

**'Namgis First Nation**

**Financial Statements**

**March 31, 2021**

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# 'Namgis First Nation

## Consolidated Financial Statements

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March 31, 2021

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**'Namgis First Nation**

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

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**March 31, 2021**

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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.

Dee Samuels

Councillor

Shirley

Councillor

Sept. 9, 2021

Date

Sept. 8, 2021

Date



Chartered Professional Accountants

## Independent Auditor's Report

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!'*

### 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, 2021, 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, 2021, 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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- ◆ 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 8, 2021**

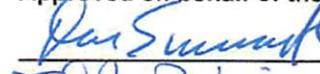
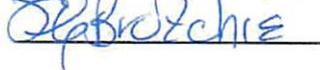
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**'Namgis First Nation****Consolidated Statement of Financial Position**

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<b>March 31</b>	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Financial Assets</b>		
Cash and term deposits (Note 3)	<b>31,267,819</b>	23,003,116
Restricted cash and deposits (Note 3)	<b>3,761,679</b>	3,452,971
Accounts receivable (Note 4)	<b>5,154,893</b>	2,179,025
Inventory (Note 5)	<b>51,971</b>	36,868
<u>Long-term investments (Note 6)</u>	<u>22,968,741</u>	<u>18,591,468</u>
	<b>63,205,103</b>	<b>47,263,448</b>
<b>Liabilities</b>		
Accounts payable (Note 7)	<b>1,519,385</b>	1,512,151
Deferred revenue (Note 8)	<b>563,548</b>	620,331
Security deposit	<b>10,666</b>	9,872
Reserves (Note 9)	<b>1,024,474</b>	1,043,532
<u>Long-term debt (Note 10)</u>	<u>4,351,493</u>	<u>4,055,798</u>
	<b>7,469,566</b>	<b>7,241,684</b>
<b>Net financial assets</b>	<b>55,735,537</b>	<b>40,021,764</b>
<b>Non-financial Assets</b>		
Capital assets (Note 11)	<b>12,123,527</b>	11,881,546
Prepaid expenses	<b>244,650</b>	258,114
	<b>12,368,177</b>	<b>12,139,660</b>
<b>Accumulated Surplus (Note 15)</b>	<b>68,103,714</b>	<b>52,161,424</b>
Contingent liabilities (Note 17)		

Approved on behalf of the 'Namgis First Nation

 Dan Seward, Councillor  
 Daphne Achie, Councillor

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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

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
<b>Excess of revenue over expenditures</b>	<b>(436,589)</b>	<b>15,942,290</b>	<b>18,094,497</b>
Acquisition of tangible capital assets	-	(1,186,709)	(789,012)
Amortization of tangible capital assets	<b>876,662</b>	<b>943,359</b>	<b>876,662</b>
Loss on disposal of capital assets	-	1,369	-
	<b>876,662</b>	<b>(241,981)</b>	<b>87,650</b>
Acquisition of prepaid asset	-	13,464	-
Use of prepaid asset	-	-	(36,610)
	-	<b>13,464</b>	<b>(36,610)</b>
Increase in net financial assets	<b>440,073</b>	<b>15,713,773</b>	<b>18,145,537</b>
Net financial assets at beginning of year	<b>40,021,764</b>	<b>40,021,764</b>	<b>21,876,227</b>
<b>Net financial assets at end of year</b>	<b>41,338,499</b>	<b>55,735,537</b>	<b>40,021,764</b>

