

Quatsino First Nation
Consolidated Financial Statements
March 31, 2016

Quatsino First Nation

Contents

For the year ended March 31, 2016

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

MNP LLP is appointed by Chief and 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 Chief and Council and management to discuss their audit findings.

July 26, 2016



Jeff Mummel
Band 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, 2016, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

Financial information for the Gwabalalis Fisheries Society, for the year ended March 31, 2016 was not available at the audit report date. We were unable to determine whether adjustments to investments in Nation business entities, earnings from investments in Nation business entities, surplus and accumulated surplus were necessary.

Accordingly, we were not able to obtain sufficient audit evidence to satisfy ourselves that the consolidated financial statements are not materially misstated for these items.

Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Quatsino First Nation as at March 31, 2016 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 26, 2016

MNP LLP
Chartered Professional Accountants

Quatsino First Nation
Consolidated Statement of Financial Position
As at March 31, 2016

	2016	2015
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Financial assets		
Cash	4,608,184	3,802,434
Restricted cash (Note 3)	686,746	618,973
Accounts receivable (Note 4)	523,480	488,103
Funds held in trust (Note 5)	925,088	1,094,062
Inventory for resale	7,547	9,171
Advances to related Nation entities (Note 6)	16,005	40,713
Investment in Nation business entities (Note 7)	1,869,301	1,241,694
Total financial assets	8,636,351	7,296,150
 Liabilities		
Accounts payable and accruals	420,378	379,992
Deferred revenue	18,399	18,399
Advances from related Nation entities (Note 6)	160,963	159,363
Long-term debt (Note 8)	4,185,021	4,304,884
Total liabilities	4,784,761	4,862,638
 Net financial assets		
	3,851,590	2,433,512
 Contingencies (Note 9)		
 Non-financial assets (Schedule 1)		
Tangible capital assets	8,803,659	9,141,751
Prepaid expenses	65,632	65,315
Total non-financial assets	8,869,291	9,207,066
 Accumulated surplus (Note 11)		
	12,720,881	11,640,578

Approved on behalf of Chief and Council

Chief
Councillor



Councillor

Quatsino First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2016

	Schedules	2016	2016	2015
	Budget	(Note 13)		
Revenue				
Indigenous and Northern Affairs Canada (Note 12)	1,749,849	1,683,716	2,480,087	
First Nations Health Authority	519,249	549,537	540,158	
Fisheries and Oceans Canada	114,210	138,530	103,376	
Canada Mortgage and Housing Corporation	-	129,757	136,234	
Trust funds	-	125,326	91,392	
Miscellaneous	218,521	818,035	274,656	
Earnings from investment in Nation business entities	-	627,617	687,552	
Wind Farm	-	284,230	334,795	
Province of British Columbia	192,120	804,283	324,866	
Investment income	-	186,020	217,839	
Arcade	-	128,457	143,291	
Forestry	-	42,609	64,576	
North Vancouver Island Aboriginal Management Society	-	18,074	-	
First Nations organizations	-	15,163	9,982	
	2,793,949	5,551,354	5,408,804	
Expenses				
Administration	3	381,715	671,594	595,396
Community	4	-	15,657	34,438
Arcade and Economic Development	5	-	164,740	170,567
Community Infrastructure	6	140,452	310,588	203,325
Housing	7	19,601	24,383	19,300
Social Housing - CMHC	8	-	277,046	284,035
Natural Resources	9	292,525	662,017	600,672
Income Assistance	10	379,123	318,131	332,345
Health	11	608,386	524,954	597,871
Education	12	989,568	1,099,438	1,013,410
Enterprise Fund	13	-	101,973	112,645
	2,811,370	4,170,521	3,964,004	
Total expenditures				
Surplus before other items	(17,421)	1,380,833	1,444,800	
Change in valuation of Gwaihali Fisheries Society (Note 14)	-	(19,530)	-	
	(281,000)	(258,300)		
Transfer to Nation Members				
Surplus	(17,421)	1,080,303	1,186,500	
Accumulated surplus, beginning of year	11,640,578	11,640,578	10,454,078	
	11,623,157	12,720,881	11,640,578	
Accumulated surplus, end of year				

