

Old Massett Village Council
Consolidated Financial Statements
March 31, 2017

Old Massett Village Council

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For the year ended March 31, 2017

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Independent Auditors' Report

To the Members of Old Massett Village Council:

We have audited the accompanying consolidated financial statements of Old Massett Village Council, which comprise the consolidated statement of financial position as at March 31, 2017, 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 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.

Basis of Qualified Opinion

Old Massett Village Council derives a portion of its revenues from cash sales, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to cash, revenue, accumulated surplus, assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Old Massett Village Council as at March 31, 2017 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.

Surrey, British Columbia

July 31, 2017

MNP LLP

Chartered Professional Accountants

Old Massett Village Council
Consolidated Statement of Financial Position
As at March 31, 2017

	2017	2016
Financial assets		
Cash resources (Note 3)	633,651	1,183,344
Portfolio investments (Note 4)	1,590,430	1,559,477
Funds held in trust (Note 5)	399,293	384,866
Accounts receivable (Note 6)	1,316,028	637,370
Investment in joint venture (Note 7)	1	1,414,792
Total of financial assets	3,939,403	5,179,849
Financial liabilities		
Accounts payable and accruals (Note 8)	1,220,686	606,527
Deferred revenue (Note 9)	434,341	308,151
Long-term debt (Note 10)	393,597	607,097
Total of financial liabilities	2,048,624	1,521,775
Net financial assets	1,890,779	3,658,074
Contingent liabilities (Note 11)		
Commitments (Note 12)		
Non-financial assets		
Tangible capital assets (Schedule 1)	16,621,454	16,252,293
Prepaid expenses	107,980	394,768
Total non-financial assets	16,729,434	16,647,061
Accumulated surplus (Note 15)	18,620,213	20,305,135
Approved on behalf of the Council		
Signature on file _____	Councilor	Signature on file _____
		Councilor

Old Massett Village Council

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2017

	<i>Schedules</i>	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue				
Indigenous and Northern Affairs Canada (INAC)		8,043,759	7,604,922	6,608,197
Gwaii Trust		266,530	115,391	76,302
Tribal Resources Investment Corporation		170,446	178,117	84,066
First Nations Health Authority (FNHA)		3,232,345	3,660,367	3,019,743
Loss from investment in joint venture		-	(236,293)	(204,626)
Province of British Columbia		1,015,192	1,128,697	895,910
Government of Canada		262,495	307,959	237,152
Interest and investment income		42,000	68,140	54,886
Other income		2,430,074	1,242,505	1,602,915
		15,462,841	14,069,805	12,374,545
Expenses				
Administration	3	829,506	876,401	836,086
Capital and Maintenance Operations	4	1,603,135	2,346,740	1,257,495
Economic Development	5	1,643,160	1,655,496	1,453,588
Education	6	4,120,248	3,889,728	3,905,536
Enterprise Fund	7	-	1,199,897	(112,992)
Health	8	3,465,588	3,834,787	3,037,962
Housing	9	455,530	622,951	780,438
Social Assistance	10	1,433,365	1,328,727	1,370,056
		13,550,532	15,754,727	12,528,169
Surplus (deficit)		1,912,309	(1,684,922)	(153,624)
Accumulated surplus, beginning of year		20,305,135	20,305,135	20,458,759
Accumulated surplus, end of year		22,217,444	18,620,213	20,305,135

Old Massett Village Council
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Annual surplus (deficit)	1,912,309	(1,684,922)	(153,624)
Acquisition of tangible capital assets	-	(1,341,041)	(17,500)
Amortization of tangible capital assets	1,000,000	961,721	1,023,000
Proceeds of disposal of tangible capital assets	-	7,092	-
Loss on disposal of tangible capital assets	-	3,067	-
	1,000,000	(369,161)	1,005,500
Acquisition of prepaid expenses	(300,000)	(299,073)	(381,980)
Use of prepaid expenses	585,000	585,861	123,518
	285,000	286,788	(258,462)
Increase (decrease) in net financial assets	3,197,309	(1,767,295)	593,414
Net financial assets, beginning of year	3,658,074	3,658,074	3,064,660
Net financial assets, end of year	6,855,383	1,890,779	3,658,074

