

**'Namgis First Nation**

**Financial Statements**

**March 31, 2020**

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# 'Namgis First Nation

## Consolidated Financial Statements

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March 31, 2020

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## 'Namgis First Nation

## **Management's Statement of Responsibility for Financial Reporting**

**March 31, 2020**

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.

Speed  
Councillor

Den Smith  
Councillor

14-09-20  
Date 14-09-20  
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

##### *Opinion*

We have audited the consolidated financial statements of 'Namgis First Nation, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2020, and the results of its consolidated operations, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

##### *Basis for Opinion*

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

##### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

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

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

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

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

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

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#### **PORT ALBERNI**

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Port Alberni, BC V9Y 8A9  
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- ♦ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*McIntosh Norton Williams*

McINTOSH | NORTON | WILLIAMS  
chartered professional accountants

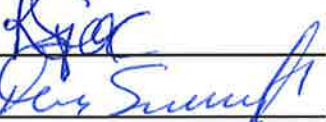
Qualicum Beach, British Columbia  
September 14, 2020

# 'Namgis First Nation

## Consolidated Statement of Financial Position

March 31	2020	2019
	\$	\$
<b>Financial Assets</b>		
Cash and term deposits (Note 3)	23,003,116	19,059,009
Restricted cash and deposits (Note 3)	3,452,971	3,118,829
Accounts receivable (Note 4)	2,179,025	1,170,341
Inventory (Note 5)	36,868	44,406
Long-term investments (Note 6)	18,591,468	19,439,206
	47,263,448	42,831,791
<b>Liabilities</b>		
Accounts payable (Note 7)	1,512,151	1,791,533
Deferred revenue (Note 8)	620,331	293,246
Security deposit	9,872	9,372
Reserves (Note 9)	1,043,532	1,044,642
Long-term debt (Note 10)	4,055,798	17,816,771
	7,241,684	20,955,564
<b>Net financial assets</b>	<b>40,021,764</b>	<b>21,876,227</b>
<b>Non-financial Assets</b>		
Capital assets (Note 11)	11,881,546	11,969,196
Prepaid expenses	258,114	221,504
	12,139,660	12,190,700
<b>Accumulated Surplus (Note 15)</b>	<b>52,161,424</b>	<b>34,066,927</b>
Contingent liabilities (Note 17)		

Approved on behalf of the 'Namgis First Nation

, Councillor  
, Councillor

The accompanying notes are an integral part of the financial statements

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

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<b>For the year ended March 31</b>	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
	\$	\$	\$
<b>Excess of revenue over expenditures</b>	<b>(549,025)</b>	<b>18,094,497</b>	8,514,462
Acquisition of tangible capital assets	-	(789,012)	(590,947)
Amortization of tangible capital assets	-	876,662	1,279,119
Loss on disposal of capital assets	-	-	2,975
	-	87,650	691,147
<b>Use of prepaid asset</b>	<b>-</b>	<b>(36,610)</b>	(6,140)
Increase in net financial assets	(549,025)	18,145,537	9,199,469
<b>Net financial assets at beginning of year</b>	<b>21,876,227</b>	<b>21,876,227</b>	12,676,758
<b>Net financial assets at end of year</b>	<b>21,327,202</b>	<b>40,021,764</b>	21,876,227

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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	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
<b>Revenue</b>			
Indigenous Services Canada	5,755,009	15,300,144	6,046,107
First Nation Health Authority	4,147,636	4,217,313	4,196,964
Share of net income of enterprises	-	3,062,350	7,273,846
Province of B.C.	1,557,959	3,008,650	2,146,697
Fisheries & Oceans	2,623,007	2,765,171	614,709
Other Federal Grants	1,650,000	1,755,660	-
Sales	1,437,057	1,561,936	1,572,932
Other	2,050,452	799,541	869,001
First Nation Education Steering Committee	403,899	578,371	295,292
Rental income	750,228	578,224	584,030
Interest income	263,049	553,473	393,417
Other grants	500,000	500,000	-
Contributions from related entities	3,734	320,581	287,891
Nimpkish Fisheries Service	-	153,287	668,050
North Vancouver Island Aboriginal Training Society	121,657	121,069	165,093
Municipal services	123,194	106,283	115,845
Licence lease	14,695	71,972	121,209
Canada Mortgage and Housing Corporation	15,370	26,784	83,488
	21,416,946	35,480,809	25,434,571
<b>Expenditures</b>			
Expenditures (Note 18)	21,965,971	17,386,312	16,920,109
<b>Excess of revenue over expenditures</b>	<b>(549,025)</b>	<b>18,094,497</b>	<b>8,514,462</b>
<b>Surplus at beginning of year</b>	<b>34,066,927</b>	<b>34,066,927</b>	<b>25,552,465</b>
<b>Surplus at end of year</b>	<b>33,517,902</b>	<b>52,161,424</b>	<b>34,066,927</b>