Quatsino First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 13)</i>	2016	2015
Annual surplus (deficit)			
Purchases of tangible capital assets	(17,421)	1,080,303	1,186,500
Amortization of tangible capital assets	-	(159,523)	(693,659)
Acquisition of prepaid expenses	-	497,615	541,979
	(317)	(25,829)	
Increase (decrease) in net financial assets			
Net financial assets, beginning of year	(17,421)	1,418,078	1,008,991
Net financial assets, end of year	2,433,512	2,433,512	1,424,521

Quatsino First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	1,080,303	1,186,500
Add back: Transfers to Nation Members	281,000	258,300
Non-cash items		
Amortization	497,615	541,979
Bad debts	2,927	6,786
Earnings from investment in Nation business	(627,617)	(687,552)
Change in valuation of Gwabalis Fisheries Society (Note 14)	19,530	-
Decrease (increase) in trust funds	168,974	(91,392)
Changes in working capital accounts		
Accounts receivable		
Prepaid expenses	(34,377)	492,378
Inventory for resale	(317)	(25,829)
Accounts payable and accruals		
Deferred revenue	40,386	121,451
	704	704
	1,430,048	1,802,977
Financing activities		
Repayment of long-term debt	(119,863)	(137,402)
Repayment of capital lease obligations	(5,296)	(67,773)
Withdrawals from restricted cash	(67,396)	(3,861)
Advances from related Nation entities	19,601	-
	(183,775)	(190,493)
Capital activities		
Purchases of tangible capital assets	(159,523)	(693,659)
Investing activities		
Payment of funds to Nation Members	(281,000)	(258,300)
Increase in cash		
Cash, beginning of year	805,750	660,525
Cash, end of year	3,802,434	3,141,909
Supplementary cash flow information		
Interest paid	44,292	48,166
Interest received	19,372	57,897

Quatsino First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

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 include the following significant accounting policies:

Reporting entity consolidated

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

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 consolidated 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
- Quatsino First Nation business partnerships, jointly owned and controlled by the First Nation's Council are not dependent on the First Nation for their continuing operations, are included in the consolidated 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:
 - Gwabalis Fisheries Society
 - Gilakasla Kwa Holdings Ltd.

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

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

Quatsino First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

2. Significant accounting policies (Continued from previous page)

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 prices for similar items. Any impairment is included in operations for the year.

The Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

Tangible capital assets

Tangible capital assets are initially recorded at cost, based on historical cost accounting records, less accumulated amortization. Contributed tangible 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 using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. 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	4-10 %
CMHC housing	straight-line	25 years
Roads, streets and bridges	straight-line	38-100 years
Water, sanitary, and storm		30-100 years
Boats	declining balance	15 %
Vehicles	declining balance	30 %
Equipment	declining balance	20-30 %
Computer hardware and software	declining balance	30-100 %
Equipment under capital lease	double declining balance	20 %

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 consolidated 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.

Quatsino First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

2. Significant accounting policies (Continued from previous page)

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Revenue recognition

i) Government Funding

Government transfers are recognized as revenue 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 consolidated statement of operations as the stipulation liabilities are settled.

ii) First Nation Capital and Revenue Trust Funds

The First Nation recognized revenue 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 consolidated 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, advances to/from related Nation entities 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.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2016.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Quatsino First Nation Notes to the Consolidated Financial Statements *For the year ended March 31, 2016*

2. Significant accounting policies (Continued from previous page)

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 collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

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

Segments

The First Nation conducts its business through a number of reportable segments as described in Note 10. 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.

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. Significant accounting policies (Continued from previous page)

Recent accounting pronouncements

PS 2200 Related Party Disclosures

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board ("PSAB") issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the consolidated financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted. The First Nation does not expect the application of the new Standard to have a material effect on the consolidated financial statements.