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	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
<b>Revenue</b>			
Indigenous Services Canada	<b>7,240,413</b>	<b>8,116,727</b>	15,300,144
Share of net income from business enterprises	-	<b>5,997,915</b>	3,062,350
Province of B.C.	<b>1,950,588</b>	<b>5,526,137</b>	3,008,650
First Nation Health Authority	<b>4,277,162</b>	<b>4,651,185</b>	4,217,313
Fisheries & Oceans	<b>3,738,376</b>	<b>3,872,041</b>	2,765,171
Other Federal Grants	<b>1,650,000</b>	<b>1,720,269</b>	1,755,660
Sales	<b>904,613</b>	<b>1,197,867</b>	1,561,936
Other	<b>2,059,406</b>	<b>618,680</b>	799,541
Rental income	<b>714,702</b>	<b>617,840</b>	578,224
First Nation Education Steering Committee	<b>336,886</b>	<b>418,518</b>	578,371
Interest income	<b>250,000</b>	<b>314,564</b>	553,473
Contributions from related entities	-	<b>245,186</b>	320,581
North Vancouver Island Aboriginal Training Society	<b>207,971</b>	<b>207,318</b>	121,069
Nimpkish Fisheries Service	-	<b>189,401</b>	153,287
Municipal services	<b>120,224</b>	<b>114,812</b>	106,283
Licence lease	-	<b>80,940</b>	71,972
Canada Mortgage and Housing Corporation	-	<b>45,376</b>	26,784
Other grants	-	-	<b>500,000</b>
	<b>23,450,341</b>	<b>33,934,776</b>	35,480,809
<b>Expenditures</b>			
Expenditures (Note 18)	<b>23,886,930</b>	<b>17,992,486</b>	17,386,312
<b>Excess of revenue over expenditures</b>	<b>(436,589)</b>	<b>15,942,290</b>	18,094,497
<b>Surplus at beginning of year</b>	<b>52,161,424</b>	<b>52,161,424</b>	34,066,927
<b>Surplus at end of year</b>	<b>51,724,835</b>	<b>68,103,714</b>	<b>52,161,424</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, 2021	2021	2020
	\$	\$
<b>Cash flows from Operating activities</b>		
Excess of revenue over expenditures	15,942,290	18,094,497
Items not affecting cash		
Amortization	943,359	876,662
Loss on disposal	1,369	-
Share of losses (income) of government business enterprises, net	(5,997,915)	(3,062,350)
Forgiveness of debt (Treaty Loan)	-	(9,072,929)
	<b>10,889,103</b>	6,835,880
Change in non-cash operating working capital		
Accounts receivable	(2,975,868)	(1,008,684)
Inventory	(15,103)	7,538
Prepaid expenses	13,464	(36,610)
Accounts payable	7,230	(279,380)
Deferred revenue	(56,783)	327,085
Reserves	(19,058)	(1,110)
Security deposit	794	500
	<b>7,843,779</b>	5,845,219
<b>Capital activities</b>		
Acquisition of capital assets	<b>(1,186,705)</b>	(789,015)
<b>Financing activities</b>		
Repayment of long-term debt	(12,196)	(5,045,812)
Proceeds of long-term debt	<b>307,891</b>	357,768
	<b>295,695</b>	(4,688,044)
<b>Investing activities</b>		
Advances from (to) Government Business Partnerships	1,620,642	3,910,089
Increase in restricted cash and deposits	(308,708)	(334,142)
	<b>1,311,934</b>	3,575,947
<b>Increase in cash and cash equivalents</b>	<b>8,264,703</b>	3,944,107
<b>Cash and cash equivalents, beginning of year</b>	<b>23,003,116</b>	19,059,009
<b>Cash and cash equivalents, end of year</b>	<b>31,267,819</b>	23,003,116

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, 2021

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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, 2021**

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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, 2021**

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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, 2021**

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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, 2021

### 3. Cash and term deposits

	2021 \$	2020 \$
Externally restricted:		
Social Housing - Post 1997 "New" Program	76,371	95,550
Ottawa Trust Funds	4,252	4,424
Sewage Treatment Plant	17,984	17,971
Orca Sand and Gravel Community Benefit Fund	2,490,885	2,226,838
Kwagis Community Benefit Fund	263,661	205,473
Internally restricted:		
Fishing License Program	908,526	902,716
Unrestricted:		
Social Housing - Pre-1997 "Old" Program	-	174,122
Social Housing - Post 1997 "New" Program	34,837	48,909
Operating Fund	31,232,982	22,780,084
	<b>35,029,498</b>	<b>26,456,087</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.

#### "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.

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.

# 'Namgis First Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 3. Cash and term deposits (continued)

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

	2021	2020
	\$	\$
<b>Due from members</b>		
Garbage	<b>49,187</b>	54,302
Moorage	31,576	31,576
Sundry	31,946	40,591
Teacherages	900	1,550
Utilities	19,112	21,953
Travel	1,810	1,663
Social Housing	2,337	3,132
Revolving Housing	<b>141,673</b>	129,522
	<b>278,541</b>	284,289
<b>Due from others</b>		
Accounts receivable	<b>5,256,640</b>	2,254,845
	<b>5,535,181</b>	2,539,134
Allowance for doubtful accounts	<b>(380,288)</b>	(360,109)
	<b>5,154,893</b>	2,179,025

