

**Quatsino First Nation
Consolidated Financial Statements**
March 31, 2018

**Quatsino First Nation
Contents**

For the year ended March 31, 2018

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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.

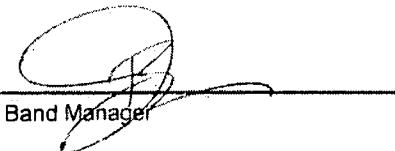
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate 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.

August 02, 2018



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, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules 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 opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Quatsino First Nation as at March 31, 2018 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

August 02, 2018

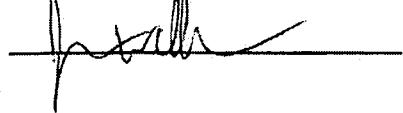


Chartered Professional Accountants

Quatsino First Nation
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017
Financial assets		
Cash	3,481,544	5,388,503
Restricted cash (Note 4)	699,957	648,525
Accounts receivable (Note 5)	920,621	563,760
Advances to related Nation entities (Note 7)	197,939	198,628
Inventory for resale	8,088	7,990
Investment in Nation business entities (Note 8)	3,258,602	1,372,217
Funds held in trust (Note 6)	1,125,003	944,015
 Total financial assets	 9,691,754	 9,123,638
Liabilities		
Accounts payable and accruals	616,246	555,311
Deferred revenue	15,530	18,999
Advances from related Nation entities (Note 7)	-	6,272
Long-term debt (Note 9)	2,801,102	1,718,735
Treaty note payable (Note 10)	2,336,668	2,336,668
 Total liabilities	 5,769,546	 4,635,985
 Net financial assets	 3,922,208	 4,487,653
 Contingencies (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	11,274,145	9,168,821
Prepaid expenses	41,777	45,015
 Total non-financial assets	 11,315,922	 9,213,836
 Accumulated surplus (Note 12)	 15,238,130	 13,701,489

Approved on behalf of Chief and Council



Councilor



Councilor

Quatsino First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget (Note 14)</i>	<i>2018</i>	<i>2017</i>
Revenue				
Indigenous Services Canada (Note 15)		1,521,405	2,377,678	2,054,710
First Nations Health Authority		693,311	695,131	633,957
Trust funds		-	180,987	18,927
Canada Mortgage and Housing Corporation		130,359	162,356	257,106
Fisheries and Oceans Canada		111,006	109,101	152,261
Miscellaneous		1,998,310	1,107,119	735,456
Province of British Columbia		545,986	781,440	605,650
Earnings from investment in Nation business entities		-	886,384	1,867,727
First Nations Education Steering Committee		194,644	357,229	205,712
Wind Farm		85,000	215,662	309,335
Arcade		-	189,821	187,782
Investment income		-	187,869	200,144
Forestry		91,333	73,400	66,484
First Nations organizations		55,000	27,499	35,471
North Vancouver Island Aboriginal Management Society		-	22,626	17,478
		5,426,354	7,374,302	7,348,200
Expenses				
Administration	3	653,691	1,046,293	928,163
Community	4	21,200	284,586	7,756
Arcade and Economic Development	5	-	232,294	508,850
Community Infrastructure	6	138,337	175,822	222,475
Housing	7	185,880	74,589	132,198
Social Housing - CMHC	8	-	246,712	364,395
Natural Resources	9	729,090	630,370	690,480
Income Assistance	10	336,555	356,338	327,514
Health	11	702,097	675,618	633,511
Education	12	1,429,714	1,556,239	1,395,690
Enterprise Fund	13	-	11,547	77,203
Total expenditures		4,196,564	5,290,408	5,288,235
Annual surplus before other items		1,229,790	2,083,894	2,059,965
Other Income (Expense)				
Gain on dissolution of Quatsino Energy Corporation Ltd.		-	-	35,193
Loss on disposal of tangible capital assets		-	-	(184,845)
Capital contribution		-	-	(654,704)
		-	-	(804,356)
Annual surplus before transfers		1,229,790	2,083,894	1,255,609
Transfer to Nation Members		-	(547,253)	(275,000)
Annual surplus		1,229,790	1,536,641	980,609
Accumulated surplus, beginning of year		13,701,489	13,701,489	12,720,880
Accumulated surplus, end of year		14,931,279	15,238,130	13,701,489