PS 3210 Assets

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook ("PSA HB"). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The First Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

Quatsino First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

2. Significant accounting policies (Continued from previous page)

Recent accounting pronouncements (Continued from previous page)

PS 3320 Contingent Assets

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook ("PSA HB"). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the consolidated financial statement date cannot create an existing condition or situation at the consolidated financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the consolidated financial statement date cannot create an existing condition or situation at the consolidated financial statement date.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The First Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3380 Contractual Rights

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook ("PSA HB"). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.

Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The First Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

Quatsino First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

2. Significant accounting policies (Continued from previous page)

Recent accounting pronouncements (Continued from previous page)

PS 3430 Restructuring Transactions

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook ("PSA HB"). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged. The First Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

3. Restricted cash

Under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the replacement reserve account is to be credited in the amount of \$37,405 (2015 - \$38,800) 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, 2016, \$303,140 has been set aside to fund these reserves. At year end, these reserves were adequately funded.

Under the terms of the agreements with Canada Mortgage and Housing Corporation ("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, 2016, \$383,606 has been set aside to fund this reserve. At year end, the operating reserve was underfunded by \$25,657.

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

4. Accounts receivable

	2016	2015
Indian and Northern Affairs Canada	36,624	35,582
Fishing entities	6,825	28,509
Department of Fisheries and Oceans	60,087	4,231
New Relationship Trust	6,000	1,000
Other First Nations and First Nation business entities	80,945	106,755
Members	98,094	112,568
Forestry companies	9,216	23,777
Province of British Columbia	24,004	4,787
Rent receivable	82,549	102,807
Canada Mortgage and Housing Corporation	10,427	10,427
Other receivables	108,709	58,840
	523,480	489,103

5. Funds held in trust

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

	2016	2015
Capital Trust		
Balance, beginning and end of year	11,238	11,238
Revenue Trust		
Balance, beginning of year	1,082,824	991,432
Interest	18,791	24,666
Lease Revenue	105,279	65,497
BC special distribution	1,256	1,229
Member distribution	(285,800)	-
Member distributions in trust	(8,500)	-
Balance, end of year	913,850	1,082,824
	925,088	1,094,062

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*.

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

6. Advances to (from) related Nation Entities

Advances to (from) related Nation entities are unsecured, non-interest bearing and due on demand. These entities are related by virtue of common control or joint control by Quatsino First Nation.

Advances to related Nation Entities	2016	2015
688,357 B.C. Ltd.	118	116
Quatsino Economic Development Limited Partnership	13,726	-
Quatsino First Nation Economic Development Corporation	1,108	455
Quatsino Forestry Limited Partnership	1,053	14,725
Quatsino Marine Limited Partnership	-	5,887
Gwabalis Fisheries Group	-	19,530
	16,005	40,713

Advances from related Nation Entities	2016	2015
Quatsino Economic Development Limited Partnership	120,582	118,982
Quatsino Marine Limited Partnership	40,381	40,381

7. Investments in First Nation business entities

The First Nation has investments in the following entities:

	Investment cost	Loans / advances	Cumulative share of earnings (loss)	Draws	2016	
					Total investment	
Wholly-owned Businesses:						
Quatsino First Nation Economic Development Corporation Ltd.	10	-	(2,095,941)	-	(2,095,931)	
Quatsino Economic Development Limited Partnership - 99.9%	999	3,910,699	82,647	-	3,994,345	
	1,009	3,910,699	(2,013,294)	-	1,898,414	
Significantly Influenced Businesses:						
Gilakasla Kwa Holdings Ltd. - 33%	1	-	(51,250)	-	(51,249)	
Gwabalis Fisheries Society - 25%	-	-	22,136	-	22,136	
	1,010	3,910,699	(2,042,408)	-	1,869,301	
						2015
	Investment cost	Loans / advances	Cumulative share of earnings (loss)	Draws	Total investment	
Wholly-owned Businesses:						
Quatsino First Nation Economic Development Corporation Ltd.	10	-	(2,024,910)	-	(2,024,900)	
Quatsino Economic Development Limited Partnership - 99.9%	999	3,910,699	(645,104)	-	3,266,594	
	1,009	3,910,699	(2,670,014)	-	1,241,694	