Old Massett Village Council
Consolidated Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Deficit	(1,684,922)	(153,624)
Non-cash items		
Amortization	961,721	1,023,000
Loss on disposal of tangible capital assets	3,067	-
Loss from investment in joint venture	236,293	204,626
Impairment of investment in joint venture	1,178,498	-
	694,657	1,074,002
Changes in working capital accounts		
Accounts receivable	(678,658)	(179,357)
Prepaid expenses	286,788	(258,462)
Accounts payable and accruals	614,159	(97,467)
Deferred revenue	126,190	130,621
	1,043,136	669,337
Financing activities		
Repayment of long-term debt	(213,500)	(273,880)
Capital activities		
Acquisition of tangible capital assets	(1,341,041)	(17,500)
Proceeds of disposal of tangible capital assets	7,092	-
	(1,333,949)	(17,500)
Investing activities		
Increase in portfolio investments	(30,953)	(39,667)
Increase (decrease) in cash resources	(535,266)	338,290
Cash resources, beginning of year	1,568,210	1,229,920
Cash resources, end of year	1,032,944	1,568,210
Cash resources are composed of:		
Cash resources	633,651	1,183,344
Trust funds held by federal government	399,293	384,866
	1,032,944	1,568,210

Old Massett Village Council

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

1. Operations

Old Massett Village Council (the "Village Council") is a First Nations village government located in Old Massett, Haida Gwaii, British Columbia. The Village Council is responsible for the well-being of its community and enacts legal policies and programs in the areas of Capital, Economic Development, Education, Membership, Health, and Social Assistance. The Village Council is also mandated to take actions to protect the well-being of members and the community, and to establish cultural programs and undertake initiatives in economic development.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and are consistent with the accounting policies set out by the Indigenous and Northern Affairs Canada. Significant aspects of the accounting policies adopted by the Village Council are as follows:

Reporting entity

Old Massett Village Council reporting entity includes the First Nation government and all related entities which are accountable to the Village Council and are either owned or controlled by the Village Council.

The financial statements consolidate the financial activities of all entities and departments comprising the Village Council reporting entity, except for Village Council business entities.

The Village Council has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Kluu Laanas Community Development Corporation (inactive);
- Haida Ecological and Land Trust Society (inactive);
- Old Massett Economic Development Corporation; and
- Old Massett Economic Development Limited Partnership.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Old Massett Village Council business entities, owned or controlled by the Village Council's Council but not dependent on the Village Council 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 Village Council. Thus, the Village Council'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 the commercial enterprises which meet the definition of a government business enterprise.

Investments in Village Council partnerships are accounted for using the proportionate consolidation method. The Village Council's pro-rata share of the assets, liabilities, revenue, and expenses of the Village Council partnership have been combined on a line-by-line basis with similar items of the Village Council.

Entities that are controlled, but not fully owned, which meet the definition of a governmental unit are included in the consolidated financial statements on a proportionate consolidation basis, whereby a government's pro rata share of each of the assets, liabilities, revenues and expenses that are subject to shared control, is combined on a line-by-line basis with similar items in the government's consolidated financial statements

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.

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

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.

Cash resources

Cash resources include cash and term deposit securities with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Portfolio investments

Portfolio investments for which significant influence does not exist are recorded at carrying value.

Investment in joint venture

The investment in joint venture is included in the consolidated financial statements on a modified equity basis.

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

Contributed tangible capital assets are recorded at fair value at the date of contribution.

All intangibles and items inherited by right of the Village Council, such as reserve lands, forests, water, and mineral resources, are not recognized as assets in the Village Council's consolidated financial statements.

Historic works of art and treasures are not recorded as assets in these consolidated financial statements.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	declining balance	5 %
Infrastructure	declining balance/ straight-line	4 to 5 %
Equipment	declining balance	20 %
Vehicles	straight-line	20 %
Water treatment plan	straight-line	5 %

Long-lived assets

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

The Village Council 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.

Net financial assets

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

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

Budgets

Budget information has been included when the information is available. These budgets have been prepared by department managers and approved by Chief and Council.

Revenue recognition

Government transfers

The Village Council recognizes a government transfer, including Indigenous and Northern Affairs Canada, First Nations Health Authority, and Province of British Columbia, as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Village Council recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenue

Other revenue is recognized when services have been provided, all significant contractual obligations have been satisfied and collectability is reasonably assured.