### 5. Inventory

	2021	2020
	\$	\$
<b>Tobacco Outlet</b>		
	<b>10,080</b>	6,418
<b>Gas Station</b>		
	<b>41,891</b>	30,450
	<b>51,971</b>	36,868

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# 'Namgis First Nation

## Notes to Consolidated Financial Statements

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March 31, 2021

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### 6. Long-term investments

Long-term investments consist of the following:

	2021	2020
	\$	\$
Investment in Orca Sand & Gravel Limited Partnership	4,260,533	1,782,777
Investment in Kwagis Power Limited Partnership	13,839,572	12,571,056
Investment in Atli Resources Limited Partnership	2,425,328	2,577,323
Investment in Kuterra Limited Partnership	101,692	101,692
Investment in Mama'omas Limited Partnership	1,139,788	921,455
Investment in Danyas Forest Products Limited Partnership	913,267	575,955
Investment in Namgis Economic Development Corp	288,561	61,210
	<hr/> <b>22,968,741</b>	<hr/> <b>18,591,468</b>

#### 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 it's 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, 2021, Quality has advanced \$3,826,009 (2020 - \$3,610,027) 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 it's 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 it's 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.

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## **'Namgis First Nation**

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

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**March 31, 2021**

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

##### 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. The Partnership has a twenty year forest license to harvest timber, 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 \$3,911,978 and liabilities of \$1,512,480 as at March 31, 2021 and revenues of \$1,421,779 and net loss of \$147,599 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 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.

Kuterra Limited Partnership had assets of \$267,936 and liabilities of \$168,774 as at March 31, 2021 and revenues of \$1,969 and expenses of \$2,843 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 \$1,307,620 and liabilities of \$655,925 as at March 31, 2021 and revenues of \$316,778 and a net income of \$97,445 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 \$2,175,878 and liabilities of \$381,991 as at December 31, 2020 and revenues of \$3,249,852 and a net income of \$635,454 for the year then ended.

##### 'Namgis Business Development Corporation

'Namgis Business Development Corporation (formerly 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 Corporation had assets of \$335,274 and liabilities of \$46,712 as at March 31, 2021 and revenues of nil, and expenses and net loss of \$173,560 for the period then ended.

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## 'Namgis First Nation

### Notes to Consolidated Financial Statements

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March 31, 2021

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#### 7. Accounts payable

	2021	2020
	\$	\$
Accounts payable and accrued liabilities	1,157,640	971,311
Due to government agencies	1,663	35,261
Accrued wages payable	<u>360,082</u>	<u>505,579</u>
	<hr/> <b>1,519,385</b>	<hr/> <b>1,512,151</b>

#### 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:

	2021	2020
	\$	\$
Cermaq Canada	450,000	-
Vancouver Island Health Authority	18,548	-
Province of BC	80,000	2,500
MOWI CA West	-	600,000
Skidegate Band Council	15,000	15,000
Indigenous Perspectives Society	-	1,331
First Nation Education Steering Committee	-	1,500
	<hr/> <b>563,548</b>	<hr/> <b>620,331</b>

#### 9. Reserves

Reserves consist of funds set aside by the Nation for restricted purposes. See also Note 3.

	2021	2020
	\$	\$
Fishing License Program	917,013	911,201
Sewage Treatment Plant Reserve	17,984	17,971
Replacement Reserve - "New" Social Housing	19,025	57,051
Operating Reserve - "New" Social Housing	<u>70,452</u>	<u>57,309</u>
	<hr/> <b>1,024,474</b>	<hr/> <b>1,043,532</b>

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## 'Namgis First Nation

### Notes to Consolidated Financial Statements

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March 31, 2021

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#### 10. Long-term debt

	2021 \$	2020 \$
Quality Sand & Gravel Ltd. - loan payable (see note below)	<b>3,826,009</b>	3,610,027
Government of Canada - Indigenous Claims Loans (see note below)	<b>449,677</b>	357,768
All Nations Trust Company - mortgage payable in monthly instalments of \$1,144 including interest at 1.86% per annum, matures April 1, 2024.	<b>75,807</b>	88,003
	<b>4,351,493</b>	4,055,798
<u>Less current portion</u>	<b>12,397</b>	12,169
	<b>4,339,096</b>	4,043,629
<hr/>		
Principal due within each of the next five years and thereafter on long-term debt is approximately as follows:		
2022	12,397	
2023	12,629	
2024	462,540	
2025	13,107	
2026 and thereafter	3,850,820	
	<b>4,351,493</b>	
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## 'Namgis First Nation

### Notes to Consolidated Financial Statements

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March 31, 2021

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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 the First Nation's intention to direct all future 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, 2021 was \$269,188.