Continued on next page

Quatsino First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

7. Investments in First Nation 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 Marine Limited Partnership, Quatsino Energy Limited Partnership, Quattishe Limited Partnership, Quatern Limited Partnership and 3 Nations' Construction Limited Partnership. The year-end for the First Nation business entities is December 31, 2015. No significant or unusual transactions occurred between December 31, 2015 and March 31, 2016, therefore the December 31, 2015 figures are included without adjustment.

Summary financial information for each First Nation business entity, accounted for using the modified equity method, for their respective year-end is as follows:

	Quatsino First Nation	Quatsino Economic Development Limited Partnership	Gikatasu Kwa Holdings Ltd.	Gwabalis Fisheries Society
	As at December 31, 2015	As at December 31, 2015	As at March 31, 2016	
Assets				
Cash	29,083	315,444	109,676	185,500
Accounts receivable	17,086	35,567	95,554	50,875
Inventory		17,038		
Prepads		42,401		
Advances to related parties	73,107	2,115,799	133,604	
Property, plant and equipment	670,167	18,772		269
Investments	2,145	3,216,231	51	
Total assets	2,907,387	3,779,057	205,281	236,644
Liabilities				
Accounts payable and accruals	10,035	56,803	177,707	
Bank indebtedness		34,816		
Advances from related parties	1,330,109	192,914		
Payable to shareholder	3,662,863	-	181,320	
Total liabilities	5,003,007	284,533	359,027	
Equity	(2,095,620)	3,494,524	(153,746)	236,644
Total revenue	46,047	2,802,258	149,527	917,050
Total expenses	117,077	2,173,215	303,274	828,506
Net income	(71,030)	629,043	(153,747)	88,544
Comprehensive income	(71,030)	629,043	(153,747)	88,544

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Long-term debt

	2016	2015
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 \$20,945	55,671	75,753
All Nations Trust loan - Phase 7		
- Interest at 1.83%, compounded semi-annually		
- Monthly blended payments of \$2,185, maturing November 1, 2024 and renewing December 1, 2019		
- Secured by buildings and equipment with a net book value of \$207,822	210,064	232,227
All Nations Trust loan - Phase 8		
- Interest at 2.26%, compounded semi-annually		
- Monthly blended payments of \$1,252, maturing June 1, 2026 and renewing on August 1, 2016		
- Secured by buildings and equipment with a net book value of \$153,118	137,454	149,238
All Nations Trust loan - Phase 9		
- Interest at 1.67%, compounded semi-annually		
- Monthly blended payments of \$2,488, maturing April 1, 2028 and renewing on June 1, 2018		
- Secured by buildings and equipment with a net book value of \$420,169	326,631	350,822
All Nations Trust loan - Phase 10		
- Interest at 1.11%, compounded semi-annually		
- Monthly blended payments of \$5,182, maturing April 1, 2036 and renewing on April 1, 2016		
- Secured by buildings and equipment with a net book value of \$1,386,701	1,118,533	1,160,176
Indigenous and Northern Affairs Canada		
- BC Treaty loan- 0% interest		
- No current terms of repayment	2,236,672	2,236,672
Indigenous and Northern Affairs Canada - Laich-Kwli-Tach		
- 0% interest		
- No current terms of repayment	99,996	99,996
	4,185,021	4,304,884
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		
2017 122,299		
2018 124,989		
2019 120,942		
2020 108,712		
2021 111,124		
	588,066	
Thereafter	3,596,955	

Quatsino First Nation Notes to the Consolidated Financial Statements *For the year ended March 31, 2016*

9. Contingencies

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 may be contingently liable with respect to Ministerial guarantees for "On Reserve Housing Loans" to various financial institutions in the amount of \$nil (2015 - \$611). These loan guarantees are in addition to CMHC mortgages.

