

Quatsino First Nation
Consolidated Financial Statements
March 31, 2014

Quatsino First Nation
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For the year ended March 31, 2014

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Management's Responsibility

To the Members of Quatsino First Nation:

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

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

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

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

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

July 29, 2014

St. Cola li

Finance Manager

Independent Auditors' Report

To the Members of Quatsino First Nation:

We have audited the accompanying consolidated financial statements of Quatsino First Nation, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

We were unable to observe sufficient evidence of the review and approval of Quatsino First Nation's budget. Therefore, we were unable to determine whether adjustments to budgeted operations or budgeted changes in accumulated surplus might be necessary to present these figures as originally planned in the consolidated financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly in all material respects the financial position of Quatsino First Nation as at March 31, 2014 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Nanaimo, British Columbia

July 29, 2014

MNP LLP
Chartered Accountants

Quatsino First Nation
Consolidated Statement of Financial Position
As at March 31, 2014

	2014	2013
Financial assets		
Cash - unrestricted	3,141,909	2,728,805
Cash - restricted (Note 3)	551,577	455,186
Accounts receivable (Note 4)	981,481	1,056,130
Funds held in trust (Note 5)	1,002,670	871,735
Advances to related Nation entities (Note 6)	38,040	1,828,524
Inventory for resale	8,823	8,491
Investment in Nation government business entities (Note 9)	530,585	(122,729)
Total of financial assets	6,255,085	6,826,142
Liabilities		
Accounts payable and accruals	258,541	385,252
Deferred revenue	17,695	12,865
Advances from related Nation entities (Note 8)	106,746	224,435
Capital lease obligations (Note 7)	5,298	16,283
Long-term debt (Note 8)	4,442,286	4,598,988
Total of financial liabilities	4,830,564	5,237,823
Net financial assets	1,424,521	1,588,319
Contingent liabilities (Note 10)		
Non-financial assets		
Tangible capital assets (Schedule 1)	8,990,071	9,604,614
Prepaid expenses	39,486	12,623
Total non-financial assets	9,029,557	9,617,237
Accumulated surplus (Note 12)	10,454,078	11,205,556

Approved on behalf of Chief and Council

A. Clark

Councillor

B. Bell

Councillor

The accompanying notes are an integral part of these financial statements

Quatsino First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2014

	<i>Schedules</i>	<i>2014 Budget (unaudited)</i>	<i>2014</i>	<i>2013</i>
Revenue				
Aboriginal Affairs and Northern Development Canada (Note 16)		2,064,719	2,063,210	2,026,888
Health Canada		564,722	564,722	517,076
Canada Mortgage and Housing Corporation		15,468	159,716	146,460
Fisheries and Oceans Canada		80,810	10,291	261,783
Island Coastal Economic Trust		-	-	56,483
Trust Funds		-	130,935	89,147
Coast Sustainability		-	-	45,000
Earnings (loss) from investment in Nation business entities		-	(1,944,888)	415,811
Wind farm		28,691	456,771	546,044
Province of BC		177,519	177,519	171,505
Investment income		26,000	234,470	240,115
Miscellaneous		409,188	387,156	337,948
Forestry		64,420	58,023	29,968
N.V.I.A.M.S.		12,628	11,191	8,714
First Nations organizations		9,500	38,188	9,923
Arcade		-	116,487	129,683
Reversal of forgiveness of debt (Note 14)		-	855,402	-
		3,453,665	3,319,193	5,032,548
Expenses				
Administration	3	636,482	707,466	687,780
Community	4	116,632	53,995	158,176
Economic Development	5	33,133	162,657	159,871
Community Infrastructure	6	208,276	238,585	235,866
Housing	7	35,084	43,941	21,368
Social Housing - CMHC	8	-	318,829	330,784
Natural Resources	9	528,599	321,220	695,597
Income Assistance	10	428,544	382,625	392,853
Health	11	639,341	564,312	563,181
Education	12	713,628	999,492	944,829
Enterprise Fund	13	-	142,225	131,966
		3,339,719	3,935,347	4,322,271
Surplus (deficit) before other items		113,946	(616,154)	710,277
Loss on disposal of tangible capital assets		-	(9,310)	-
Surplus (deficit) before transfers		113,946	(625,464)	710,277
Transfer to Nation Members		-	(126,014)	(105,500)
Annual surplus (deficit)		113,946	(751,478)	604,777
Accumulated surplus, beginning of year		11,205,557	11,205,556	10,600,779
Accumulated surplus, end of year		11,319,503	10,454,078	11,205,556

The accompanying notes are an integral part of these financial statements

Quatsino First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2014

	2014 Budget (unaudited)	2014	2013
Annual surplus (deficit)	113,946	(751,478)	604,777
Purchases of tangible capital assets	-	(3,914)	(369,189)
Amortization of tangible capital assets	-	600,648	622,754
Loss on sale of tangible capital assets	-	9,310	-
Proceeds of disposal of tangible capital assets	-	8,511	-
Acquisition of prepaid expenses	-	(26,875)	-
Use of prepaid expenses	-	-	21,315
Increase (decrease) in net financial assets	113,946	(163,798)	879,657
Net financial assets, beginning of year	1,588,319	1,588,319	708,662
Net financial assets, end of year	1,702,265	1,424,521	1,588,319