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, 2020	2020	2019
	\$	\$
<b>Cash flows from Operating activities</b>		
Excess of revenue over expenditures	18,094,497	8,514,462
Items not affecting cash		
Amortization	876,662	1,279,119
Loss on disposal	-	2,975
Share of losses (income) of government business enterprises, net	(3,062,350)	(7,273,846)
Forgiveness of debt (Treaty Loan)	(9,072,929)	-
	6,835,880	2,522,710
Change in non-cash operating working capital		
Accounts receivable	(1,008,684)	85,303
Inventory	7,538	9,149
Prepaid expenses	(36,610)	(6,140)
Accounts payable	(279,380)	193,932
Deferred revenue	327,085	193,925
Reserves	(1,110)	21,476
Security deposit	500	1,522
	5,845,219	3,021,877
<b>Capital activities</b>		
Acquisition of capital assets	(789,015)	(590,945)
<b>Financing activities</b>		
Repayment of long-term debt	(5,045,812)	(561,149)
Proceeds of long-term debt	357,768	285,666
	(4,688,044)	(275,483)
<b>Investing activities</b>		
Advances from (to) Government Business Partnerships	3,910,089	933,004
<b>Increase in cash and cash equivalents</b>	4,278,249	3,088,453
<b>Cash and cash equivalents, beginning of year</b>	22,177,838	19,089,385
<b>Cash and cash equivalents, end of year</b>	26,456,087	22,177,838
<b>Represented by</b>		
Cash and term deposits	23,003,116	19,059,009
Restricted cash and deposits	3,452,971	3,118,829
	26,456,087	22,177,838

The accompanying notes are an integral part of the financial statements

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# 'Namgis First Nation

## Notes to Consolidated Financial Statements

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March 31, 2020

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### 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.
6. Namgis Education Society

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 Economic Development Corporation

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# **'Namgis First Nation**

## **Notes to Consolidated Financial Statements**

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**March 31, 2020**

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### **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.

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# **'Namgis First Nation**

## **Notes to Consolidated Financial Statements**

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**March 31, 2020**

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### **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 11, 12 and 14.

#### **(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.

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# **'Namgis First Nation**

## **Notes to Consolidated Financial Statements**

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**March 31, 2020**

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### **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. Economic Dependence**

The First Nation receives a substantial portion of its revenues from Indigenous Services 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, 2020

### 3. Cash and term deposits

	2020 \$	2019 \$
Externally restricted:		
Social Housing - Pre-1997 "Old" Program	-	37,764
Social Housing - Post 1997 "New" Program	95,550	89,075
Ottawa Trust Funds	4,424	39,446
Internally restricted:		
Sewage Treatment Plant	17,971	17,892
Fishing License Program	902,716	883,161
Kwagis Community Benefit Fund	205,473	133,001
Orca Sand and Gravel Community Benefit Fund	2,226,838	1,918,490
Unrestricted:		
Social Housing - Pre-1997 "Old" Program	174,122	133,892
Social Housing - Post 1997 "New" Program	48,909	26,299
Operating Fund	22,780,084	18,898,818
	<b>26,456,087</b>	<b>22,177,838</b>

The First Nation has two unused operating loan credit facilities with Coastal Community Credit Union of \$20,000. The interest rate on the operating loan is at the Credit Union's prime rate plus 0.50% per annum. The operating loan is 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.

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# 'Namgis First Nation

## Notes to Consolidated Financial Statements

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March 31, 2020

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**3. 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.

**4. Accounts receivable**

	2020	2019
	\$	\$
<b>Due from members</b>		
Garbage	54,302	53,066
Moorage	31,576	32,653
Sundry	40,591	32,518
Teacherages	1,550	1,500
Utilities	21,953	22,191
Travel	1,663	1,313
Social Housing	3,132	13,601
Revolving Housing	129,522	126,588
	284,289	283,430
<b>Due from others</b>		
Accounts receivable	2,254,845	1,288,719
	2,539,134	1,572,149
Allowance for doubtful accounts	(360,109)	(401,808)
	2,179,025	1,170,341

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## 'Namgis First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 5. Inventory

	2020	2019
	\$	\$
Tobacco Outlet	6,418	473
Gas Station	30,450	43,933
	<b>36,868</b>	<b>44,406</b>

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#### 6. Long-term investments

Long-term investments consist of the following:

	2020	2019
	\$	\$
Investment in Orca Sand & Gravel Limited Partnership	1,782,777	4,534,452
Investment in Kwagis Power Limited Partnership	12,571,056	11,107,806
Investment in Atli Resources Limited Partnership	2,577,323	2,774,178
Investment in Kuterra Limited Partnership	101,692	(369,269)
Investment in Mama'omas Limited Partnership	921,455	857,225
Investment in Danyas Forest Products Limited Partnership	575,955	428,607
Investment in Namgis Economic Development Corp	61,210	106,207
	<b>18,591,468</b>	<b>19,439,206</b>

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##### 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 and May 25, 2017, '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, 2020, Quality has advanced \$3,610,027 (2019 - \$8,636,261) to the First Nation (Note 10).