The First Nation is contingently liable to the BC Treaty Commission for \$41,433 for unexpended negotiation support funding (2015 - \$41,433).

10. Segments

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

Administration:

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

Community:

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

Arcade and Economic Development:

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

Community Infrastructure:

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

Income Assistance:

This segment includes revenue 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 revenue 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, 2016

11. Accumulated surplus

Accumulated surplus consists of the following:

	2016	2015
Deficit in treaty	(2,336,667)	(2,336,667)
Equity in operating fund	4,916,033	4,069,484
Equity in tangible capital assets	5,950,731	6,074,420
Equity in operating and replacement reserves	667,629	629,805
Equity in enterprise fund	2,598,067	2,109,474
Equity in Ottawa Trust Funds	925,088	1,094,062
	12,720,881	11,640,578

12. INAC revenue reconciliation

	2016	2015
INAC revenue per confirmation	1,689,135	2,591,943
Community Infrastructure - recovery	(889)	-
Social Assistance - anticipated reimbursement	-	2,486
Social Assistance - anticipated recovery	-	(46,724)
Community Infrastructure - anticipated reimbursement	(4,530)	4,530
Community Infrastructure - anticipated recovery	-	(55,320)
Administration - anticipated recovery	-	(38)
Community - anticipated recovery	-	(16,790)
	1,683,716	2,480,087

13. Budget information

The disclosed budget information has been approved by the Chief and Council of the Quatsino First Nation at the Chief and Council meeting held on April 7, 2016.

14. Change in valuation of Gwaballs Fisheries Society

On April 21, 2015 the Gwaballs Fishing Society was incorporated as a separate legal entity. Previous to incorporation the partnership existed with the same stakeholders. The Society now meets the criteria for a government business partnership under Public Sector Accounting Standards and has been recorded using the modified equity method. In the prior year, the Nation's 25% interest in the partnership was recorded using proportionate consolidation. As a result of the change from proportionate consolidation to modified equity method, the Nation recorded a valuation change of \$19,530.

15. Economic dependence

Quatsino First Nation receives substantially all of its revenue from Indigenous and Northern Affairs Canada ("INAC") as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC 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 treaties.

16. Comparative figures

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

Quatsino First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	Buildings and Improvements	CMHC housing	Roads, streets and bridges	Water, sanitary and storm	Boats	Vehicles	Subtotal
Cost							
Balance, beginning of year	6,832,231	4,326,271	511,120	1,993,962	517,644	484,008	14,665,236
Acquisition of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	6,832,231	4,326,271	511,120	1,993,962	517,644	484,008	14,665,236
Accumulated amortization							
Balance, beginning of year	2,665,537	1,983,207	178,910	254,306	435,100	361,536	5,878,596
Annual amortization	208,114	154,309	7,114	24,387	12,382	36,742	443,048
Balance, end of year	2,873,651	2,137,516	186,024	278,683	447,482	398,278	6,321,644
Net book value of tangible capital assets	3,958,580	2,188,755	325,096	1,715,269	70,162	85,730	8,343,592
2015 Net book value of tangible capital assets	4,166,694	2,343,064	332,210	1,739,656	82,544	122,472	8,766,640

Quatsino First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Subtotal</i>	<i>Equipment</i>	<i>Computer hardware and software</i>	<i>Work-in-progress</i>	<i>Equipment under capital lease</i>	<i>2016</i>	<i>2015</i>
Cost							
Balance, beginning of year							
Acquisition of tangible capital assets	14,665,236	1,418,923	417,164	84,224	29,402	16,614,949	15,921,290
Balance, end of year	14,665,236	1,418,923	417,164	243,747	29,402	16,774,472	16,614,949
Accumulated amortization							
Balance, beginning of year							
Annual amortization	5,878,598	1,164,943	413,806	-	15,853	7,473,198	6,931,219
Balance, end of year	6,321,644	1,215,739	414,867	-	18,563	7,970,813	7,473,198
Net book value of tangible capital assets							
2015 Net book value of tangible capital assets	8,786,640	253,980	3,358	84,224	13,549	9,141,751	