The accompanying notes are an integral part of these financial statements

Quatsino First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	(751,478)	604,777
Add back: Transfers to Nation Members	126,014	105,500
Non-cash items		
Amortization	600,648	622,754
(Earnings) loss from investment in Nation business	1,944,888	(415,811)
Loss on disposal of tangible capital assets	9,310	-
Reversal of forgiveness of debt	(855,402)	-
Transfer of related party balance to partner capital in investment in Quatsino Economic Development Limited Partnership	236,386	-
Changes in working capital accounts		
Accounts receivable	74,649	290,726
Prepaid expenses	(26,875)	21,315
Inventory for resale	(332)	1,262
Deposits	-	67,150
Accounts payable and accruals	(126,711)	(347,403)
Deferred revenue	4,819	(4,222)
	1,235,916	946,048
Financing activities		
Repayment of long-term debt	(156,702)	(142,236)
Repayment of capital lease obligations	(10,987)	(9,274)
Payments into restricted cash funds	96,391	61,084
Advances from related parties	-	112,038
Repayment of advances from related Nation entities	(117,689)	-
Advances to related parties	9,969	-
	(178,018)	21,612
Capital activities		
Purchases of tangible capital assets	(3,914)	(369,189)
Proceeds of disposal of tangible capital assets	8,511	-
	4,597	(369,189)
Investing activities		
Payment of funds to Nation members	(126,014)	(105,500)
Increase in trust funds	130,935	89,146
Investment in Nation business entities	(653,312)	481,116
	(648,391)	464,762
Increase in cash resources	413,104	1,063,233
Cash resources, beginning of year	2,728,805	1,665,572
Cash resources, end of year	3,141,909	2,728,805

The accompanying notes are an integral part of these financial statements

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

1. Operations

The Quatsino First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Quatsino First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for investment in First Nation business entities. Trusts administered on behalf of third parties by Quatsino First Nation are excluded from the First Nation reporting entity.

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

- CMHC Housing
- Trust Funds
- Quatsino Community Society
- Quatsino Contracting Corporation Ltd.

All inter-entity balances have been eliminated on consolidation.

Quatsino First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Quatsino Economic Development Limited Partnership
- Quatsino First Nation Economic Development Corporation

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Long-lived assets and discontinued operations

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

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

2. Significant accounting policies (Continued from previous page)

Tangible capital assets

Tangible capital assets are initially recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

All intangible assets and items inherited by the right of the First Nation, such as reserve land, forests, water and mineral reserves, are not recognized in the First Nation's consolidated financial statements.

Amortization

Amortization for tangible capital assets is provided on both the straight-line basis and declining balance basis over the estimated useful life of the assets. In the year of acquisition, amortization is taken at one-half the rates. See below for amortization rates of specific asset categories.

Land, totem pole, and work-in-progress are not amortized.

	Method	Rate
Buildings and improvements	declining balance	4 %
CMHC housing	straight-line	25 years
Roads, streets and bridges	straight-line	38-100 years
Water, sanitary, and storm	straight-line	30-100 years
Boats	declining balance	15 %
Vehicles	declining balance	30 %
Equipment	declining balance	20-30 %
Computer hardware and software	declining balance	30-100 %

Funds held in Trust

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated operating surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Net financial assets

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets are comprised of two components, non-financial assets and accumulated surplus.

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

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

Revenue recognition

i) **Government Funding**

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

ii) **First Nation Capital and Revenue Trust Funds**

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

iii) **Canada Mortgage and Housing Corporation ("CMHC")**

CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

iv) **Housing Rental Income**

Rental revenue is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

v) **Own Source Revenue**

Own source revenue is recognized when performance is complete, collectibility is assured and an amount can be reasonably estimated.

Financial instruments

The First Nation's financial instruments consist of cash, funds held in trust, accounts receivable, accounts payable and accruals, amounts due to/from related First Nations entities, capital lease obligation and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, credit, or currency risks arising from these financial instruments.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of selling.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

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

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

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

2. Significant accounting policies (Continued from previous page)

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on the declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible assets, and whereby its fulfillment is dependent on the use of the specific tangible assets. After the inception of the arrangement, as reassessment of whether the arrangement contains a lease is made only in the event that:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- there is a change in determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible assets; or
- there is a substantial physical change to the specified tangible assets.

Segments

The First Nation conducts its business through 10 reportable segments: Administration, Community, Economic Development, Community Infrastructure, Housing, Social Housing, Natural Resources, Income Assistance, Health, Education and Enterprise Fund. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2 the *Significant accounting policies*.

Recent accounting pronouncements

Liability for contaminated sites

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The First Nation has not yet determined the effect of the new section in its consolidated financial statements.

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2016. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The First Nation does not expect the adoption of these new standards to have a material impact on its financial statements.

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

3. Cash - restricted

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited in the amount of \$40,411 (2013 - \$40,411) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At March 31, 2014, \$234,533 has been set aside to fund these reserves. At year end, these reserves were under funded by \$144 (2013 - \$Nil).