##### 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.

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## **'Namgis First Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2020**

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#### **6. Long-term investments, continued**

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.

##### 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 \$3,158,267 and liabilities of \$611,170 as at March 31, 2020 and revenues of \$1,266,343 and net loss of \$219,239 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 \$295,142 and liabilities of \$195,107 as at March 31, 2020 and revenues of \$1,944,450 and a net income of \$31,903 for the year then ended.

Kuterra Limited Partnership ceased operations effective February 1, 2020. At that date, the First Nation entered a lease with a third-party for the operation of the facility.

##### 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 \$1,108,175 and liabilities of \$568,925 as at March 31, 2020 and revenues of \$360,971 and a net income of \$16,794 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 \$1,693,961 and liabilities of \$534,315 as at December 31, 2019 and revenues of \$3,506,926 and a net income of \$292,764 for the year then ended.

##### 'Namgis Economic Development Corporation

'Namgis Economic Development Corporation was established in 2019 to oversee economic opportunities and business interests of the First Nation. The Corporation is wholly-owned by the First Nation. The investment consists of \$180,000 investment made by the First Nation less accumulated losses of \$118,630. The Corporation had assets of \$87,176 and liabilities of \$205,805 as at March 31, 2020 and revenues of \$331,922, expenses of \$376,919 and a net loss of \$44,997 for the period then ended.

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## 'Namgis First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 6. Long-term investments, continued

#### 7. Accounts payable

	2020	2019
	\$	\$
Accounts payable and accrued liabilities	971,311	1,358,355
Due to government agencies	35,261	25,027
Accrued wages payable	505,579	408,151
	<b>1,512,151</b>	<b>1,791,533</b>

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#### 8. 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:

	2020	2019
	\$	\$
First Nation Education Steering Committee	1,500	93,246
Province of BC	2,500	200,000
MOWI CA West	600,000	-
Skidegate Band Council	15,000	-
Indigenous Perspectives Society	1,331	-
	<b>620,331</b>	<b>293,246</b>

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#### 9. Reserves

	2020	2019
	\$	\$
Fishing License Program	911,201	891,647
Sewage Treatment Plant Reserve	17,971	17,892
Replacement Reserve - "Old" Social Housing	-	22,972
Replacement Reserve - "New" Social Housing	57,051	52,010
Operating Reserve - "New" Social Housing	57,309	60,121
	<b>1,043,532</b>	<b>1,044,642</b>

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## 'Namgis First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 10. Long-term debt

	2020 \$	2019 \$
Quality Sand & Gravel Ltd. - loan payable (see note below)	<b>3,610,027</b>	8,636,261
Government of Canada - loan payable under BC Treaty Process (see note below)	-	9,072,929
Government of Canada - Indigenous Claims Loans (see note below)	<b>357,768</b>	-
All Nations Trust Company mortgage payable in monthly instalments of \$1,117 including interest at 1.83% per annum, maturing October 1, 2019.	-	7,772
All Nations Trust Company - mortgage payable in monthly instalments of \$1,144 including interest at 1.92% per annum. Subsequent to the year end, this mortgage was renewed at 1.86% interest per annum, monthly payments of \$1,142, maturing April 1, 2024.	<b>88,003</b>	<b>99,809</b>
<u>Less current portion</u>	<b>4,055,798</b>	17,816,771
	<b>12,169</b>	2,572,764
	<b>4,043,629</b>	15,244,007

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

2021	<b>12,169</b>
2022	<b>12,397</b>
2023	<b>12,630</b>
2024	<b>370,634</b>
2025 and thereafter	<b>3,647,968</b>
	<b>4,055,798</b>

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## 'Namgis First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 10. Long-term debt, continued

The loan payable to Quality Sand & Gravel Ltd. is repayable from amounts distributable from Orca Sand & Gravel Limited Partnership (Note 6). 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. It is expected that loan repayments will begin in 2020 from distributable earnings from the Limited Partnership. It is the First Nation's intention to direct all earnings distributions toward repayment of the loan until it is fully repaid. The five year repayment schedule is based on management's best estimate of distributable earnings during this period.

On May 25, 2017, the First Nation signed an "Amending Agreement" with Quality Sand & Gravel Ltd. amending the loan agreement dated April 1, 2005 and the First Amendment to Loan Agreement dated March 31, 2010. Pursuant to the amending agreement, interest accrued on the loan up to and including September 30, 2009 was forgiven and not payable. Interest is to be accrued on the loan as follows:

(i) 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 Lender has shipped four million metric tonnes of product from, collectively, the Orca Sand & Gravel Project and the Black Bear Project.

(ii) Commencing on the date that is one year after the end of the first fiscal year in which the Lender has shipped four 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 will accrue interest at a rate per annum equal to six percent. Interest began to accrue on the loan January 1, 2020. Interest accrued to March 31, 2020 was \$53,206.