Quatsino First Nation

Schedule 2 - Schedule of Consolidated Expenses by Object

For the year ended March 31, 2016

	2016 Budget (Note 13)	2016	2015
Consolidated expenses by object			
Administration	63,012	-	-
Advertising	5,000	1,414	3,918
Amortization	-	497,615	541,979
Automotive	16,500	58,991	51,393
Bad debts	-	2,927	6,786
Bank charges and interest	-	630	2,253
Cigarette purchases	-	106,544	118,154
Community events	-	4,600	4,225
Contracted services	16,000	157,516	63,487
Council travel	30,000	32,198	32,048
Education	38,557	47,668	63,328
Fishing	31,970	1,704	3,213
Food and beverage	-	5,841	31,771
Funeral	-	8,000	2,000
Honouraria	48,000	74,876	62,381
Insurance	33,475	47,448	49,190
Interest on long-term debt	-	44,292	48,166
Management fees	-	1,125	2,588
Materials	94,605	76,707	79,148
Meeting	8,400	18,308	29,341
Office supplies	29,260	36,928	40,458
Professional fees	66,856	408,641	201,302
Program aids and workshops	52,073	22,803	31,917
Program expense	98,601	53,690	82,908
Rent	500	2,012	3,278
Repairs and maintenance	46,833	88,268	68,896
Salaries and benefits	1,456,949	1,696,417	1,615,143
Social assistance	299,143	227,083	242,170
Sponsorships	-	9,176	6,159
Student expenses	800	1,457	1,100
Supplies	69,240	99,340	73,462
Telephone	25,160	33,099	28,761
Training	500	48,790	82,943
Travel	74,190	107,278	138,120
Tuition	128,135	18,216	32,619
User fees	41,876	42,143	39,460
Utilities	29,600	72,000	64,531
Workers compensation premiums	6,130	14,776	15,408
	2,811,370	4,170,521	3,964,004

Quatsino First Nation
Administration

Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 <i>Budget (Note 19)</i>	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	271,931	271,931	276,704
Trust funds	-	125,326	91,392
Province of BC	-	612,163	-
Investment income	-	16,759	31,452
Miscellaneous	109,784	423,503	66,521
First Nations organizations	-	2,000	-
	381,715	1,451,682	466,069
Expenses			
Administration (recovery)	-	(119,786)	(112,058)
Amortization	-	235,814	269,292
Automotive	-	5,931	5,323
Bad debts	-	2,927	-
Bank charges and interest	-	369	141
Council Travel	30,000	32,198	32,048
Funeral	-	8,000	2,000
Honouraria	45,000	60,640	56,179
Insurance	2,000	10,197	9,905
Food and beverage	-	2,827	3,190
Meeting	2,400	2,805	9,972
Office supplies	11,400	15,798	17,489
Professional fees	30,000	180,407	43,045
Repairs and maintenance	2,400	1,159	5,212
Materials	-	3,045	648
Salaries and benefits	-	186,763	207,190
Workers compensation premiums	217,815	1,549	1,900
Supplies	1,800	10,095	13,859
Telephone	14,000	11,318	6,830
Training	7,500	3,400	-
Travel	12,000	10,636	16,317
Utilities	2,400	2,869	2,996
Advertising	3,000	633	3,918
Program aids and workshops	-	2,000	-
	381,715	671,594	595,396
Annual surplus (deficit) before transfers			
Transfers to Nation Members		780,088	(129,327)
Annual surplus (deficit)		771,588	(387,627)

**Quatsino First Nation
Community**

Schedule 4 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2016

	2016 Budget (Note 13)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	-	77,065	15,724
Miscellaneous	-	2,000	29,341
First Nations organizations	-	79,065	2,000
Expenses			
Contracted services	7,186	-	-
Materials	803	5,510	-
Meeting	-	3,499	440
Office supplies	480	19,689	-
Professional fees	5,018	600	-
Rent	-	1,780	-
Supplies	2,170	2,920	-
Travel	-	34,438	-
Annual surplus	63,408	12,627	