Under the terms of the agreements with CMHC, excess revenues over expenditures for the Post 1996 phases may be retained in an Operating Reserve. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2014, \$317,044 has been set aside to fund this reserve. At year end, the operating reserve was underfunded by \$35,468 (2013- \$Nil).

4. Accounts receivable

	2014	2013
Aboriginal Affairs and Northern Development Canada	264,912	527,103
Fishing entities	85,000	129,277
Department of Fisheries and Oceans	108,265	51,358
New Relationship Trust	1,000	800
Other First Nations	97,601	43,902
Members	107,480	110,151
Forestry companies	24,082	9,317
Province of British Columbia	12,697	15,339
Rent receivable	127,492	108,475
Electra Gold	-	4,534
Canada Mortgage and Housing Corporation	10,505	13,947
Other receivables	142,447	41,927
	<hr/> 981,481	<hr/> 1,056,130

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

5. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Council.

	2014	2013
Capital Trust		
Balance, beginning of year	11,238	11,238
Balance, end of year	11,238	11,238
Revenue Trust		
Balance, beginning of year	860,497	771,351
Interest	31,467	19,138
Lease revenue	98,235	68,791
BC special distribution	1,233	1,217
Balance, end of year	991,432	860,497
	1,002,670	871,735

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

6. Advances to (from) related Nation Entities

Advances to (from) related Nation entities and departments are unsecured, non-interest bearing and due on demand.

	2014	2013
Advances to related Nation Entities		
688357 B.C. Ltd.	117	225
Quatsino Economic Development Limited Partnership	-	1,800,453
Quatsino First Nation Economic Development Corporation	53	97
Quatsino Forestry Limited Partnership	14,725	-
Quatsino Marine Limited Partnership	23,145	27,749
	38,040	1,828,524
Advances from related Nation Entities		
Quatsino Economic Development Limited Partnership	106,746	103,202
Quatsino Marine Limited Partnership	-	121,233
	106,746	224,435

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

7. Capital lease obligations

2014 **2013**

De Large Landen Financial Services Canada Inc.; equipment lease, repayable monthly at \$915 including interest, secured by equipment with a net book value of \$16,936 (2013 - \$21,170), due November 2014.

5,296 **16,283**

Minimum lease payments related to the obligation under capital lease are as follows:

2015	5,296
Balance of obligation	5,296

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

8. Long-term debt

	2014	2013
All Nations Trust loan		
- Phase 2		
- Interest at 2.61%, compounded semi-annually		
- Monthly blended payments of \$2,089, maturing June 1, 2014		
- Secured by buildings and equipment with a net book value of \$39,230	6,235	30,855
All Nations Trust loan - Phase 3		
- Interest at 2.76%, compounded semi-annually		
- Monthly blended payments of \$1,219, maturing March 1, 2015		
- Secured by buildings and equipment with a net book value of \$Nil	14,416	28,506
All Nations Trust loan - Phase 6		
- Interest at 2.11%, compounded semi-annually		
- Monthly blended payments of \$1,790, maturing November 1, 2018		
- Secured by buildings and equipment with a net book value of \$62,833	95,422	114,651
All Nations Trust loan - Phase 7		
- Interest at 2.57%, compounded semi-annually		
- Monthly blended payments of \$2,264, maturing November 1, 2024		
- Secured by buildings and equipment with a net book value of \$281,553	253,349	274,345
All Nations Trust loan - Phase 8		
- Interest at 2.26%, compounded semi-annually		
- Monthly blended payments of \$1,252, maturing June 1, 2026		
- Secured by buildings and equipment with a net book value of \$201,795	160,767	172,369
All Nations Trust loan - Phase 9		
- Interest at 1.67%, compounded semi-annually		
- Monthly blended payments of \$2,488, maturing April 1, 2028		
- Secured by buildings and equipment with a net book value of \$497,931	374,626	398,444
All Nations Trust loan - Phase 10		
- Interest at 2.65%, compounded semi-annually		
- Monthly blended payments of \$5,983, maturing April 1, 2036		
- Secured by buildings and equipment with a net book value of \$1,599,137	1,200,803	1,243,150
Aboriginal Affairs and Northern Development Canada - BC Treaty loan		
- 0% interest		
- No current terms of repayment	2,236,672	2,236,672
Aboriginal Affairs and Northern Development Canada - Laich-Kwii-Tach		
- 0% interest		
- No current terms of repayment	99,996	99,996
	<hr/> 4,442,286	<hr/> 4,598,988

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

8. Long-term debt (Continued from previous page)

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

	Principal
2015	138,824
2016	119,957
2017	121,383
2018	124,103
2019	122,537
	<hr/>
	626,804
	<hr/>
Thereafter	3,815,482

9. Investments in First Nation partnerships and business entities

The First Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Draws</i>	<i>Total investment</i>
Wholly-owned Businesses:					
Quatsino First Nation Economic Development Corporation Ltd.	10	-	(1,921,784)	-	(1,921,774)
Quatsino Economic Development Limited Partnership - 99.9%	999	3,910,699	(1,459,339)	-	2,452,359
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,009	3,910,699	(3,381,123)	-	530,585

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Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

9. Investments in First Nation partnerships and business entities (Continued from previous page)

The First Nation's investment in Quatsino First Nation Economic Development Corporation Ltd. was established for the purposes of running the economic activities of various business endeavours for the First Nation. It owns investments in 688357 B.C. Ltd., Quatsino Energy Corporation Ltd., Quatsino Forestry Company Ltd., Quatsino Marine GP Ltd. and Quattishe Forest Products Ltd.