Under the agreement with Orca Sand & Gravel Ltd., the Nation receives \$0.06 per tonne of sand and gravel sold by Orca Sand & Gravel Limited Partnership as a Community Benefit payment plus a further \$0.06 per tonne as advances on future distributions. If the aggregate of these payments is less than \$500,000 in a calendar year, Orca advances the difference needed to bring the aggregate to \$500,000 (annual advances). Together, the advances are added to the loan. The accumulated total advances are not to exceed \$1,500,000 and Orca has no obligation to pay the Nation any additional amount once the accumulated total reaches that amount.

#### Treaty Loan

'Namgis First Nation has signed First Nation Negotiation Support Agreements resulting in loans totaling \$nil (2019 - \$9,072,929), made by Canada for treaty negotiations. This loan was forgiven by the Government of Canada effective March 31, 2020.

#### Indigenous Claims Loans

'Namgis First Nation received two loans from the Government of Canada for negotiations of specific claims. These loans are payable on the earlier of March 31, 2024 or the date on which the Claim is settled. Should the loan become due and payable under the terms of the Promissory Notes while the Claim is still in negotiation, the loan repayment dates will be extended by five years, or a period deemed appropriate to coincide with the anticipated claim settlement date whichever is sooner. The loans are without interest unless the First Nation is in default or the Promissory Note matures. In such cases, interest will accrue from the date of default or maturity only in the event that the First Nation fails to repay any amount due and payable. In such cases, interest will be calculated at an annual rate equal to the then current rate established by the Minister of Finance in respect of borrowing for equivalent terms by Crown corporation, compounded semi-annually.

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# 'Namgis First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 11. 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	Cost			Balance, beginning of year	Amortization	Accumulated amortization		Net book value	
			Additions	Disposals	Balance, end of year			disposals	Balance, end of year	2020	2019
Land		619,178	-	-	619,178	-	-	-	-	619,178	619,178
Buildings	10%	18,156,201	67,856	-	18,224,057	15,478,607	271,152	-	15,749,759	2,474,298	2,677,594
Automotive	30%	1,391,158	108,543	-	1,499,701	1,216,059	68,811	-	1,284,870	214,831	175,099
Computer Equipment	30%	1,520,354	78,781	-	1,599,135	1,391,602	50,442	-	1,442,044	157,091	128,752
Office Furniture & Equipment	10%	683,997	32,769	-	716,766	544,744	15,563	-	560,307	156,459	139,253
Other Equipment	20%	1,791,015	172,512	-	1,963,527	1,457,222	84,010	-	1,541,232	422,295	333,793
Boats & Motors	15%	264,323	10,219	-	274,542	194,727	11,206	-	205,933	68,609	69,596
Water & Sewer	5%	6,573,872	-	-	6,573,872	4,629,807	97,203	-	4,727,010	1,846,862	1,944,065
Roads	4%	1,914,045	-	-	1,914,045	1,118,874	31,807	-	1,150,681	763,364	795,171
Other Infrastructure	4%	3,465,435	-	-	3,465,435	1,164,944	92,019	-	1,256,963	2,208,472	2,300,491
Gas Station Equipment	20%	245,000	-	-	245,000	209,650	7,070	-	216,720	28,280	35,350
Work-in-Progress		5,000	287,570	-	292,570	-	-	-	-	292,570	5,000
Revolving Housing (Note 12)		9,549,381	264,524	-	9,813,905	7,239,750	326,098	-	7,565,848	2,248,057	2,309,631
Social Housing (Note 13)		765,055	-	(244,051)	521,004	353,425	19,579	(203,500)	169,504	351,500	411,630
Substance Abuse Treatment Centre (Note 14)		151,787	10,292	-	162,079	127,194	5,205	-	132,399	29,680	24,593
		47,095,801	1,033,066	(244,051)	47,884,816	35,126,605	1,080,165	(203,500)	36,003,270	11,881,546	11,969,196

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.

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## 'Namgis First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 12. 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.

		2020		2019
		Accumulated		Net book
	Cost	amortization	Net book value	value
Houses	7,462,610	6,105,200	1,357,410	1,366,326
Major repair projects	536,206	-	536,206	562,010
Lot clearing	8,034	-	8,034	8,034
Yalis Apartments	464,458	452,459	11,999	13,333
Rental Houses	563,279	446,370	116,909	127,399
Duplexes	322,764	269,880	52,884	58,760
Triplexes	374,312	291,939	82,373	91,527
Smitty's Hill	82,242	-	82,242	82,242
	<b>9,813,905</b>	<b>7,565,848</b>	<b>2,248,057</b>	<b>2,309,631</b>

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.

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# 'Namgis First Nation

## Notes to Consolidated Financial Statements

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March 31, 2020

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### 13. 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 12).