Quatsino First Nation
Community Infrastructure
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 13)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	109,227	108,338	835,299
Miscellaneous	-	2,000	2,000
First Nations organizations	-	1,163	2,482
	109,227	111,501	839,781
Expenses			
Administration	-	12,951	10,383
Amortization	-	145	8,705
Automotive	500	148,894	821
Contracted services	16,000	3,624	63,487
Insurance	15,475	4,856	3,528
Materials	3,000	360	8,832
Office supplies	360	360	360
Professional fees	-	26,872	1,559
Rent	-	708	180
Repairs and maintenance	22,839	22,843	21,543
Salaries and benefits	23,042	33,932	35,180
Supplies	3,000	2,164	2,557
Telephone	-	999	994
Travel	1,200	147	147
User fees	41,876	42,143	39,460
Utilities	13,000	9,682	5,229
Workers compensation premiums	160	315	360
	140,452	310,588	203,325
Annual surplus (deficit)	(31,225)	(199,087)	636,456

Quatsino First Nation

Housing

Schedule 7 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 13)</i>	2016	2015
Revenue			
Canada Mortgage and Housing Corporation recovery	19,601	(614)	(1,474)
Miscellaneous		22,002	19,309
Investment income		202	334
19,601	21,590	18,169	
Expenses			
Administration	-	-	1,000
Contracted services	-	1,340	-
Insurance	-	1,166	1,133
Materials	750	1,101	853
Professional fees	-	-	60
Program aids and workshops	-	-	54
Repairs and maintenance	-	2,255	428
Salaries and benefits	15,191	15,778	13,177
Telephone	1,260	1,242	1,244
Travel	2,400	1,360	1,216
Workers compensation premiums	-	141	135
19,601	24,383	19,300	
Annual deficit		(2,793)	(1,131)

Quatsino First Nation
Social Housing - CMHC
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 13)	2016	2015
Revenue			
Canada Mortgage and Housing Corporation	- 130,371	137,708	
Investment income	- 169,059	186,053	
Administration allocation	- (19,601)	(17,049)	
	279,829	306,712	
Expenses			
Amortization	154,309	165,767	
Insurance	13,395	16,799	
Interest on long-term debt	44,292	48,168	
Professional fees	5,000	5,000	
Repairs and maintenance	38,210	26,521	
Utilities	21,840	21,782	
	277,046	284,035	
Annual surplus	- 2,783	22,677	

Quatsino First Nation
Natural Resources

Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 Budget (Note 13)	2016	2015
Revenue			
Fisheries and Oceans Canada	114,210	138,530	103,376
Wind Farm	192,120	284,230	334,795
Province of British Columbia	-	192,120	324,866
Miscellaneous	-	84,912	32,415
Forestry	-	42,609	64,576
	306,330	742,401	860,028
Expenses			
Administration	6,000	63,852	33,283
Automotive	1,000	16,538	6,652
Bank charges and interest	-	74	82
Contracted services	-	96	-
Fishing	31,970	1,704	3,213
Food and beverage	-	3,014	28,581
Honouraria	-	2,175	4,452
Insurance	-	2,338	1,943
Materials	12,900	14,172	18,337
Meeting	4,800	13,058	13,418
Office supplies	-	8,975	925
Professional fees	24,000	123,853	87,356
Program aids and workshops	-	5,755	4,824
Rent	-	1,305	276
Repairs and maintenance	-	8,301	5,365
Salaries and benefits	182,525	331,682	306,513
Supplies	-	18,091	22,376
Telephone	6,960	7,862	7,880
Training	-	178	4,561
Travel	20,000	34,314	46,185
Utilities	1,200	1,455	1,506
Workers compensation premiums	1,170	3,225	2,944
	292,525	662,017	600,672
Annual surplus before transfers	13,805	80,384	259,356
Transfer to Nation Members	-	(272,500)	-
Annual surplus (deficit)	13,805	(192,116)	259,356