The accompanying notes are an integral part of these financial statements

Quatsino First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2018

	2018 <i>Budget</i> <i>(Note 14)</i>	2018	2017
Annual surplus (deficit)	1,229,790	1,536,641	980,609
Purchases of tangible capital assets	(1,159,700)	(2,593,936)	(1,978,300)
Amortization of tangible capital assets	346,412	488,612	490,640
Capital contribution of tangible capital assets	-	-	937,652
Loss on disposal of tangible capital assets	-	-	184,845
Use of prepaid expenses	-	3,238	20,617
Increase (decrease) in net financial assets	416,502	(565,445)	636,063
Net financial assets, beginning of year	4,487,653	4,487,653	3,851,590
Net financial assets, end of year	4,904,155	3,922,208	4,487,653

Quatsino First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	1,536,641	980,609
Non-cash items		
Amortization	488,612	490,640
Bad debts	-	2,678
Gain on dissolution of Quatsino Energy Corporation Ltd.	-	(35,193)
Loss on disposal of tangible capital assets	-	184,845
Earnings from investment in Nation business entities	(886,384)	(1,867,727)
Increase in trust funds	(180,987)	(18,927)
Capital contribution	-	654,704
Capital contribution impact on working capital accounts	-	2,657
Changes in working capital accounts		
Accounts receivable	(356,861)	(42,958)
Prepaid expenses	3,238	20,617
Inventory for resale	(98)	(443)
Accounts payable and accruals	60,935	134,933
Deferred revenue	(3,469)	600
	661,627	507,035
Financing activities		
Advances of long-term debt	1,214,860	-
Repayment of long-term debt	(132,493)	(129,618)
Withdrawals from restricted cash	-	38,220
Deposits to restricted cash	(51,432)	-
Repayment of advances from related Nation entities	(5,585)	(57,018)
	1,025,350	(148,416)
Capital activities		
Purchases of tangible capital assets	(2,593,936)	(1,978,300)
Investing activities		
Cash distribution to Nation business entities	(2,000,000)	-
Cash distribution from Nation business entities	1,000,000	2,400,000
	(1,000,000)	2,400,000
Increase (decrease) in cash resources	(1,906,959)	780,319
Cash, beginning of year	5,388,503	4,608,184
Cash, end of year	3,481,544	5,388,503
Supplementary cash flow information		
Interest paid	49,164	23,719
Interest received	40,343	51,198

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, 2018

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

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 Ltd.

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.

Cash

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

2. Significant accounting policies (Continued from previous page)

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	straight-line	30-100 years
Boats	declining balance	15 %
Vehicles	declining balance	30 %
Equipment	declining balance	20 %
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 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, 2018

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 consolidated 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 consolidated 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) **Other revenue**

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

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, 2018.

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. As at March 31, 2018, no liability had been reported in these consolidated financial statements.

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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 13. 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, 2018

3. Change in accounting policies

PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions

Effective April 1, 2017, the First Nation adopted the recommendations relating to PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

These new Sections define a related party and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, a material financial effect on the consolidated financial statements. They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

There was no material impact on the consolidated financial statements of adopting the new Sections.

PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights

Effective April 1, 2017, the First Nation adopted the recommendations relating to PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

PS 3210 Assets provides additional guidance to clarify the definition of assets set out in PS 1000 Financial Statement Concepts.

PS 3320 Contingent Assets establishes disclosure standards on contingent assets.

PS 3380 Contractual Rights 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 Section 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.

There was no material impact on the consolidated financial statement of adopting the new Sections.

4. 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 (2017 - \$37,405) 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, 2018, \$273,493 (2017 - \$238,377) has been set aside to fund these reserves. At year end, these reserves were adequately funded (2017 - adequately funded).

Under the terms of the agreements with Canada Mortgage and Housing Corporation ("CMHC"), excess revenue 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, 2018, \$426,464 (2017 - \$410,148) has been set aside to fund this reserve. At year end, the operating reserve was underfunded by \$15,149 (2017 - \$15,641).