Quatsino Economic Development Limited Partnership was established for the purposes of running the economic activities of various business endeavours for the First Nation. It owns investments in Quatsino Energy Limited Partnership, Quatsino Forestry Limited Partnership, Quatsino Marine Limited Partnership, and Quattishe Limited Partnership.

The information in the table below summarizes the financial statements of the above entities. Quatsino Economic Development Limited Partnership has been audited. All other information is unaudited.

	<i>Quatsino First Nation Economic Development Corporation Ltd. As at March 31, 2014</i>	<i>688357 B.C. Ltd. As at March 31, 2014</i>	<i>Quatsino Energy Corporation Ltd. As at March 31, 2014</i>	<i>Quatsino Forestry Company Ltd. As at March 31, 2014</i>
Assets				
Cash	-	32,164	3,351	339
Accounts receivable	1	5,188	7,500	-
Inventory	-	-	-	-
Prepads	9,000	2,316	-	-
Advances to related parties	1,938,449	2,423	15,000	53,376
Property, plant and equipment	44,531	620,514	-	22,790
Investments	310	-	-	272
Total assets	1,992,291	662,605	25,851	76,777
Liabilities				
Accounts payable and accruals	17,999	5,199	310	1,001
Advances from related parties	2,517,717	359,309	1,175	6,000
Payable to shareholder	-	808,771	55,388	616,866
Total liabilities	2,535,716	1,173,279	56,873	623,867
Share / partners' capital				
	10	10	100	100
	(543,435)	(510,684)	(31,122)	(547,190)
Total revenue	377	58,803	1	241
Total expenses	2,545	136,840	307	10,068
Net income (loss)	(2,168)	(78,037)	(306)	(9,827)
Surplus (deficit), beginning of year	(541,549)	(432,647)	(30,816)	(537,363)
Surplus (deficit), end of year	(543,435)	(510,684)	(31,122)	(547,190)

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

9. Investments in First Nation partnerships and business entities (Continued from previous page)

	<i>Quatsino Marine GP Ltd. As at March 31, 2014</i>	<i>Quattishe Forest Products Ltd. As at March 31, 2014</i>	<i>Quatsino Economic Development Limited Partnership As at December 31, 2013</i>
Assets			
Cash	-	2,831	412,388
Accounts receivable	-	-	94,518
Inventory	-	-	27,153
Prepays	-	55,510	7,173
Advances to related parties	-	110,629	456,082
Property, plant and equipment	-	293	24,509
Investments	42	(7)	1,865,367
Total assets	42	169,256	2,887,190
Liabilities			
Accounts payable and accruals	1,000	1,001	70,265
Advances from related parties	-	-	235,600
Payable to shareholder	-	456,264	-
Total liabilities	1,000	457,265	305,865
Share / partners' capital	1	100	2,581,325
	(959)	(288,109)	-
Total revenue	41	(1,010)	2,692,635
Total expenses	1,000	470	4,550,897
Net income (loss)	(959)	(1,480)	(1,858,262)
Surplus (deficit), beginning of year	-	(286,629)	398,925
Surplus (deficit), end of year	(959)	(288,109)	(1,459,337)

10. Contingent liabilities

The First Nation is currently involved in legal proceedings. The legal proceedings are still subject to many uncertainties, thus it is not possible to determine if the First Nation will be required to pay any amounts or how much.

The First Nation is contingently liable as a guarantor of bank mortgages up to \$2,392 (2013 - \$22,382).

The First Nation is contingently liable to School District #85 for \$80,000 (2013 - \$80,000).

The First Nation is contingently liable to the BC Treaty Commission for \$41,433 for unexpended negotiation support funding (2013 - \$41,433).

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

11. Segments

Quatsino First Nation receives revenues from many different projects and sources. For management and reporting purposes, the revenues, expenses and surplus or deficit are organized by segments. Schedules 3 to 13 discloses Quatsino First Nation's revenues, expenses and surpluses or deficit's for the following segments:

Administration:

This segment includes general operations, support, and financial management of the First Nation.

Community:

This segment includes revenues and expenses for programs which are of benefit to the entire community of the First Nation.

Economic Development:

This segment includes activities related to the growth of revenue producing projects within the First Nation.

Community Infrastructure:

This segment includes the revenues and expenses related to the acquisition, maintenance and repairs of the First Nation's infrastructure.

Housing:

This segment includes the activities related to the provision of housing within the First Nation, not subject to CMHC

Social Housing - CMHC:

This segment includes the activities related to the provision of housing within the First Nation, subject to CMHC.

Natural Resources:

This segment includes revenues and expenses from projects dealing with the natural resources of the First Nation.