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.

#### 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.

# 'Namgis First Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 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	2021	2020
Land		619,178	-	-	619,178	-	-	-	-	619,178	619,178
Buildings	10%	18,224,057	49,936	-	18,273,993	15,749,759	249,927	-	15,999,686	2,274,307	2,474,298
Automotive	30%	1,499,701	66,752	-	1,566,453	1,284,870	74,462	-	1,359,332	207,121	214,831
Computer Equipment	30%	1,599,135	75,496	-	1,674,631	1,442,044	58,452	-	1,500,496	174,135	157,091
Office Furniture & Equipment	10%	716,766	7,919	-	724,685	560,307	16,042	-	576,349	148,336	156,459
Other Equipment	20%	1,963,527	663,674	-	2,627,201	1,541,232	150,826	-	1,692,058	935,143	422,295
Boats & Motors	15%	274,542	343,937	(31,040)	587,439	205,933	36,087	(24,390)	217,630	369,809	68,609
Water & Sewer	5%	6,573,872	-	-	6,573,872	4,727,010	92,343	-	4,819,353	1,754,519	1,846,862
Roads	4%	1,914,045	-	-	1,914,045	1,150,681	30,535	-	1,181,216	732,829	763,364
Other Infrastructure	4%	3,465,435	-	-	3,465,435	1,256,963	88,339	-	1,345,302	2,120,133	2,208,472
Gas Station Equipment	20%	245,000	-	-	245,000	216,720	5,656	-	222,376	22,624	28,280
Work-in-Progress		292,570	10,106	(292,570)	10,106	-	-	-	-	10,106	292,570
Revolving Housing (Note 12)		9,813,905	196,462	-	10,010,367	7,565,848	108,088	-	7,673,936	2,336,431	2,248,057
Social Housing (Note 13)		521,004	-	-	521,004	169,504	12,177	-	181,681	339,323	351,500
Substance Abuse Treatment Centre (Note 14)		162,082	64,998	(29,413)	197,666	132,402	14,927	(29,196)	118,133	79,533	29,680
		47,884,819	1,479,279	(353,023)	49,011,075	36,003,273	937,861	(53,586)	36,887,548	12,123,527	11,881,546

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, 2021

### 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.

		2021		2020
		Accumulated		Net book
	Cost	amortization	Net book value	value
Houses	7,672,133	6,188,083	1,484,050	1,357,410
Major repair projects	523,145	-	523,145	536,206
Lot clearing	8,034	-	8,034	8,034
Yalis Apartments	464,458	453,659	10,799	11,999
Rental Houses	563,279	456,848	106,431	116,909
Duplexes	322,764	275,168	47,596	52,884
Triplexes	374,312	300,178	74,134	82,373
Smitty's Hill	82,242	-	82,242	82,242
	<b>10,010,367</b>	<b>7,673,936</b>	<b>2,336,431</b>	<b>2,248,057</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, 2021

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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.

		2021		2020
		Accumulated amortization	Net book value	Net book value
	Cost	\$	\$	\$
Pre-1997 ("Old") Program				
"New" Program				
Phase I	<u>521,004</u>	<u>181,681</u>	<u>339,323</u>	<u>351,500</u>
	<u>521,004</u>	<u>181,681</u>	<u>339,323</u>	<u>351,500</u>

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, 2021

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

	Rate	Cost	Accumulated amortization	Net book value	2020 Net book value
		\$	\$	\$	\$
Vehicles	30%	59,269	8,890	50,379	219
Computer Equipment	30%	34,858	29,935	4,923	1,303
Office Furniture & Equipment	10%	14,459	11,824	2,635	2,928
Other Equipment	20%	82,883	65,805	17,078	20,210
Shed	10%	6,197	1,679	4,518	5,020
		197,666	118,133	79,533	29,680

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

	2021	2020
	\$	\$
Restricted		
Trust Fund	4,252	4,424
Unrestricted		
Fund balances	54,860,228	39,168,293
Provision for capital assets	12,164,584	11,914,057
Investment in Limited Partnership	1,074,650	1,074,650
	68,099,462	52,157,000
	68,103,714	52,161,424

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## **'Namgis First Nation**

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

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**March 31, 2021**

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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 \$256,394 to the Plans during the year (2020 - \$227,923).