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

5. Accounts receivable

	2018	2017
Indigenous Services Canada	106,064	1,032
Fishing entities	29,525	15,428
Department of Fisheries and Oceans	4,236	1,506
New Relationship Trust	5,000	15,400
Other First Nations and First Nation business entities	172,309	104,638
Members	132,936	117,879
Forestry companies	50,891	48,811
Province of British Columbia	171,066	47,127
Rent receivable	100,310	87,018
Canada Mortgage and Housing Corporation	33,376	61,363
Other receivables	114,908	63,558
	920,621	563,760

6. Funds held in trust

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

	2018	2017
Capital Trust		
Balance, beginning and end of year	11,238	11,238
Revenue Trust		
Balance, beginning of year	932,777	913,850
Interest	21,869	17,667
Lease Revenue	157,852	-
BC special distribution	1,267	1,260
Balance, end of year	1,113,765	932,777
	1,125,003	944,015

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, 2018

7. 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.

	2018	2017
Advances to related Nation Entities		
Quatsino Economic Development Limited Partnership	197,489	198,178
Quattishe Forest Products Ltd.	450	450
	197,939	198,628
Advances from related Nation Entities		
Quatsino Economic Development Limited Partnership	-	6,272

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Investment in Nation 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	-	(2,319,733)	-	(2,319,723)
Quatsino Economic Development Limited Partnership - 99.9%	999	197,939	5,745,158	(1,000,000)	4,944,096
	1,009	197,939	3,425,425	(1,000,000)	2,624,373
Significantly Influenced Businesses:					
Gilakasla Kwa Holdings Ltd. - 33%	1	-	(1)	-	-
Gwabalis Fisheries Society - 25%	-	-	634,229	-	634,229
	1	-	634,228	-	634,229
	1,010	197,939	4,059,653	(1,000,000)	3,258,602
	<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	-	(2,189,735)	-	(2,189,725)
Quatsino Economic Development Limited Partnership - 99.9%	999	3,910,699	1,685,651	(2,400,000)	3,197,349
	1,009	3,910,699	(504,084)	(2,400,000)	1,007,624
Significantly Influenced Businesses:					
Gilakasla Kwa Holdings Ltd. - 33%	1	-	(1)	-	-
Gwabalis Fisheries Society - 25%	-	-	364,593	-	364,593
	1	-	364,592	-	364,593
	1,010	3,910,699	(139,492)	(2,400,000)	1,372,217

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 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, Quattishe Limited Partnership, Quatern Limited Partnership and 3 Nations' Construction Limited Partnership. The year-end for the First Nation business entities is December 31, 2017. No significant or unusual transactions occurred between December 31, 2017 and March 31, 2018, therefore the December 31, 2017 figures are included without adjustment.

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Investment in Nation business entities (Continued from previous page)

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

	<i>Quatsino First Nation Economic Development Corporation Ltd. As at December 31, 2017</i>	<i>Quatsino Economic Development Limited Partnership As at December 31, 2017</i>	<i>Gilakasla Kwa Holdings Ltd. As at December 31, 2017</i>	<i>Gwabalis Fisheries Society As at March 31, 2018</i>
Assets				
Cash & cash equivalents	45,444	1,211,471	151,989	303,294
Accounts receivable	17,336	55,971	73,590	630,848
Inventory	-	18,364	-	-
Prepays	75,975	16,723	6,000	5,616
Advances to related parties	2,049,321	126,095	-	-
Property, plant and equipment	661,048	391,119	-	-
Investments	4,114	2,977,463	51	1,690,000
Total assets	2,853,238	4,797,206	231,630	2,629,758
Liabilities				
Accounts payable and accruals	11,368	314,705	183,818	18,288
Payable to shareholder	4,417,406	-	-	-
Advances from related parties	740,757	177,273	47,811	-
Long-term debt	-	60,800	-	-
Total liabilities	5,169,531	552,778	231,629	18,288
Equity (deficit)	(2,316,293)	4,244,428	1	2,611,470
Total revenue	73,987	2,650,255	11,190	1,294,333
Total expenses	203,904	1,884,692	11,190	215,790
Net income (loss)	(129,917)	765,563	-	1,078,543
Comprehensive income (loss)	(129,917)	765,563	-	1,078,543