#### "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.

		2020		2019
		Accumulated amortization	Net book value	Net book value
	Cost	\$	\$	\$
Pre-1997 ("Old") Program				
Phase III		-	-	48,324
"New" Program				
Phase I	<b>521,004</b>	<b>169,504</b>	<b>351,500</b>	<b>363,306</b>
	<b>521,004</b>	<b>169,504</b>	<b>351,500</b>	<b>411,630</b>

Amortization is provided on houses and duplexes at a rate equal to the annual principal reduction of the related mortgage insured by CMHC (Note 10). 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, 2020

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

	Rate	Cost	Accumulated amortization	Net book value	2019 Net book value
		\$	\$	\$	\$
Vehicles	30%	29,413	29,194	219	313
Computer Equipment	30%	30,139	28,836	1,303	526
Office Furniture & Equipment	10%	14,459	11,531	2,928	3,253
Other Equipment	20%	81,871	61,661	20,210	14,923
Shed	10%	6,197	1,177	5,020	5,578
		<b>162,079</b>	<b>132,399</b>	<b>29,680</b>	<b>24,593</b>

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.

### 15. Accumulated surplus

	2020	2019
	\$	\$
Restricted Trust Fund	<b>4,424</b>	<b>39,446</b>
Unrestricted		
Fund balances	<b>39,168,293</b>	<b>20,970,705</b>
Provision for Capital Assets	<b>11,914,057</b>	<b>11,982,126</b>
Investment in Limited Partnership	<b>1,074,650</b>	<b>1,074,650</b>
	<b>52,157,000</b>	<b>34,027,481</b>
	<b>52,161,424</b>	<b>34,066,927</b>

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## **'Namgis First Nation**

### **Notes to Consolidated Financial Statements**

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**March 31, 2020**

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#### **16. Defined contribution plan**

The First Nation participates in individual defined contribution pension plans (the "Plans") for its eligible employees. Eligible employees were required to contribute 7% 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 \$227,923 to the Plans during the year (2019 - \$175,599).

#### **17. Contingent Liabilities**

- a) 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, 2020 is \$27,764 (2019 - \$70,796).
- b) The First Nation is the plaintiff in a legal case. In the event that the litigation is unsuccessful, there is a possibility that costs could be awarded to the defendants. The outcome is unknown and, therefore, any possible liability is unknown and no liability has been recorded in these financial statements.

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## 'Namgis First Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 18. Expenses by Object

For the year ended March 31	2020 Budget	2020 Actual	2019 Actual
Amortization	\$ 13,702	\$ 876,662	\$ 1,282,094
Contractors and consulting	3,274,885	2,476,784	2,635,284
Contributions to other entities	8,200	(4,759)	3,578
Cost of goods sold	529,050	510,635	515,788
Insurance, licenses and dues	357,023	315,661	252,562
Interest charges	61,750	94,728	51,599
Office and miscellaneous	2,839,655	1,546,723	825,287
Other expense	588,755	-	-
Professional fees	1,246,650	945,143	467,468
Program costs	1,339,959	1,342,465	2,055,693
Recovery of prior year funding	-	-	59,485
Rent and operating costs	252,706	125,839	164,599
Repairs and maintenance	1,879,976	464,692	511,582
Social Assistance	1,084,417	1,090,091	1,131,063
Travel and vehicle	577,519	371,973	345,677
Utilities and telephone	740,092	564,253	599,381
Wages and benefits	7,171,632	6,665,422	6,018,969
	<b>21,965,971</b>	<b>17,386,312</b>	<b>16,920,109</b>

#### 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, 2020

### 20. Segmented information

	2020 Budget	Education 2020 Actual	2019 Actual	2020 Budget	Administration 2020 Actual	2019 Actual	2020 Budget	Health 2020 Actual	2019 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>									
Indigenous Services Canada	1,980,958	2,197,306	1,953,590	1,365,089	1,410,109	1,403,602	-	148,504	133,924
First Nation Health Authority	-	-	-	-	-	-	3,930,085	3,998,763	3,986,731
Province of B.C.	86,728	95,172	86,728	454,284	454,285	963,872	344,713	327,988	357,894
Sales	28,000	28,000	33,000	225,000	230,760	236,424	431,757	450,794	421,075
Nimpkish Fisheries Service	-	-	-	-	153,287	668,050	-	-	-
Rental income	71,400	73,475	52,975	109,880	103,625	106,750	59,300	59,220	53,740
Fisheries & Oceans	-	-	-	90,000	140,000	82,237	-	-	-
North Vancouver Island Aboriginal Training Society	51,189	50,601	64,325	-	-	-	-	-	-
Other revenue	640,433	812,605	448,606	2,772,549	3,055,328	2,320,456	73,707	72,590	86,886
<b>Total revenue</b>	<b>2,858,708</b>	<b>3,257,159</b>	<b>2,639,224</b>	<b>5,016,802</b>	<b>5,547,394</b>	<b>5,781,391</b>	<b>4,839,562</b>	<b>5,057,859</b>	<b>5,040,250</b>
<b>Expenses</b>									
Wages and benefits	1,257,335	1,250,851	1,079,398	1,615,206	1,539,855	1,415,744	1,767,008	1,769,525	1,746,700
Office and miscellaneous	466,504	419,116	437,055	412,201	307,653	389,703	842,456	833,763	916,696
Repairs and maintenance	54,476	31,001	85,112	241,032	236,239	121,169	166,300	112,512	86,116
Contractors and consulting	126,777	132,101	9,178	1,131,981	804,441	1,344,621	668,833	542,898	575,247
Program costs	890,125	742,736	983,064	108,000	232,165	746,930	76,420	12,000	14,413
Insurance, licenses and dues	28,465	27,667	28,683	37,145	37,123	27,029	18,773	17,433	17,487
Utilities and telephone	107,200	103,001	97,649	314,911	269,818	299,577	140,938	102,537	126,777
Other expenses	36,821	37,271	26,214	1,540,266	925,945	1,022,311	567,084	439,334	536,411
<b>Total expenses</b>	<b>2,967,703</b>	<b>2,743,744</b>	<b>2,746,353</b>	<b>5,400,742</b>	<b>4,353,239</b>	<b>5,367,084</b>	<b>4,247,812</b>	<b>3,830,002</b>	<b>4,019,847</b>
<b>Annual surplus (deficit)</b>	<b>(108,995)</b>	<b>513,415</b>	<b>(107,129)</b>	<b>(383,940)</b>	<b>1,194,155</b>	<b>414,307</b>	<b>591,750</b>	<b>1,227,857</b>	<b>1,020,403</b>