#### **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, 2021 is \$10,097 (2020 - \$27,764).
- 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, 2021

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#### 18. Expenses by Object

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
Amortization	\$ 876,662	\$ 943,359	\$ 876,662
Contractors and consulting	4,701,968	3,052,697	2,476,784
Contributions to other entities	1,951	6,927	(4,759)
Cost of goods sold	510,500	510,908	510,635
Insurance, licenses and dues	438,554	329,992	315,661
Interest charges	40,800	262,554	94,728
Office and miscellaneous	3,744,655	1,111,028	1,546,723
Professional fees	488,200	719,056	945,143
Program costs	1,319,072	1,149,030	1,342,465
Rent and operating costs	259,034	111,667	125,839
Repairs and maintenance	1,188,314	438,456	464,692
Social Assistance	985,000	1,227,277	1,090,091
Travel and vehicle	768,541	270,042	371,973
Utilities and telephone	718,616	652,726	564,253
Wages and benefits	7,845,063	7,206,767	6,665,422
	<b>23,886,930</b>	<b>17,992,486</b>	<b>17,386,312</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, 2021

### 20. Segmented information

	2021	Education	2020	2021	Administration	2020	2021	Health	2020
	Budget	2021			Budget	2021		2021	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>									
Indigenous Services Canada	2,409,777	2,429,527	2,197,306	1,876,855	2,261,370	1,760,090	406,632	659,381	148,504
First Nation Health Authority	-	-	-	-	-	-	4,036,611	4,361,730	3,998,763
Province of B.C.	86,728	72,278	95,172	66,700	303,297	454,285	234,713	331,663	327,988
Sales	28,000	28,000	28,000	225,000	301,580	230,760	10,000	3,393	450,794
Rental income	76,200	84,585	73,475	81,125	87,025	103,625	74,867	60,702	59,220
Fisheries & Oceans	-	-	-	169,213	203,490	140,000	-	-	-
Other revenue	636,656	720,001	863,206	2,032,598	2,300,772	2,858,633	124,707	105,625	72,589
<b>Total revenue</b>	<b>3,237,361</b>	<b>3,334,391</b>	<b>3,257,159</b>	<b>4,451,491</b>	<b>5,457,534</b>	<b>5,547,393</b>	<b>4,887,530</b>	<b>5,522,494</b>	<b>5,057,858</b>
<b>Expenses</b>									
Contractors and consulting	31,000	34,884	132,101	662,024	453,551	806,891	480,150	565,649	542,898
Insurance, licenses and dues	41,801	37,655	33,600	86,945	58,215	57,929	73,185	29,565	30,048
Office and miscellaneous	426,121	437,694	419,116	420,161	320,673	352,051	1,037,833	970,700	833,763
Program costs	1,018,820	877,937	742,736	22,000	205,867	232,165	77,586	54,040	12,000
Repairs and maintenance	80,497	55,013	31,001	367,467	157,764	243,514	210,000	186,576	112,512
Utilities and telephone	106,090	104,837	103,001	284,302	329,521	270,260	156,954	97,290	102,537
Wages and benefits	1,346,433	1,340,922	1,250,851	1,814,925	1,661,695	1,583,633	1,837,118	1,640,027	1,769,525
Other expenses	9,446	3,517	31,338	420,247	748,544	806,796	339,742	338,547	426,717
<b>Total expenses</b>	<b>3,060,208</b>	<b>2,892,459</b>	<b>2,743,744</b>	<b>4,078,071</b>	<b>3,935,830</b>	<b>4,353,239</b>	<b>4,212,568</b>	<b>3,882,394</b>	<b>3,830,000</b>
<b>Annual surplus (deficit)</b>	<b>177,153</b>	<b>441,932</b>	<b>513,415</b>	<b>373,420</b>	<b>1,521,704</b>	<b>1,194,154</b>	<b>674,962</b>	<b>1,640,100</b>	<b>1,227,858</b>