Quatsino First Nation
Income Assistance

Schedule 10 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2016

	2016 Budget (Note 13)	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	379,123	279,717	331,650
Miscellaneous	-	401	-
	379,123	280,118	331,650
Expenses			
Insurance	-	486	475
Program aids and workshops	4,098	634	-
Salaries and benefits	70,753	78,797	77,832
Social assistance	299,143	227,083	242,170
Supplies	750	1,889	717
Telephone	1,240	1,307	1,244
Travel	3,139	2,518	3,550
Utilities	-	4,744	5,583
Workers compensation premiums	-	673	774
	379,123	318,131	332,345
Annual deficit		(38,013)	(695)

Quatsino First Nation
Health

Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 19)</i>	2016	2015
Revenue			
Health Canada	519,249	549,537	540,158
Miscellaneous	89,136	50,874	20,235
	608,385	600,411	560,393
Expenses			
Administration	57,012	49,934	53,641
Automotive	-	15,301	18,952
Honouraria	-	-	1,200
Insurance	8,963	5,958	5,389
Materials	-	7,601	5,786
Meeting	-	669	490
Office supplies	-	1,517	1,296
Professional fees	8,235	14,389	15,055
Program aids and workshops	46,225	12,370	24,310
Program expense	98,601	53,690	82,908
Rent	500	-	2,222
Repairs and maintenance	9,593	2,892	882
Salaries and benefits	365,100	336,906	355,236
Supplies	600	4,104	5,467
Telephone	-	3,412	3,694
Training	500	565	200
Travel	13,051	6,490	11,959
Utilities	-	6,356	5,712
Workers compensation premiums	-	2,800	3,472
	608,385	524,954	597,871
Annual surplus (deficit)	(1)	75,457	(37,478)

Quatsino First Nation
Education

Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 13)</i>	2016	2015
Revenue			
Indigenous and Northern Affairs Canada	989,568	956,692	1,020,709
Miscellaneous	-	176,879	84,788
North Vancouver Island Aboriginal Management Society	-	18,074	-
First Nations organizations	-	10,000	5,500
	989,568	1,161,645	1,110,997
Expenses			
Advertising	2,000	780	-
Automotive	15,000	17,222	15,180
Education	38,557	47,668	63,328
Honouraria	3,000	12,061	550
Insurance	16,000	8,690	8,467
Materials	68,992	45,129	38,887
Meeting	1,200	1,775	1,935
Office supplies	17,500	8,656	8,908
Professional fees	4,622	44,196	27,880
Program aids and workshops	1,750	2,044	2,229
Repairs and maintenance	12,000	12,508	8,945
Salaries and benefits	582,522	691,788	620,015
Student expenses	800	1,457	1,100
Supplies	50,890	62,997	26,706
Telephone	8,200	6,958	6,875
Training	-	44,647	78,182
Travel	22,400	41,688	44,058
Tuition	128,135	18,216	32,619
Utilities	13,000	25,054	21,724
Workers compensation premiums	3,000	5,904	5,822
	989,568	1,099,438	1,013,410
Annual surplus	-	62,207	97,587

Quatsino First Nation
Enterprise Fund

Schedule 13 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 13)</i>	2016	2015
Revenue			
Earnings from investment in Nation business entities	-	627,617	687,552
Miscellaneous	-	-	37,097
Expenses			
Amortization	-	94,541	98,215
Bad debts	-	-	6,786
Bank charges and interest	-	-	1,821
Insurance	-	1,594	1,550
Management fees	-	1,125	2,588
Meeting	-	-	28
Office supplies	-	107	-
Professional fees	-	4,606	1,657
Annual surplus before other items		101,973	112,645
Change in valuation of Gwabalis Fisheries Society (Note 14)		525,644 (19,530)	612,004
Annual surplus		506,114	612,004