# 'Namgis First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 20. Segmented information, continued

	Child and Family Services			Natural Resources			Capital Projects and Revolving Housing Fund		
	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>									
Indigenous Services Canada	1,674,786	1,870,828	1,641,198	349,981	349,981	321,708	384,195	250,487	592,084
First Nation Health Authority	217,551	218,550	210,233	-	-	-	-	-	-
Province of B.C.	549,734	572,976	560,278	22,500	540,749	177,925	-	-	-
Sales	-	-	4,000	311,300	434,960	469,164	-	-	-
Rental income	36,000	36,000	36,730	40,938	41,280	37,280	390,162	457,884	453,753
Fisheries & Oceans	-	-	-	605,710	697,874	532,472	-	-	-
North Vancouver Island Aboriginal Training Society	70,468	70,468	70,468	-	-	30,300	-	-	-
Other revenue	120,349	132,592	118,707	(274,798)	(168,327)	236,783	23,000	38,074	37,937
<b>Total revenue</b>	<b>2,668,888</b>	<b>2,901,414</b>	<b>2,641,614</b>	<b>1,055,631</b>	<b>1,896,517</b>	<b>1,805,632</b>	<b>797,357</b>	<b>746,445</b>	<b>1,083,774</b>
<b>Expenses</b>									
Wages and benefits	1,050,789	1,044,198	976,224	845,258	698,716	755,742	-	-	-
Office and miscellaneous	379,926	370,847	342,466	291,102	273,616	254,853	191,284	195,419	135,307
Repairs and maintenance	36,265	19,050	42,300	86,834	55,736	20,311	431,569	288,744	349,641
Contractors and consulting	75,383	73,889	55,005	323,800	363,592	571,597	-	-	-
Program costs	2,500	80,456	178,267	54,204	60,109	162,728	199,860	183,782	101,430
Insurance, licenses and dues	5,332	5,332	9,507	44,866	29,866	35,652	63,920	135,521	123,331
Utilities and telephone	26,138	23,247	24,806	49,060	55,293	49,513	-	-	-
Other expenses	968,887	888,718	899,554	150,256	164,397	89,543	39,700	47,811	13,210
<b>Total expenses</b>	<b>2,545,220</b>	<b>2,505,737</b>	<b>2,528,129</b>	<b>1,845,380</b>	<b>1,701,325</b>	<b>1,939,939</b>	<b>926,333</b>	<b>851,277</b>	<b>722,919</b>
<b>Annual surplus (deficit)</b>	<b>123,668</b>	<b>395,677</b>	<b>113,485</b>	<b>(789,749)</b>	<b>195,192</b>	<b>(134,307)</b>	<b>(128,976)</b>	<b>(104,832)</b>	<b>360,855</b>

# 'Namgis First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 20. Segmented information, continued

	Commercial Enterprises			Social Housing Fund			Trust Fund		
	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>									
Province of B.C.	-	917,481	-	-	-	-	-	-	-
Sales	441,000	417,422	410,981	-	-	-	-	-	-
Rental income	-	3,600	-	42,548	35,070	42,166	-	-	-
Other revenue	-	3,062,351	7,273,846	19,153	28,061	37,348	-	4,424	5,102
<b>Total revenue</b>	<b>441,000</b>	<b>4,400,854</b>	<b>7,684,827</b>	<b>61,701</b>	<b>63,131</b>	<b>79,514</b>	<b>-</b>	<b>4,424</b>	<b>5,102</b>
<b>Expenses</b>									
Wages and benefits	43,500	41,052	40,301	-	-	-	-	-	-
Office and miscellaneous	13,000	11,797	13,305	5,954	17,074	6,211	-	-	-
Repairs and maintenance	2,000	2,594	2,823	31,500	358	3,189	-	-	-
Contractors and consulting	500	78,601	79,897	-	-	-	-	-	-
Program costs	-	-	-	8,850	4,639	32,047	-	-	-
Insurance, licenses and dues	6,905	6,891	6,904	3,938	3,915	3,969	-	-	-
Utilities and telephone	795	741	802	-	-	-	-	-	-
Amortization	-	-	-	13,702	19,578	24,834	-	-	-
Other expenses	343,050	382,589	334,589	28,750	9,106	9,264	-	-	-
<b>Total expenses</b>	<b>409,750</b>	<b>524,265</b>	<b>478,621</b>	<b>92,694</b>	<b>54,670</b>	<b>79,514</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Annual surplus (deficit)</b>	<b>31,250</b>	<b>3,876,589</b>	<b>7,206,206</b>	<b>(30,993)</b>	<b>8,461</b>	<b>-</b>	<b>-</b>	<b>4,424</b>	<b>5,102</b>