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

9. Long-term debt

	2018	2017
Bank of Montreal loan		
- Interest at prime plus 1%, compounded monthly		
- Monthly interest only payment of \$4,252 to June 2019		
- Monthly blended payments of \$8,240 beginning July 2019, maturing June 2042 and renewing on June 30, 2024		
- Secure by buildings with a net book value of \$1,377,332	1,214,860	-
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 \$nil (2017 - \$6,982)	14,210	35,157
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 \$158,843 (2017 - \$183,320)	164,482	187,476
All Nations Trust loan - Phase 8		
- Interest at 1.05%, compounded semi-annually		
- Monthly blended payments of \$1,182, maturing June 1, 2026 and renewing on August 1, 2021		
- Secured by buildings and equipment with a net book value of \$120,806 (2017 - \$136,952)	112,043	124,978
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 \$368,816 (2017 - \$394,457)	276,988	302,010
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, 2021		
- Secured by buildings and equipment with a net book value of \$1,248,323 (2017 - \$1,317,276)	1,018,519	1,069,114
	<hr/> 2,801,102	<hr/> 1,718,735

Prime rate at March 31, 2018 is 3.2%. 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
2019	127,578
2020	138,578
2021	149,501
2022	152,826
2023	156,271
	<hr/> 724,754
Thereafter	<hr/> 2,076,348

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

10. Treaty note payable

The First Nation received funds negotiated with ISC and the provincial British Columbia Treaty Commission. Under the terms of that agreement, the Nation received both loaned and contributed funds of \$2,336,668 (2017 - \$2,336,668), which it subsequently reloaned and contributed to the First Nation.

For the year ended March 31, 2018, the First Nation received no contribution funding and loans (2017 - no contribution funding and loans). The funds are to be used solely for the purpose of treaty negotiations. The loan proceeds are non-interest bearing and become due and payable upon the earlier of:

- a) the twelfth (12th) anniversary of the date on which the first loan advance by Canada to the First Nation under the earliest First Nation Funding Agreement;
- b) the date on which a treaty is signed by the parties unless otherwise agreed in the treaty;
- c) the date on which the agreement is terminated or;
- d) the date on which the First Nation commits an act of bankruptcy.

11. Contingencies

The First Nation is contingently liable to the BC Treaty Commission for \$41,433 for unexpended negotiation support funding (2017 - \$41,433).

12. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
Deficit in treaty	(2,336,668)	(2,336,668)
Equity in operating fund	5,584,836	5,604,535
Equity in tangible capital assets	8,473,043	7,450,086
Equity in operating and replacement reserves	698,096	649,665
Equity in enterprise fund	1,693,820	1,389,856
Equity in Ottawa Trust Funds	1,125,003	944,015
	15,238,130	13,701,489

Quatsino First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

13. 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 deficit's 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, 2018

14. Budget information

The disclosed budget information for the following segments has been approved by the Chief and Council of the Quatsino First Nation at the Chief and Council meeting held April 11, 2017:

The disclosed budget information for all other segments were not approved by Chief and Council in 2017.

Budget figures in the Consolidated Statement of Operations and Accumulated Surplus are presented using the same basis of accounting as the actual results. A reconciliation of these amounts to the amounts budgeted is as follows:

Budgeted annual surplus, per the Statement of Operations and Accumulated Surplus	\$ 1,229,790
Adjusted for:	
Amortization	346,412
Internal Administration fees	12,209
Capital Housing Additions	(1,159,700)
Repayment of long-term debt	(296,859)
Budgeted approved by Chief and Council	\$ 131,852

15. Indigenous Services Canada ("ISC") revenue reconciliation

	2018	2017
ISC revenue per confirmation	2,306,046	2,114,606
Income Assistance - anticipated reimbursement	90,286	-
Education - recovery	-	(49,826)
Income Assistance - recovery	(15,857)	(9,002)
Income Assistance - anticipated reimbursement	-	1,031
Membership Capacity - recovery	(2,797)	-
Community Infrastructure - recovery	-	(2,099)
	2,377,678	2,054,710