# 'Namgis First Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 20. Segmented information, continued

	Child and Family Services			Natural Resources			Capital Projects and Revolving Housing Fund		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>									
Indigenous Services Canada	2,187,163	2,406,463	1,870,828	198,974	198,974	-	161,012	161,012	250,487
First Nation Health Authority	240,551	289,455	218,550	-	-	-	-	-	-
Province of B.C.	563,877	587,085	572,976	84,300	3,248,257	540,749	-	-	-
Sales	-	-	-	230,575	474,205	434,960	-	-	-
Rental income	44,500	44,500	36,000	25,880	25,880	41,280	412,130	517,722	457,884
Fisheries & Oceans	-	-	-	518,048	602,651	697,874	-	-	-
Other revenue	148,526	155,432	203,061	22,000	280,319	181,654	10,000	10,991	38,074
<b>Total revenue</b>	<b>3,184,617</b>	<b>3,482,935</b>	<b>2,901,415</b>	<b>1,079,777</b>	<b>4,830,286</b>	<b>1,896,517</b>	<b>583,142</b>	<b>689,725</b>	<b>746,445</b>
<b>Expenses</b>									
Contractors and consulting	58,115	36,693	73,889	359,500	874,300	361,142	-	-	-
Insurance, licenses and dues	16,714	10,563	10,548	42,450	36,428	35,117	136,159	118,726	135,521
Office and miscellaneous	398,161	344,936	370,847	207,267	203,434	229,218	69,146	71,165	195,419
Program costs	80,281	84,721	80,456	-	29,127	60,109	120,385	71,434	183,782
Repairs and maintenance	122,675	76,945	19,050	29,371	154,832	48,461	184,272	90,060	288,744
Utilities and telephone	27,090	23,932	23,247	40,580	54,296	54,851	-	-	-
Wages and benefits	1,099,910	1,022,235	1,044,198	610,186	585,363	654,937	-	-	-
Other expenses	884,550	1,090,227	883,502	310,522	338,749	257,490	43,151	40,424	47,811
<b>Total expenses</b>	<b>2,687,496</b>	<b>2,690,252</b>	<b>2,505,737</b>	<b>1,599,876</b>	<b>2,276,529</b>	<b>1,701,325</b>	<b>553,113</b>	<b>391,809</b>	<b>851,277</b>
<b>Annual surplus (deficit)</b>	<b>497,121</b>	<b>792,683</b>	<b>395,678</b>	<b>(520,099)</b>	<b>2,553,757</b>	<b>195,192</b>	<b>30,029</b>	<b>297,916</b>	<b>(104,832)</b>

# 'Namgis First Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 20. Segmented information, continued

	Commercial Enterprises			Social Housing Fund			Trust Fund		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>									
Province of B.C.	914,270	983,557	917,481	-	-	-	-	-	-
Sales	411,038	390,689	417,422	-	-	-	-	-	-
Rental income	-	21,600	3,600	-	22,968	35,070	-	-	-
Other revenue	-	5,997,913	3,062,350	-	12,334	28,061	-	4,252	4,424
<b>Total revenue</b>	<b>1,325,308</b>	<b>7,393,759</b>	<b>4,400,853</b>	<b>-</b>	<b>35,302</b>	<b>63,131</b>	<b>-</b>	<b>4,252</b>	<b>4,424</b>
<b>Expenses</b>									
Amortization	-	-	-	-	12,177	19,578	-	-	-
Contractors and consulting	250,000	49,142	78,601	-	-	-	-	-	-
Insurance, licenses and dues	6,300	6,266	7,816	-	1,915	3,915	-	-	-
Office and miscellaneous	97,600	33,328	11,797	-	3,731	17,074	-	-	-
Program costs	-	-	-	-	9,725	4,639	-	-	-
Repairs and maintenance	13,000	6,997	2,594	-	2,570	358	-	-	-
Utilities and telephone	1,000	791	741	-	-	-	-	-	-
Wages and benefits	43,000	41,205	41,052	-	-	-	-	-	-
Other expenses	314,000	506,389	381,663	-	5,184	9,106	-	-	(1)
<b>Total expenses</b>	<b>724,900</b>	<b>644,118</b>	<b>524,264</b>	<b>-</b>	<b>35,302</b>	<b>54,670</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>Annual surplus (deficit)</b>	<b>600,408</b>	<b>6,749,641</b>	<b>3,876,589</b>	<b>-</b>	<b>-</b>	<b>8,461</b>	<b>-</b>	<b>4,252</b>	<b>4,425</b>

