restricted Trust Fund	29,317	24,507
Unrestricted		
Fund balances	4,974,187	(1,410,760)
Provision for Capital Assets	13,151,256	13,630,879
Investment in Limited Partnership	1,074,650	1,074,650
	19,200,093	13,294,769
	19,229,410	13,319,276

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

15. Defined contribution plan

The First Nation participates in individual defined contribution pension plans (the "Plans") for its eligible employees. Eligible employees are required to contribute 6% of their earnings less contributions made to the Canada Pension Plan. Additional voluntary contributions, up to annual contribution limits, are permitted. The First Nation contributes amounts equal to the employees' required contributions. The First Nation contributed \$167,336 to the Plans during the year (2016 - \$177,647).

16. Contingent Liabilities

- a) 'Namgis First Nation has guaranteed loans from Nuuchahnulth Economic Development Corporation to Kuterra Limited Partnership for \$1,494,675. As at March 31, 2017, Kuterra Limited Partnership was two months in arrears on these loan payments.
- b) 'Namgis First Nation has guaranteed a loan to Kuterra Limited Partnership from the Greater Vancouver Community Assistance Foundation for \$566,000.
- c) 'Namgis First Nation has guaranteed an operating line of credit for Kuterra Limited Partnership. The operating line has an authorized limit of \$1,000,000 and bears interest at prime plus 1% per annum. As at March 31, 2017, the balance on the operating line was \$961,534.
- d) The First Nation and individual band members have entered into loan agreements with Canada Mortgage and Housing Corporation to finance renovations under the On-Reserve Residential Rehabilitation Assistance Program (RRAP). The loans are forgivable over the terms of the agreements (between 1 and 5 years) provided the First Nation is not in default under the agreement and that the band members continue to own and occupy their houses during the term. As the First Nation has and intends to continue to comply with the loan agreement, the loan has been classified as a conditional grant, with loan proceeds recognized as revenue as the funds are received under the terms of the agreement. No liability has been recorded in the financial statements. The balance of contingent loan payable as at March 31, 2017 is \$180,340 (2016 - \$105,512).

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

17. Expenditures

For the year ended March 31	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Expenditures			
Amortization	1,247,134	1,516,300	1,247,134
Contractors and consulting	2,167,565	1,710,839	1,267,771
Contributions to other entities	-	941,205	425,294
Cost of goods sold	484,720	433,007	442,692
Insurance, licenses and dues	247,021	242,921	234,991
Interest charges	25,100	167,141	218,175
Office and miscellaneous	3,021,922	877,669	897,739
Professional fees	232,281	103,146	146,076
Program costs	898,791	833,857	1,241,866
Recovery of prior year funding	276,938	318,620	-
Rent and operating costs	226,654	179,675	195,428
Repairs and maintenance	894,893	505,655	540,964
Social Assistance	1,020,955	1,014,275	956,850
Travel and vehicle	382,234	247,799	279,352
Utilities and telephone	508,618	526,437	571,102
Wages and benefits	5,619,341	5,703,103	6,126,908
	17,254,167	15,321,649	14,792,342

18. Due from Band Members

The following amounts, due from First Nation members, are included in accounts receivable:

	2017 \$	2016 \$
Garbage	53,115	47,408
Moorage	43,344	44,220
Sundry	24,450	16,991
Teacherages	3,300	1,500
Travel advances	-	752
Utilities	24,082	22,985
Travel	1,683	133
Social Housing	18,384	15,277
	168,358	149,266

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

19. Related Party Transactions

The First Nation engages in a wide variety of transactions with its members, member owned organizations, and business enterprises. These transactions are all carried out at the exchange amount and in the normal course of operations.