Income Assistance:

This segment includes revenues and expenses relating to the social assistance of the members of the First Nation.

Health:

This segment includes activities related to the provision of health services within the First Nation.

Education:

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

Enterprise Fund:

This segment includes activities related to the investment in First Nation business entities.

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

12. Accumulated surplus

Quatsino First Nation uses fund accounting procedures that result in a self-balancing set of accounts for each fund established by legal, contractual, or voluntary actions. The funds have been amalgamated for the purpose of presentation in the consolidated financial statements.

Quatsino First Nation maintains the following funds:

- Operating fund, which reports the general activities of the First Nation administration
- Capital fund, which reports on the tangible capital assets of the First Nation, with any related capital financing
- Social housing fund, which reports on the activities within the First Nation's social housing program
- Enterprise fund, which reports on the Nation's investments in related entities
- Trust fund, which reports on trust moneys owned by the First Nation and held by third parties

Accumulated surplus consists of the following:

	2014	2013
Equity in operating fund	2,122,058	3,324,059
Equity in tangible capital assets	5,300,845	5,619,217
Equity in operating and replacement reserves	551,577	455,186
Equity in enterprise fund	1,476,928	935,359
Equity in Ottawa Trust Funds	1,002,670	871,735
	10,454,078	11,205,556

13. Economic dependence

Quatsino First Nation receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of agreements entered into with the Government of Canada. These agreements are administered by AANDC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

14. Reversal of forgiveness of debt

During the year the First Nation reversed debt which was previously forgiven within the Quatsino Economic Development group. The reversal comes about due to the operating activities in Quatsino Economic Development Limited Partnership being profitable and self-sustaining.

15. Comparative figures

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

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

16. AANDC revenue reconciliation

	2014	2013
AANDC revenue per confirmation	2,065,149	2,226,171
Social Assistance (included in accounts receivable)	(1,939)	(3,977)
Social Assistance - receivable for 2013 expenditures in excess of funds received	-	938
Social Assistance - payable for 2013 funds received in excess of expenditures	-	(4,909)
Municipal services 2009/2010 reimbursement (included in accounts receivable)	-	(85,606)
Wastewater under \$1.5M 2008/2009 reimbursement (included in accounts receivable)	-	(19,685)
Major Renovations 2009/2010 reimbursement (included in accounts receivable)	-	(68,449)
Reprofiled Comprehensive Community Plan (included in accounts receivable)	-	(13,300)
Major Renovations - receivable for 2013 expenditures in excess of funds received	-	15,411
Emergency O&M - receivable for 2013 expenditures in excess of funds received	-	39,909
AANDC revenue adjustment	-	(59,615)
	2,063,210	2,026,888

Quatsino First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Land</i>	<i>Buildings and Improvements</i>	<i>CMHC housing</i>	<i>Roads, streets and bridges</i>	<i>Water, sanitary and storm</i>	<i>Boats</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	-	6,828,317	4,326,271	511,120	1,314,608	586,296	13,566,612
Acquisition of tangible capital assets	-	3,914	-	-	-	-	3,914
Disposal of tangible capital assets	-	-	-	-	-	(82,957)	(82,957)
Balance, end of year	-	6,832,231	4,326,271	511,120	1,314,608	503,339	13,487,569
Accumulated amortization							
Balance, beginning of year	-	2,222,346	1,643,791	164,682	218,270	472,554	4,721,643
Annual amortization	-	228,513	173,649	7,114	15,895	14,390	439,561
Accumulated amortization on disposals	-	-	-	-	-	(65,147)	(65,147)
Balance, end of year	-	2,450,859	1,817,440	171,796	234,165	421,797	5,096,057
Net book value of tangible capital assets	-	4,381,372	2,508,831	339,324	1,080,443	81,542	8,391,512
2013 Net book value of tangible capital assets	-	4,605,971	2,682,480	346,438	1,096,337	113,742	8,844,968

Quatsino First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	<i>Subtotal</i>	<i>Vehicles</i>	<i>Equipment</i>	<i>Computer hardware and software</i>	<i>Work-in-progress</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	13,566,612	484,008	1,418,923	417,164	84,224	15,970,931
Acquisition of tangible capital assets	3,914	-	-	-	-	3,914
Disposal of tangible capital assets	(82,957)	-	-	-	-	(82,957)
Balance, end of year	13,487,569	484,008	1,418,923	417,164	84,224	15,891,888
 Accumulated amortization						
Balance, beginning of year	4,721,643	234,065	1,022,084	409,694	-	6,387,486
Annual amortization	439,561	74,983	79,366	2,504	-	596,414
Accumulated amortization on disposals	(65,147)	-	-	-	-	(65,147)
 Balance, end of year	5,096,057	309,048	1,101,450	412,198	-	6,918,753
 Net book value of tangible capital assets	8,391,512	174,960	317,473	4,966	84,224	8,973,135
 2013 Net book value of tangible capital assets	8,844,968	249,943	396,839	7,470	84,224	9,583,444