# 'Namgis First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 20. Segmented information, continued

	Benefit Funds			Treaty Process			BCSRIF		
	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>									
Indigenous Services Canada	-	-	-	-	9,072,929	-	-	-	-
Province of B.C.	-	-	-	-	-	-	100,000	100,000	-
Fisheries & Oceans	-	-	-	-	-	-	1,927,297	1,927,297	-
Other revenue	-	467,797	318,469	-	-	-	1,650,000	1,855,660	-
<b>Total revenue</b>	-	467,797	318,469	-	9,072,929	-	3,677,297	3,882,957	-
<b>Expenses</b>									
Wages and benefits	-	-	-	-	-	4,876	-	321,225	-
Office and miscellaneous	-	-	-	-	-	1,312	-	848,948	-
Repairs and maintenance	-	-	-	-	-	-	-	351,005	-
Contractors and consulting	-	-	-	-	-	4,757	-	481,362	-
Program costs	-	67,276	12,564	-	-	-	-	-	-
Insurance, licenses and dues	-	-	-	-	-	-	-	51,913	-
Utilities and telephone	-	-	-	-	-	-	-	13,616	-
Other expenses	-	905	691	-	-	5,582	3,530,337	455,208	-
<b>Total expenses</b>	-	68,181	13,255	-	-	16,527	3,530,337	2,523,277	-
<b>Annual surplus (deficit)</b>	-	399,616	305,214	-	9,072,929	(16,527)	146,960	1,359,680	-

# 'Namgis First Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 20. Segmented information, continued

	Eliminations and Capital			Consolidated totals		
	2020 Budget	2020 Actual	2019 Actual	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$	\$	\$	\$
Revenues						
Indigenous Services Canada	-	-	-	5,755,009	15,300,144	6,046,106
First Nation Health Authority	-	-	-	4,147,636	4,217,313	4,196,964
Province of B.C.	-	-	-	1,557,959	3,008,651	2,146,697
Sales	-	-	(1,712)	1,437,057	1,561,936	1,572,932
Nimpkish Fisheries Service	-	-	-	-	153,287	668,050
Rental income	-	(231,930)	(199,363)	750,228	578,224	584,031
Fisheries & Oceans	-	-	-	2,623,007	2,765,171	614,709
North Vancouver Island Aboriginal Training Society	-	-	-	121,657	121,069	165,093
Other revenue	-	(1,586,141)	(1,444,152)	5,024,393	7,775,014	9,439,988
Total revenue	-	(1,818,071)	(1,645,227)	21,416,946	35,480,809	25,434,570
Expenses						
Wages and benefits	-	-	-	6,579,096	6,665,422	6,018,985
Office and miscellaneous	-	(1,731,510)	(1,671,621)	2,602,427	1,546,723	825,287
Repairs and maintenance	-	(632,547)	(199,079)	1,049,976	464,692	511,582
Contractors and consulting	-	(100)	(5,018)	2,327,274	2,476,784	2,635,284
Program costs	-	(40,698)	(175,750)	1,339,959	1,342,465	2,055,693
Insurance, licenses and dues	-	-	-	209,344	315,661	252,562
Utilities and telephone	-	(4,000)	-	639,042	564,253	599,124
Amortization	-	857,084	1,257,260	13,702	876,662	1,282,094
Other expenses	-	(217,634)	(197,872)	7,205,151	3,133,650	2,739,497
Total expenses	-	(1,769,405)	(992,080)	21,965,971	17,386,312	16,920,108
Annual surplus (deficit)	-	(48,666)	(653,147)	(549,025)	18,094,497	8,514,462



**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!'*

## REVIEW ENGAGEMENT REPORT

To: The Members of 'Namgis First Nation

We have reviewed the accompanying schedule of remuneration and expenses for elected officials ('the schedule') of 'Namgis First Nation for the year ended March 31, 2020. The schedule has been prepared by management of 'Namgis First Nation based on the *First Nations Financial Transparency Act*.

### *Management's Responsibility for the Schedule*

Management of 'Namgis First Nation is responsible for the preparation of the schedule in accordance with the *First Nations Financial Transparency Act*, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the schedule based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of the schedule in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on this schedule.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the schedule is not prepared, in all material respects, in accordance with the *First Nations Financial Transparency Act*.