16. Economic dependence

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

17. 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, 2018

	<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>Vehicles</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	6,767,207	4,326,271	511,120	1,993,962	517,645	580,359	14,696,564
Acquisition of tangible capital assets	1,405,442	16,464	-	-	-	-	1,421,906
Construction-in-progress	84,224	-	-	-	-	-	84,224
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	8,256,873	4,342,735	511,120	1,993,962	517,645	580,359	16,202,694
Accumulated amortization							
Balance, beginning of year	2,198,487	2,287,284	193,138	303,080	458,006	391,999	5,831,994
Annual amortization	206,563	142,199	7,114	24,387	8,946	56,508	445,717
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	2,405,050	2,429,483	200,252	327,467	466,952	448,507	6,277,711
Net book value of tangible capital assets	5,851,823	1,913,252	310,868	1,666,495	50,693	131,852	9,924,983
Net book value of tangible capital assets 2017	4,568,720	2,038,987	317,982	1,690,882	59,638	188,360	8,864,569

Quatsino First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Equipment</i>	<i>Computer hardware and software</i>	<i>Work-in-progress</i>	<i>Equipment under capital lease</i>	<i>2018</i>	<i>2017</i>
Cost							
Balance, beginning of year	14,696,564	1,329,140	417,164	84,224	-	16,527,092	16,774,472
Acquisition of tangible capital assets	1,421,906	100,324	-	1,071,706	-	2,593,936	1,978,300
Construction-in-progress	84,224	-	-	(84,224)	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	(2,225,680)
Balance, end of year	16,202,694	1,429,464	417,164	1,071,706	-	19,121,028	16,527,092
Accumulated amortization							
Balance, beginning of year	5,831,994	1,110,698	415,579	-	-	7,358,271	7,970,813
Annual amortization	445,717	42,409	486	-	-	488,612	490,640
Accumulated amortization on disposals	-	-	-	-	-	-	(1,103,182)
Balance, end of year	6,277,711	1,153,107	416,065	-	-	7,846,883	7,358,271
Net book value of tangible capital assets	9,924,983	276,357	1,099	1,071,706	-	11,274,145	9,168,821
Net book value of tangible capital assets 2017	8,864,569	218,443	1,585	84,224	-	9,168,821	

Quatsino First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2018

	2018 <i>Budget</i> <i>(Note 14)</i>	2018	2017
Consolidated expenses by object			
Administration	184,050	19,601	19,601
Advertising	2,000	6,162	3,355
Allowances	-	106,214	66,358
Amortization	-	488,612	490,640
Automotive	37,350	55,327	47,099
Bad debts	-	-	2,678
Bank charges and interest	3,600	3,237	2,635
Cigarette purchases	-	176,874	164,192
Community events	-	-	4,974
Contracted services	54,237	97,491	127,266
Council travel	35,000	45,981	54,302
Education	96,132	84,860	73,864
Fees and disbursements	15,100	18,899	80,776
Fishing	3,600	11,974	6,282
Food and beverage	-	18,727	30,816
Funeral	-	9,475	5,109
Honouraria	64,135	85,990	105,175
Insurance	55,382	66,679	57,431
Interest on long-term debt	-	49,164	23,719
Materials	68,312	144,639	104,987
Meeting	43,900	38,600	38,973
Office supplies	48,170	30,229	31,396
Professional fees	161,101	413,126	587,742
Program aids and workshops	197,671	45,079	53,540
Program expense	75,000	99,170	94,877
Rent	26,900	6,387	902
Repairs and maintenance	81,489	47,487	191,237
Salaries and benefits	2,198,986	2,356,382	2,125,975
Social assistance	231,727	282,440	232,687
Sponsorships	-	6,374	7,798
Student expenses	17,000	1,690	1,080
Supplies	91,803	108,443	85,484
Telephone	32,560	41,925	37,710
Training	39,000	6,936	7,222
Travel	185,572	125,286	145,237
Tuition	57,900	41,621	41,019
User fees	43,270	48,190	44,402
Utilities	35,964	81,579	72,058
Workers compensation premiums	9,653	19,558	17,637
	4,196,564	5,290,408	5,288,235