Quatsino First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2014

	Subtotal	Equipment under capital lease	2014	2013
Cost				
Balance, beginning of year	15,970,931	29,402	16,000,333	15,631,144
Acquisition of tangible capital assets	3,914	-	3,914	369,189
Disposal of tangible capital assets	(82,957)	-	(82,957)	-
Balance, end of year	15,891,888	29,402	15,921,290	16,000,333
 Accumulated amortization				
Balance, beginning of year	6,387,486	8,232	6,395,718	5,772,965
Annual amortization	596,414	4,234	600,848	622,754
Accumulated amortization on disposals	(65,147)	-	(65,147)	-
 Balance, end of year	6,918,753	12,466	6,931,219	6,395,719
 Net book value of tangible capital assets	8,973,135	16,936	8,990,071	9,604,614
 2013 Net book value of tangible capital assets	9,583,444	21,170	9,604,614	

Quatsino First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2014

	2014 Budget (unaudited)	2014	2013
Consolidated expenses by object			
Administration	90,438	-	-
Advertising	-	3,106	-
Amortization	-	600,648	622,754
Automotive	22,850	14,378	50,704
Bad debts	-	-	(7,826)
Bank charges and interest	-	1,612	2,164
Cigarette purchases	-	94,536	101,563
Community events	-	7,399	4,540
Consulting	-	-	1,200
Contracted services	337,837	117,264	99,865
Council travel	30,000	25,502	35,603
Education	44,380	54,558	33,961
Food and beverage	7,000	6,512	32,920
Fishing	8,000	4,505	22,327
Funeral	4,000	7,196	1,984
Honoraria	45,800	78,083	75,145
Insurance	32,819	40,618	79,549
Interest on long-term debt	-	53,922	64,667
Materials	53,005	38,644	64,070
Meeting	9,800	15,046	11,136
Miscellaneous	-	-	762
Office supplies	29,600	34,114	44,575
Professional fees	202,349	297,600	371,470
Program aids and workshops	47,945	33,294	47,650
Program expense	47,578	57,260	81,676
Rent	980	(429)	10,225
Repairs and maintenance	39,890	10,214	151,914
Replacement expense	-	40,411	40,411
Salaries and benefits	1,542,384	1,473,517	1,364,180
Social assistance	300,192	291,149	305,969
Sponsorships	-	9,554	5,013
Student expenses	1,000	2,270	600
Supplies	55,116	70,749	110,146
Telephone	20,533	27,192	25,326
Training	3,489	99,771	101,006
Travel	112,511	175,308	172,209
Tuition	156,095	29,459	63,689
Water and sewer	38,700	38,690	45,429
Utilities	45,120	70,316	71,662
Workers compensation premiums	10,308	11,379	12,033
	3,339,719	3,935,347	4,322,271

Quatsino First Nation

Administration

Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2014

	2014 Budget (unaudited)	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	225,331	239,011	233,554
Trust Funds	145,000	130,935	89,147
Fisheries and Oceans Canada	262,500	-	
Investment income	24,000	27,211	25,568
Administrative revenue	127,880	42,717	43,800
Miscellaneous	-	835	8,757
	784,711	440,709	400,826
Expenses			
Administration (recovery)	4,000	(74,141)	(93,882)
Amortization	-	303,699	309,370
Automotive	4,800	3,247	6,508
Bank charges and interest	-	227	203
Council travel	24,000	25,502	35,603
Food and beverage	19,000	6,512	32,512
Funeral	4,000	7,196	1,984
Honoraria	50,200	73,328	59,675
Insurance	14,000	10,260	12,093
Materials	1,000	413	518
Meeting	4,500	6,027	1,308
Miscellaneous	-	762	
Office supplies	6,000	18,730	23,127
Professional fees	90,000	51,632	46,253
Repairs and maintenance	2,500	4,911	1,658
Salaries and benefits	368,215	225,609	211,482
Supplies	10,000	9,205	5,859
Telephone	5,000	6,271	6,344
Training	5,000	3,131	65
Travel	20,000	21,039	21,732
Utilities	1,500	2,854	2,832
Workers compensation premiums	2,767	1,814	1,774
	636,482	707,466	687,780
Operating surplus (deficit) before other items	148,229	(266,757)	(286,954)
Loss on disposal of tangible capital assets	-	(9,310)	-
Operating surplus (deficit) before transfers	148,229	(276,067)	(286,954)
Transfers to Nation Members	-	(200)	-
Annual surplus (deficit)	148,229	(276,267)	(286,954)

Quatsino First Nation

Community

Schedule 4 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2014

	2014 <i>Budget (unaudited)</i>	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	195,000	-	162,040
Miscellaneous	80,000	95,717	95,812
First Nations organizations	2,000	2,000	4,000
	277,000	97,717	261,852
Expenses			
Administration	2,000	-	3,798
Consulting	-	-	1,200
Contracted services	36,000	8,540	38,450
Education	-	3,627	-
Honoraria	-	500	2,300
Insurance	1,000	-	674
Materials	2,000	4,068	5,164
Meeting	-	2,131	2,038
Office supplies	-	-	50
Professional fees	35,005	14,250	67,022
Program aids and workshops	3,500	1,223	1,437
Salaries and benefits	31,694	3,577	22,674
Supplies	-	-	5,384
Training	-	-	(350)
Travel	5,000	16,056	8,335
Workers compensation premiums	433	23	-
	116,632	53,995	158,176
Operating surplus before transfers	160,368	43,722	103,676
Transfer to Nation Members	-	(52,300)	-
Annual surplus (deficit)	160,368	(8,578)	103,676