  
MCINTOSH | NORTON | WILLIAMS  
chartered professional accountants

Qualicum Beach, B.C.  
September 14, 2020

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ANNEX B

Schedule of Remuneration and Expenses - (Chiefs and Councillors)

'Namgis First Nation

for the year ended March 31, 2020

Name of Individual	Position and Title	Number of months *	Remuneration	Travel Expenses
Svanvik, Don	Chief Councillor	12.0	29,330	9,538
Wadham, Brian	Councillor	8.5	13,489	10,293
Speck, Kelly	Councillor	12.0	19,150	17,922
Mountain, Robert	Councillor	12.0	17,200	9,187
Isaac, Victor	Councillor	12.0	26,300	38,405
Wasden, William	Councillor	8.5	11,799	6,110
Taylor, Dixon	Councillor	12.0	13,040	1,547
Alfred, George	Councillor	8.5	11,019	4,385
Macko, John	Councillor	12.0	15,250	5,794
Alfred, Gerald	Councillor	12.0	15,770	5,507
Brotchie, Vickie	Councillor	3.5	4,361	602
Alfred, Ernest	Councillor	3.5	3,711	-
Hunt, Stan	Councillor	3.5	4,361	1,029

\* The number of months during the fiscal year the individual was an elected or appointed official



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## REVIEW ENGAGEMENT REPORT

To: The Members of 'Namgis First Nation

We have reviewed the accompanying schedule of remuneration and expenses for unelected senior officials ('the schedule') of 'Namgis First Nation for the year ended March 31, 2020. The schedule has been prepared by management of 'Namgis First Nation based on the *First Nations Financial Transparency Act*.

### *Management's Responsibility for the Schedule*

Management of 'Namgis First Nation is responsible for the preparation of the schedule in accordance with the *First Nations Financial Transparency Act*, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

### *Practitioner's Responsibility*

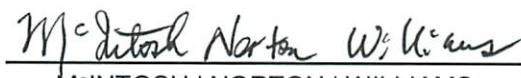
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The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on this schedule.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the schedule is not prepared, in all material respects, in accordance with the *First Nations Financial Transparency Act*.

  
\_\_\_\_\_  
MCINTOSH | NORTON | WILLIAMS  
chartered professional accountants

Qualicum Beach, B.C.

September 14, 2020

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ANNEX C

Schedule of Remuneration and Expenses - (Unelected Senior Officials)

'Namgis First Nation

for the year ended March 31, 2020

Position and Title	Number of months *	Salary Range		Other Remuneration	Expenses Reimbursed
		From	To		
Kwakwalatsi Acting Director	12	44,927	70,075	-	687
Teacher/Vice Principal	12	70,527	82,849	-	6,381
Land and Resources Officer	12	50,256	57,209	-	1,665
Comptroller	12	83,651	113,698	-	2,583
Administrator	12	103,741	106,748	-	104
Waste Water Treatment Plant	12	40,185	52,735	-	-
Human Res Dev Coordinator	12	53,276	57,746	-	-
Doctor	12	80,000	187,000	12,000	-
Doctor	5	84,000	200,000	-	-
Dentist	7	72,182	130,000	-	957
Dentist	4	17,500	80,000	-	-
Health Centre Administrator	12	70,527	85,699	-	2,794
Director of Natural Resources	7	70,527	83,859	-	2,466
Mental Health Councillor	12	56,242	66,803	-	2,552
Aquatic Resources Manager	8	56,242	66,803	-	2,491
Principal	12	79,019	95,058	3,500	7,736

Position and Title	Number of months	From	To	Other Remuneration	Travel Expenses
Nurse	12	87,234	89,944	-	1,833
Teacher	12	50,708	63,489	-	1,315
Marine Resources Manager	12	66,803	86,755	-	6,545
Mental Health Councillor	12	56,242	66,803	-	3,355
AIDP Supervisor	12	44,927	53,293	-	1,435
Director of Human Resources	12	98,100	105,393	-	3,409
Assistant Administrator	12	76,011	83,859	-	12,399
Nurse	12	70,452	85,940	-	111
AID Consultant	12	42,487	50,379	-	2,413
Hatchery Manager	12	51,725	61,036	-	2,515
Network Administrator	12	62,969	74,835	-	-
Manager Dental Office	12	50,862	63,125	-	-
Public Works Field Super.	12	65,048	82,745	-	3,118
Acting Director Natural Resources	12	53,293	63,561	-	746
Dental Hygenist	10	50,000	90,000	-	-
Executive Assistant to Council	12	44,927	55,458	-	995
Physicians Office Manager	12	53,162	63,125	-	441
Director Child & Family Services	12	83,859	99,530	-	6,692
Teacher	11	56,545	63,896	-	2,076
Accounting Supervisor	12	63,440	74,835	-	1,620
Sr. Payroll Clerk	12	42,487	50,843	-	1,430
Teacher	11	56,545	63,896	-	-