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

20. Segmented information

	2017 Budget	Education 2017 Actual	2016 Actual	2017 Budget	Administration 2017 Actual	2016 Actual	2017 Budget	Health 2017 Actual	2016 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Indigenous and Northern Affairs Canada	1,720,259	1,759,143	1,734,618	1,201,804	1,200,524	1,259,352	63,500	63,500	14,849
First Nation Health Authority	-	-	-	-	-	-	3,444,757	3,517,160	3,374,106
Province of B.C.	-	39,920	82,476	264,224	303,618	51,149	332,945	381,216	352,338
Sales	-	18,000	38,741	200,000	207,516	212,363	605,134	582,036	607,736
Nimpkish Fisheries Service	-	-	-	-	170,798	280,080	-	-	-
Rental income	28,800	37,605	41,365	89,440	92,905	85,384	41,800	41,700	41,600
North Vancouver Island Aboriginal Training Society	-	38,623	85,735	-	-	19,156	-	-	-
Other revenue	277,400	391,989	249,888	1,299,567	1,516,075	1,206,952	71,138	72,314	109,480
Total revenue	2,026,459	2,285,280	2,232,823	3,055,035	3,491,436	3,114,436	4,559,274	4,657,926	4,500,109
Expenses									
Wages and benefits	862,879	1,029,814	1,110,374	1,185,107	1,203,558	1,320,942	1,770,341	1,734,592	1,769,829
Office and miscellaneous	311,253	335,888	279,929	776,501	277,230	243,321	786,870	821,641	712,210
Repairs and maintenance	54,000	22,696	37,413	66,000	24,460	146,097	94,700	113,057	73,998
Contractors and consulting	101,000	32,225	1,719	805,648	439,867	174,056	689,462	604,400	582,095
Program costs	555,250	507,318	586,210	97,650	273,232	391,288	74,371	57,649	74,278
Insurance, licenses and dues	21,506	23,312	21,660	49,472	48,720	42,066	9,000	7,814	8,147
Utilities and telephone	57,500	94,933	97,869	263,038	236,881	272,513	87,900	77,976	95,302
Other expenses	8,500	20,425	13,529	510,431	444,909	442,562	532,465	518,681	497,409
Total expenses	1,971,888	2,066,611	2,148,703	3,753,847	2,948,857	3,032,845	4,045,109	3,935,810	3,813,268
Annual surplus (deficit)	54,571	218,669	84,120	(698,812)	542,579	81,591	514,165	722,116	686,841

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

20. Segmented information, continued

	Child and Family Services			Natural Resources			Capital Projects and Revolving Housing		
	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual	2017 Budget	Fund 2017 Actual	2016 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Indigenous and Northern Affairs Canada	1,620,616	1,630,533	1,490,539	209,960	211,960	264,191	481,419	327,165	437,454
First Nation Health Authority	262,233	262,233	252,876	-	-	-	-	-	-
Province of B.C.	540,695	491,935	638,211	452,707	452,707	499,712	-	-	-
Sales	-	2,000	4,465	128,160	317,341	122,720	-	-	-
Rental income	66,500	74,050	62,675	26,520	28,020	-	431,938	456,125	410,465
Fisheries & Oceans	-	-	-	592,486	608,411	572,622	-	-	-
North Vancouver Island Aboriginal Training Society	70,468	70,468	70,468	-	-	-	-	-	-
Other revenue	62,670	75,591	87,830	591,621	732,565	201,622	3,460	110,965	10,983
Total revenue	2,623,182	2,606,810	2,607,064	2,001,454	2,351,004	1,660,867	916,817	894,255	858,902
Expenses									
Wages and benefits	1,032,708	1,040,211	1,090,887	733,426	651,328	705,166	-	-	15,029
Office and miscellaneous	293,096	311,622	265,666	250,672	239,966	148,901	558,184	381,793	496,056
Repairs and maintenance	13,600	10,986	31,413	165,462	203,236	50,737	500,901	268,610	319,817
Contractors and consulting	102,000	83,913	40,222	379,455	416,084	385,813	-	-	-
Program costs	24,600	37,308	172,731	66,900	48,572	50,018	70,000	483,637	72,148
Insurance, licenses and dues	16,860	13,908	10,603	33,853	30,555	29,671	113,795	109,358	110,944
Utilities and telephone	47,960	59,756	64,397	51,785	56,119	39,377	-	-	-
Other expenses	1,230,637	1,122,816	823,402	146,849	113,102	120,780	42,153	4,554	7,303
Total expenses	2,761,461	2,680,520	2,499,321	1,828,402	1,758,962	1,530,463	1,285,033	1,247,952	1,021,297
Annual surplus (deficit)	(138,279)	(73,710)	107,743	173,052	592,042	130,404	(368,216)	(353,697)	(162,395)