**Quatsino First Nation
Economic Development**

Schedule 5 - Consolidated Schedule of Revenue and Expenses Surplus (Deficit)
For the year ended March 31, 2014

	2014 Budget (unaudited)	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	22,874	22,874	22,874
Miscellaneous	-	26,725	7,097
Arcade	-	116,487	129,683
Reversal of related party forgiveness of debt	-	855,402	-
	22,874	1,021,488	159,654
Expenses			
Automotive	-	4,257	-
Bank charges and interest	-	206	178
Cigarette purchases	-	94,536	101,563
Community events	-	7,399	4,540
Materials	-	1,311	1,200
Office supplies	-	4,722	5,972
Professional fees	22,874	23,557	22,999
Program aids and workshops	-	-	250
Salaries and benefits	10,163	9,732	8,481
Sponsorships	-	9,554	5,013
Travel	-	7,295	9,595
Workers compensation premiums	96	88	80
	33,133	162,657	159,871
Operating surplus (deficit) before transfers	(10,259)	858,831	(217)
Transfers between programs	-	-	(51,725)
Annual surplus (deficit)	(10,259)	858,831	(51,942)

Quatsino First Nation
Community Infrastructure
Schedule 6 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	2014 Budget (unaudited)	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	568,000	431,459	472,698
Miscellaneous	8,000	2,000	2,000
First Nations organizations	-	918	5,923
	576,000	434,377	480,621
Expenses			
Administration	8,000	-	6,631
Amortization	-	13,798	17,222
Automotive	300	73	-
Contracted services	38,857	97,575	61,415
Insurance	4,500	3,528	4,555
Materials	2,500	7,525	8,816
Office supplies	360	360	360
Professional fees	29,000	13,943	22,166
Rent	500	886	436
Repairs and maintenance	26,590	18,032	30,255
Salaries and benefits	35,352	29,628	21,044
Supplies	3,646	3,307	866
Telephone	-	994	990
Travel	2,774	2,640	36
User fees	45,429	38,690	45,429
Utilities	10,000	7,407	15,483
Workers compensation premiums	468	199	162
	208,276	238,585	235,866
Annual surplus	367,724	195,792	244,755

Quatsino First Nation

Housing

Schedule 7 - Consolidated Schedule of Revenue and Expenses and Deficit
For the year ended March 31, 2014

	2014 <i>Budget (unaudited)</i>	2014	2013
Revenue			
Canada Mortgage and Housing Corporation	15,468	15,454	(1,484)
Investment income	-	390	466
Administrative revenue	15,876	17,382	11,462
Miscellaneous	400	-	8,121
	31,744	33,226	18,565
Expenses			
Contracted services	10,263	11,149	-
Insurance	1,000	1,133	1,001
Materials	250	1,149	2,119
Office supplies	-	-	122
Repairs and maintenance	-	477	7,144
Salaries and benefits	20,036	24,765	7,858
Telephone	960	1,161	1,239
Travel	2,400	3,885	1,810
Workers compensation premiums	175	222	75
	35,084	43,941	21,368
Annual deficit	(3,340)	(10,715)	(2,803)

**Quatsino First Nation
Social Housing - CMHC**

Schedule 8 - Consolidated Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2014

	2014 Budget (unaudited)	2014	2013
Revenue			
Canada Mortgage and Housing Corporation	-	144,262	147,944
Investment income	-	206,868	213,096
Administrative revenue	-	(17,382)	(11,462)
	<hr/>	<hr/>	<hr/>
	-	333,748	349,578
Expenses			
Amortization	-	173,649	175,084
Insurance	-	18,164	15,028
Interest on long-term debt	-	53,922	64,667
Professional fees	-	5,000	4,200
Repairs and maintenance	-	6,005	9,716
Replacement expense	-	40,411	40,411
Utilities	-	21,678	21,678
	<hr/>	<hr/>	<hr/>
Annual surplus	<hr/>	<hr/>	<hr/>
	-	14,919	18,794

Quatsino First Nation
Natural Resources
Schedule 9 - Consolidated Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2014