Quatsino First Nation
Administration
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 <i>Budget</i> <i>(Note 14)</i>	2018	2017
Revenue			
Indigenous Services Canada	197,018	282,247	241,801
Trust funds	-	180,987	18,927
Miscellaneous	464,523	386,494	408,656
Province of British Columbia	10,000	355,323	184,434
Investment income	-	18,316	32,421
First Nations organizations	-	-	2,000
	671,541	1,223,367	888,239
Expenses			
Administration (recovery)	-	(115,346)	(107,501)
Advertising	1,000	1,542	2,831
Amortization	-	333,462	260,999
Automotive	-	2,151	5,682
Bad debts	-	-	2,678
Bank charges and interest	-	727	291
Contracted services	-	60,208	-
Council travel	35,000	45,981	54,302
Fees and disbursements	-	12,097	22,807
Food and beverage	-	541	5,584
Funeral	-	9,475	5,109
Honouraria	48,035	63,700	74,950
Insurance	12,000	15,984	12,818
Materials	-	15,165	29,230
Meeting	2,400	5,916	4,203
Office supplies	28,670	13,449	17,517
Professional fees	82,000	137,104	180,590
Program aids and workshops	17,916	1,727	1,720
Repairs and maintenance	3,000	470	941
Salaries and benefits	379,606	384,400	297,991
Supplies	12,500	20,626	18,773
Telephone	11,500	10,162	11,712
Training	4,500	-	-
Travel	3,000	10,759	17,553
Utilities	10,264	12,874	5,130
Workers compensation premiums	2,300	3,119	2,253
	653,691	1,046,293	928,163
Annual surplus (deficit) before other items	17,850	177,074	(39,924)
Other expenses			
Loss on disposal of tangible capital assets	-	-	(184,845)
Capital contribution	-	-	(1,237)
	-	-	(186,082)
Annual surplus (deficit) before transfers	17,850	177,074	(226,006)
Transfers between programs	-	14,316	2,428,632
Annual surplus	17,850	191,390	2,202,626

Quatsino First Nation
Community
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 <i>Budget</i> <i>(Note 14)</i>	2018	2017
Revenue			
Indigenous Services Canada	-	182,696	-
First Nations Health Authority	-	25,000	-
Miscellaneous	26,200	413,687	60,054
First Nations organizations	5,000	23,400	2,000
Investment income	-	3,206	794
	31,200	647,989	62,848
Expenses			
Automotive	-	415	-
Materials	3,000	39,172	861
Meeting	-	7,927	-
Professional fees (recovery)	-	97,818	(923)
Programs	-	2,440	-
Salaries and benefits	16,050	120,199	-
Student expenses	-	4,971	-
Supplies	1,500	-	-
Telephone	-	2,615	-
Travel	650	7,602	7,818
Utilities	-	427	-
Workers compensation premiums	-	1,000	-
	21,200	284,586	7,756
Annual surplus	10,000	363,403	55,092

Quatsino First Nation
Arcade and Economic Development
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 14)	2018	2017
Revenue			
Indigenous Services Canada	-	25,844	275,941
Arcade	-	189,821	187,782
First Nations organizations	50,000	-	25,000
Province of British Columbia	-	-	8,860
Miscellaneous	-	1,000	-
	50,000	216,665	497,583
Expenses			
Automotive	-	4,606	-
Bank charges and interest	-	1,631	1,079
Cigarette purchases	-	176,873	164,192
Community events	-	-	4,974
Fees and disbursements	-	3,727	5,667
Materials	-	138	2,941
Meeting	-	-	3,363
Professional fees	-	1,145	278,204
Salaries and benefits	-	31,457	28,870
Sponsorships	-	6,374	7,798
Travel	-	6,072	11,553
Workers compensation premiums	-	271	209
	-	232,294	508,850
Annual surplus (deficit)	50,000	(15,629)	(11,267)