# 'Namgis First Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 20. Segmented information, continued

	Benefit Funds		2021 Budget	2021 Budget	Treaty 2021 Actual	2020 Actual	BCSRIF	
	2021 Actual	2020 Actual					2021 Actual	2020 Actual
<b>Revenues</b>								
Indigenous Services Canada	-	-	-	-	-	9,072,929	-	-
Province of B.C.	-	-	-	-	-	-	-	100,000
Fisheries & Oceans	-	-	-	-	-	-	3,051,115	3,065,900
Other revenue	-	319,983	467,797	-	-	-	1,650,000	1,720,269
<b>Total revenue</b>	-	319,983	467,797	-	-	9,072,929	4,701,115	4,786,169
<b>Expenses</b>								
Contractors and consulting	-	-	-	-	-	-	2,861,179	1,038,478
Insurance, licenses and dues	-	-	-	-	-	-	35,000	30,660
Office and miscellaneous	-	-	-	-	-	-	1,088,366	983,724
Program costs	-	13,001	67,276	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	181,032	129,661
Utilities and telephone	-	-	-	-	-	-	102,600	42,060
Wages and benefits	-	-	-	-	-	-	1,093,491	915,317
Other expenses	-	960	905	-	-	-	732,368	267,733
<b>Total expenses</b>	-	13,961	68,181	-	-	-	6,094,036	3,407,633
<b>Annual surplus (deficit)</b>	-	306,022	399,616	-	-	9,072,929	(1,392,921)	1,378,536
								1,359,680

# 'Namgis First Nation

## Notes to Consolidated Financial Statements

March 31, 2021

### 20. Segmented information, continued

	Eliminations and Capital			Consolidated totals		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$	\$	\$	\$
Revenues						
Indigenous Services Canada	-	-	-	7,240,413	8,116,727	15,300,144
First Nation Health Authority	-	-	-	4,277,162	4,651,185	4,217,313
Province of B.C.	-	-	-	1,950,588	5,526,137	3,008,651
Sales	-	-	-	904,613	1,197,867	1,561,936
Rental income	-	(247,142)	(231,930)	714,702	617,840	578,224
Fisheries & Oceans	-	-	-	3,738,376	3,872,041	2,765,171
Other revenue	-	(1,674,912)	(1,586,139)	4,624,487	9,952,979	8,049,370
Total revenue	-	(1,922,054)	(1,818,069)	23,450,341	33,934,776	35,480,809
Expenses						
Amortization	-	931,182	857,084	-	943,359	876,662
Contractors and consulting	-	-	(100)	4,701,968	3,052,697	2,476,784
Insurance, licenses and dues	-	-	-	438,554	329,993	315,661
Office and miscellaneous	-	(2,258,357)	(1,731,512)	3,744,655	1,111,028	1,546,723
Program costs	-	(196,822)	(40,698)	1,319,072	1,149,030	1,342,465
Repairs and maintenance	-	(421,962)	(632,547)	1,188,314	438,456	464,692
Utilities and telephone	-	-	(4,000)	718,616	652,727	564,252
Wages and benefits	-	-	-	7,845,063	7,206,764	6,665,423
Other expenses	-	(231,842)	(217,628)	3,054,026	3,108,432	3,133,650
Total expenses	-	(2,177,801)	(1,769,401)	23,010,268	17,992,486	17,386,312
Annual surplus (deficit)	-	255,747	(48,668)	440,073	15,942,290	18,094,497



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Chartered Professional Accountants

Cory McIntosh, CPA, CGA CAFM, CFP\*  
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\*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, 2021. 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  
MCINTOSH | NORTON | WILLIAMS  
chartered professional accountants

Qualicum Beach, B.C.  
September 8, 2021

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ANNEX B

Schedule of Remuneration and Expenses - (Chiefs and Councillors)

'Namgis First Nation

for the year ended March 31, 2021

Name of Individual	Position and Title	Number of months *	Remuneration	Travel Expenses
Svanvik, Don	Chief Councillor	12.0	30,630	-
Hunt, Stan	Councillor	12.0	13,040	-
Speck, Kelly	Councillor	12.0	28,900	-
Mountain, Robert	Councillor	12.0	16,120	-
Isaac, Victor	Councillor	12.0	14,476	-
Alfred, Ernest	Councillor	12.0	12,910	-
Taylor, Dixon	Councillor	12.0	12,910	-
Brotchie, Vickie	Councillor	12.0	12,260	-
Macko, John	Councillor	12.0	12,910	-
Alfred, Gerald	Councillor	6.0	5,398	-

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