	2014 <i>Budget (unaudited)</i>	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	74,500	74,500	-
Fisheries and Oceans Canada	230,000	10,291	246,403
Province of BC	177,519	177,519	171,505
Wind farm	530,000	456,771	546,044
Miscellaneous	746,923	80,488	34,607
Forestry	86,000	58,023	29,968
First Nations organizations	-	27,270	-
	1,844,942	884,862	1,028,527
Expenses			
Administration	35,000	15,969	27,525
Advertising	-	3,106	-
Automotive (recovery)	-	(18,197)	27,522
Bank charges and interest	-	68	74
Fishing	8,000	4,505	22,327
Food and beverage	1,000	-	408
Honoraria	1,800	3,700	9,650
Insurance (recovery)	1,500	(8,855)	28,102
Materials (recovery)	15,000	(2,654)	8,892
Meeting	5,000	5,708	7,032
Office supplies	-	1,407	1,463
Professional fees	38,000	118,348	163,475
Program aids and workshops	4,000	9	1,372
Rent (recovery)	5,400	(1,316)	3,352
Repairs and maintenance (recovery)	12,586	(25,231)	92,650
Salaries and benefits	112,782	122,651	194,649
Supplies	183,606	9,692	28,841
Telephone	2,400	7,644	6,317
Training	-	22,085	24,257
Travel	99,182	60,480	43,549
Tuition	-	338	1,100
Utilities	2,000	1,264	1,091
Workers compensation premiums	1,343	499	1,949
	528,599	321,220	695,597
Operating surplus before transfers	1,316,343	563,642	332,930
Transfer to Nation Members	-	(73,514)	(53,775)
Annual surplus	1,316,343	490,128	279,155

Quatsino First Nation
Income Assistance
Schedule 10 - Consolidated Schedule of Revenue and Expenses and Deficit
For the year ended March 31, 2014

	2014 Budget (unaudited)	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	351,680	375,117	391,726
Miscellaneous	-	371	386
	351,680	375,488	392,112
Expenses			
Education	-	-	246
Insurance	-	474	475
Materials	-	-	556
Professional fees	-	-	445
Program aids and workshops	-	465	-
Salaries and benefits	71,237	74,228	74,588
Social assistance	351,680	291,149	305,969
Supplies	1,200	1,795	2,154
Telephone	1,440	1,409	1,239
Travel	2,671	5,323	1,457
Tuition	-	-	3,371
Utilities	-	7,316	1,894
Workers compensation premiums	316	466	459
	428,544	382,625	392,853
Annual deficit	(76,864)	(7,137)	(741)

Quatsino First Nation

Health

Schedule 11 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2014

	2014 <i>Budget</i> <i>(unaudited)</i>	2014	2013
Revenue			
Health Canada	536,413	564,722	517,076
Expenses			
Administration	25,000	58,173	55,928
Automotive	6,000	15,360	12,395
Honoraria	-	-	2,400
Insurance	1,000	5,729	6,964
Materials	6,000	3,976	3,313
Office supplies	1,720	1,135	1,748
Professional fees	45,000	25,624	14,357
Program aids and workshops	46,730	25,830	39,833
Program expense	47,578	57,260	81,676
Rent	-	-	5,791
Repairs and maintenance	900	721	4,014
Salaries and benefits	308,787	330,965	302,179
Supplies	76,450	10,875	8,664
Telephone	6,540	3,610	3,052
Training	39,386	958	674
Travel	18,500	13,772	11,685
Utilities	8,000	7,433	5,751
Workers compensation premiums	1,750	2,891	2,757
	639,341	564,312	563,181
Annual surplus (deficit)	(102,928)	410	(46,105)

Quatsino First Nation

Education

Schedule 12 - Consolidated Schedule of Revenue and Expenses and Surplus
For the year ended March 31, 2014

	2014 Budget (unaudited)	2014	2013
Revenue			
Aboriginal Affairs and Northern Development Canada	793,500	920,249	803,611
Miscellaneous	150,000	138,303	137,368
N.V.I.A.M.S.	12,628	11,191	8,714
First Nations organizations	7,500	8,000	-
	963,628	1,077,743	949,693
Expenses			
Automotive	11,750	9,637	4,279
Education	20,400	50,930	33,715
Honoraria	2,000	555	1,120
Insurance	5,400	8,483	10,657
Materials	43,261	22,856	33,492
Meeting	2,800	1,180	757
Office supplies	6,320	7,760	5,558
Professional fees	9,580	15,337	25,347
Program aids and workshops	20,220	5,766	4,758
Rent	-	-	47
Repairs and maintenance	5,000	5,300	3,749
Salaries and benefits	329,732	652,358	521,226
Student expenses	41,426	2,270	600
Supplies	11,003	35,875	58,379
Telephone	5,600	6,104	6,145
Training	67,500	73,598	76,360
Travel	35,601	44,819	74,005
Tuition	68,734	29,121	59,219
Utilities	25,100	22,364	20,639
Workers compensation premiums	2,201	5,179	4,777
	713,628	999,492	944,829
Annual surplus	250,000	78,251	4,864

Quatsino First Nation

Enterprise Fund

Schedule 13 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	2014 <i>Budget (unaudited)</i>	2014	2013
Revenue			
Island Coastal Economic Trust	-	-	56,483
Coast Sustainability	-	-	45,000
Investment income	-	-	986
Earnings (loss) from investment in Nation business entities	-	(1,944,888)	415,811
	-	(1,944,888)	518,280
Expenses			
Amortization	-	109,503	121,078
Bad debts (recovery)	-	-	(7,826)
Bank charges and interest	-	1,112	1,709
Insurance	-	1,702	-
Office supplies	-	-	6,175
Professional fees	-	29,908	5,206
Rent	-	-	600
Repairs and maintenance	-	-	2,729
Utilities	-	-	2,295
	-	142,225	131,966
Annual surplus (deficit)	-	(2,087,113)	386,314