Quatsino First Nation
Community Infrastructure
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 14)	2018	2017
Revenue			
Indigenous Services Canada	98,673	126,902	119,475
Miscellaneous	-	22,633	2,000
First Nations organizations	-	99	1,471
	98,673	149,634	122,946
Expenses			
Amortization	-	12,951	12,951
Automotive	2,400	50	-
Contracted services	30,637	26,031	41,531
Insurance	4,300	4,581	4,245
Interest on long-term debt	-	27,895	-
Materials	1,000	6,372	4,074
Office supplies	-	360	360
Professional fees	-	740	7,357
Rent	-	105	63
Repairs and maintenance	26,130	19,162	24,623
Salaries and benefits	24,600	18,233	73,535
Supplies	-	2,984	2,724
Telephone	-	-	587
Travel	-	19	76
User fees	43,270	48,190	44,402
Utilities	6,000	7,985	5,329
Workers compensation premiums	-	164	618
	138,337	175,822	222,475
Annual deficit	(39,664)	(26,188)	(99,529)

Quatsino First Nation
Housing
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 <i>Budget</i> <i>(Note 14)</i>	2018	2017
Revenue			
Canada Mortgage and Housing Corporation	130,359	42,441	100,734
Miscellaneous	1,379,588	41,129	21,900
Investment income	-	94	138
	1,509,947	83,664	122,772
Expenses			
Administration	19,601	-	-
Contracted services	-	11,252	85,735
Insurance	17,882	1,585	1,003
Materials	25,872	485	7,579
Professional fees	6,000	120	-
Programs	37,405	-	-
Repairs and maintenance	29,230	4,079	5,741
Salaries and benefits	42,762	53,246	24,841
Telephone	1,260	1,245	1,242
Travel	5,500	1,921	5,852
Utilities	-	196	-
Workers compensation premiums	368	460	205
	185,880	74,589	132,198
Annual surplus (deficit)	1,324,067	9,075	(9,426)

Quatsino First Nation
Social Housing - CMHC
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 14)	2018	2017
Revenue			
Canada Mortgage and Housing Corporation	-	119,915	120,197
Indigenous Services Canada	-	184,032	-
Investment income	-	166,253	166,791
	-	470,200	286,988
Expenses			
Administration	-	19,601	19,601
Amortization	-	142,199	149,768
Bank charges and interest	-	799	677
Insurance	-	19,874	19,392
Interest on long-term debt	-	21,269	23,719
Professional fees	-	7,920	5,000
Repairs and maintenance	-	11,732	123,670
Utilities	-	23,318	22,568
	-	246,712	364,395
Annual surplus (deficit)	-	223,488	(77,407)

Quatsino First Nation
Natural Resources
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 14)	2018	2017
Revenue			
Fisheries and Oceans Canada	111,006	109,101	152,261
Indigenous Services Canada	-	72,600	74,400
Wind Farm	85,000	215,662	309,335
Miscellaneous	110,000	43,426	231,660
Province of British Columbia	263,151	175,510	192,120
Forestry	91,333	73,400	66,484
	660,490	689,699	1,026,260
Expenses			
Administration	36,600	51,162	35,300
Advertising	-	4,125	-
Automotive	11,950	22,060	14,321
Bank charges and interest	3,600	81	589
Fees and disbursements	15,100	3,075	52,302
Fishing	3,600	11,974	6,282
Food and beverage	-	18,186	25,232
Honouraria	6,800	600	725
Insurance	2,800	3,575	3,366
Materials	14,880	18,930	14,282
Meeting	37,500	23,538	22,927
Office supplies	500	-	-
Professional fees	60,051	118,380	76,959
Program aids and workshops	2,500	1,211	2,656
Rent	26,900	402	839
Repairs and maintenance	2,000	4,429	16,924
Salaries and benefits	367,506	277,654	338,896
Supplies	31,000	14,710	21,592
Telephone	3,000	14,864	11,194
Training	9,500	-	-
Travel	93,303	36,960	41,243
Utilities	-	2,099	1,414
Workers compensation premiums	-	2,355	3,437
	729,090	630,370	690,480
Annual surplus (deficit) before transfers	(68,600)	59,329	335,780
Transfer to Nation Members	-	541,900	275,000
Annual surplus (deficit)	(68,600)	601,229	610,780

Quatsino First Nation
Income Assistance
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 14)	2018	2017
Revenue			
Indigenous Services Canada	318,555	402,015	319,463
Expenses			
Student expenses	10,044	(356)	-
Insurance	-	440	445
Materials	-	75	2,550
Program aids and workshops	10,000	3,583	1,329
Salaries and benefits	78,114	60,085	80,871
Social assistance	231,727	282,440	232,687
Supplies	500	815	1,131
Telephone	1,360	1,425	1,372
Travel	3,000	3,676	2,992
Utilities	1,500	3,626	3,458
Workers compensation premiums	310	529	679
	336,555	356,338	327,514
Annual surplus (deficit)	(18,000)	45,677	(8,051)