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

20. Segmented information, continued

	Commercial Enterprises			Social Housing Fund			Trust Fund		
	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Province of B.C.	-	100,000	100,000	-	-	-	-	-	-
Sales	409,000	425,432	392,240	-	-	-	-	-	-
Rental income	-	-	-	-	42,586	41,815	-	-	-
Other revenue	-	4,799,994	5,506,478	-	26,033	19,849	-	4,810	4,705
Total revenue	409,000	5,325,426	5,998,718	-	68,619	61,664	-	4,810	4,705
Expenses									
Wages and benefits	34,880	43,603	35,452	-	-	-	-	-	-
Office and miscellaneous	12,230	13,600	15,987	-	5,696	5,641	-	-	-
Repairs and maintenance	230	8,225	3,483	-	12,802	1,347	-	-	-
Contractors and consulting	7,000	92,185	40,048	-	-	-	-	-	-
Program costs	-	-	-	-	13,204	15,112	-	-	-
Insurance, licenses and dues	2,535	6,736	6,736	-	2,518	5,164	-	-	-
Utilities and telephone	435	773	766	-	-	-	-	-	-
Amortization	-	-	-	-	23,932	23,475	-	-	-
Other expenses	340,620	1,355,573	918,064	-	10,467	10,925	-	-	-
Total expenses	397,930	1,520,695	1,020,536	-	68,619	61,664	-	-	-
Annual surplus (deficit)	11,070	3,804,731	4,978,182	-	-	-	-	4,810	4,705

'Namgis First Nation**Notes to Consolidated Financial Statements**

March 31, 2017

20. Segmented information, continued

	2017 Budget	Benefit Funds 2017 Actual	2016 Actual	2017 Budget	Treaty Process 2017 Actual	2016 Actual
	\$	\$	\$	\$	\$	\$
Revenues						
Province of B.C.	-	-	-	156,771	166,371	164,640
Other revenue	-	856,055	45,255	-	-	-
Total revenue	-	856,055	45,255	156,771	166,371	164,640
Expenses						
Wages and benefits	-	-	-	-	-	79,224
Office and miscellaneous	-	-	-	20,716	22,633	16,078
Contractors and consulting	-	-	-	83,000	78,164	44,119
Utilities and telephone	-	-	-	-	-	878
Other expenses	-	11,965	-	71,550	31,779	17,595
Total expenses	-	11,965	-	175,266	132,576	157,894
Annual surplus (deficit)	-	844,090	45,255	(18,495)	33,795	6,746

'Namgis First Nation

Notes to Consolidated Financial Statements

March 31, 2017

20. Segmented information, continued

	Eliminations and Capital			Consolidated totals		
	2017 Budget	2017 Actual	2016 Actual	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$	\$	\$	\$
Revenues						
Indigenous and Northern Affairs Canada	-	-	-	5,297,558	5,192,825	5,201,003
First Nation Health Authority	-	-	-	3,706,990	3,779,393	3,626,982
Province of B.C.	-	-	-	1,747,342	1,935,767	1,888,526
Sales	-	(7,500)	(300)	1,342,294	1,544,825	1,377,965
Nimpkish Fisheries Service	-	-	-	-	170,798	280,080
Rental income	-	(205,415)	(174,759)	684,998	567,576	508,545
Fisheries & Oceans	-	-	-	592,486	608,411	572,622
North Vancouver Island Aboriginal Training Society	-	-	-	70,468	109,091	175,359
Other revenue	2,399,000	(1,263,294)	(1,018,206)	4,704,856	7,323,097	6,424,836
Total revenue	2,399,000	(1,476,209)	(1,193,265)	18,146,992	21,231,783	20,055,918
Expenses						
Wages and benefits	-	-	-	5,619,341	5,703,106	6,126,903
Office and miscellaneous	-	(1,542,535)	(1,286,050)	3,009,522	867,534	897,739
Repairs and maintenance	-	(158,417)	(123,341)	894,893	505,655	540,964
Contractors and consulting	-	(36,000)	(301)	2,167,565	1,710,838	1,267,771
Program costs	-	(587,632)	(119,919)	888,771	833,288	1,241,866
Insurance, licenses and dues	-	-	-	247,021	242,921	234,991
Utilities and telephone	-	-	-	508,618	526,438	571,102
Amortization	1,247,134	1,492,359	1,223,659	1,247,134	1,516,291	1,247,134
Other expenses	(211,903)	(218,693)	(187,697)	2,671,302	3,415,578	2,663,872
Total expenses	1,035,231	(1,050,918)	(493,649)	17,254,167	15,321,649	14,792,342
Annual surplus (deficit)	1,363,769	(425,291)	(699,616)	892,825	5,910,134	5,263,576