Quatsino First Nation
Health
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 14)	2018	2017
Revenue			
First Nations Health Authority	693,311	670,131	633,957
Miscellaneous	18,000	-	-
	711,311	670,131	633,957
Expenses			
Administration	67,849	48,684	57,775
Automotive	13,000	12,029	15,660
Insurance	5,000	7,929	5,640
Materials	8,000	5,892	2,821
Meeting	2,500	-	-
Office supplies	1,500	3,031	2,651
Professional fees	12,550	6,574	11,801
Program aids and workshops	63,000	24,833	32,800
Program expense	98,600	99,170	94,877
Rent	-	630	-
Repairs and maintenance	16,129	779	173
Salaries and benefits	322,669	426,602	374,995
Supplies	2,500	12,053	8,130
Telephone	5,500	3,193	3,041
Training	15,000	284	252
Travel	62,000	13,905	14,236
Utilities	3,200	6,530	5,693
Workers compensation premiums	3,100	3,500	2,966
	702,097	675,618	633,511
Annual surplus (deficit)	9,214	(5,487)	446

Quatsino First Nation
Education
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget (Note 14)	2018	2017
Revenue			
Indigenous and Services Canada	907,159	1,101,342	1,023,630
Province of British Columbia	272,835	250,607	220,237
Miscellaneous	-	198,750	10,749
North Vancouver Island Aboriginal Management Society	-	22,626	17,478
First Nations organizations	-	4,000	5,000
First Nations Education Steering Committee	194,644	357,229	205,712
	1,374,638	1,934,554	1,482,806
Expenses			
Administration	60,000	15,500	14,426
Advertising	1,000	495	524
Allowances	-	106,214	66,358
Automotive	10,000	10,082	11,437
Education	86,088	80,245	73,864
Honouraria	9,300	21,690	29,500
Insurance	13,400	12,711	10,523
Materials	15,560	57,346	39,736
Meeting	1,500	1,220	8,479
Office supplies	17,500	13,390	10,867
Professional fees	500	43,325	26,423
Program aids and workshops	66,850	11,284	15,035
Repairs and maintenance	5,000	6,836	18,547
Salaries and benefits	967,679	984,362	904,161
Student expenses	17,000	1,690	1,080
Supplies	43,803	57,256	33,135
Telephone	9,940	8,422	8,561
Training	10,000	6,140	4,295
Travel	18,119	43,727	42,001
Tuition	57,900	41,621	41,019
Utilities	15,000	24,524	28,464
Workers compensation premiums	3,575	8,159	7,255
	1,429,714	1,556,239	1,395,690
Annual surplus (deficit) before transfers	(55,076)	378,315	87,116
Transfers between programs	-	(8,963)	(28,632)
Annual surplus (deficit)	(55,076)	369,352	58,484

Quatsino First Nation
Enterprise Fund
Schedule 13 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 <i>Budget</i> <i>(Note 14)</i>	2018	2017
Revenue			
Earnings from investment in Nation business entities	-	886,384	1,867,727
Miscellaneous	-	-	438
	-	886,384	1,868,165
Expenses			
Amortization	-	-	66,923
Automotive	-	3,933	-
Materials	-	1,065	914
Professional fees	-	-	2,330
Rent	-	5,250	-
Repairs and maintenance	-	-	618
Salaries and benefits	-	141	1,813
Training	-	512	2,676
Travel	-	645	1,914
Workers compensation premiums	-	1	15
	-	11,547	77,203
Annual surplus before other items	-	874,837	1,790,962
Other revenue (expenses)			
Capital contribution	-	-	(653,467)
Gain on dissolution of Quatsino Energy Corporation Ltd.	-	-	35,193
	-	-	(618,274)
Surplus before transfers	-	874,837	1,172,688
Transfers to Administration	-	-	(2,400,000)
Annual surplus (deficit)	-	874,837	(1,227,312)