Investment income reported on investments not subject to significant influence is recorded as revenue in the period earned.

Use of estimates

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

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

Liability for contaminated sites

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 Village Council 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, 2017.

At each financial reporting date, the Village Council 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 Village Council 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, 2017 no liability for contaminated sites exists.

Old Massett Village Council

Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

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

Segments

The Village Council conducts its business through eight reportable segments: Administration, Capital and Maintenance Operations, Economic Development, Education, Enterprise Fund, Health, Housing, and Social Assistance. These operating segments are established by senior management to:

- help users of the consolidated financial statements identify the resources allocated to support the major activities of the Village Council;
- help users of the consolidated financial statements make more informed judgements about the Village Council and about its major activities;
- help users of the consolidated financial statements better understand the manner in which the organizations in the Village Council are organized and how the Village Council discharges its accountability obligations;
- enhance the transparency of financial reporting; and
- help users of the consolidated financial statements better understand the performance of the segments and the Village Council.

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.

3. Cash resources

The Village Council has available a \$500,000 revolving line of credit with interest charged at the Northern Savings Credit Union prime rate plus 1% per annum. At March 31, 2017, the outstanding line of credit balance was \$NIL (2016 - \$NIL).

4. Portfolio investments

Included in portfolio investments are externally restricted term deposits of \$22,917 (2016 - \$205,976). The restricted term deposit is for the park use permit. In the prior year, the restricted term deposits were for the park use permit as well as security for the Family Centre mortgage. The Family Centre mortgage has been paid off during the year and thus the term deposit is no longer restricted.

5. Funds held in trust

Capital and revenue trust monies are transferred to the Village Council on the authorization of INAC, with the consent of the Village Council's Council.

	2017	2016
Capital Trust		
Balance, beginning of year	3,294	3,294
Balance, end of year	3,294	3,294
Revenue Trust		
Balance, beginning of year	381,572	366,865
Additions	14,427	14,707
Balance, end of year	395,999	381,572
	399,293	384,866

Old Massett Village Council
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

6. Accounts receivable

	2017	2016
Indigenous and Northern Affairs Canada	358,792	244,878
First Nations Health Authority	585,776	228,034
Housing	598,954	506,426
Other accounts receivable	371,460	164,458
	1,914,982	1,143,796
Less: Allowance for doubtful accounts	598,954	506,426
	1,316,028	637,370

7. Investment in joint venture

The Village Council, through Old Massett Economic Development Limited Partnership, owns 50% of Haida Gwaii Forest Products Joint Venture. The joint venture's main activity is processing and sale of wood products. During the year, there was an impairment of the joint venture in the amount of \$1,178,498.

	<i>Investment cost</i>	<i>Cumulative share of earnings (loss)</i>	<i>Impairment of investment in joint venture</i>	<i>2017 Total investment</i>
First Nation Business Partnerships – Modified Equity:				
Haida Gwaii Forest Products - 50%	1,600,000	(421,501)	(1,178,498)	1
		<i>Cumulative share of earnings (loss)</i>	<i>Impairment of investment in joint venture</i>	<i>2016 Total investment</i>
First Nation Business Partnerships – Modified Equity:				
Haida Gwaii Forest Products - 50%	1,600,000	(185,208)	-	1,414,792

The following provides the pro-rated share of the Village Council's ownership from the condensed financial information of Haida Gwaii Forest Products Joint Venture for the years ended March 31, 2017 and 2016:

	<i>Haida Gwaii Forest Products Joint Venture As at March 31, 2017</i>	<i>Haida Gwaii Forest Products Joint Venture As at March 31, 2016</i>
Balance Sheet		
Cash	50,927	77,595
Accounts receivable	35,888	10,557
Inventory	177,570	396,520
Deposits	-	21,481
Property and equipment	1,796,963	1,765,805
Total assets	2,061,348	2,271,958
Total liabilities	882,849	853,860
Venturers' equity	1,178,499	1,418,098
Total liabilities and venturers' equity	2,061,348	2,271,958
Statement of Operations		
Total revenue	503,239	784,013
Total expenses	739,532	988,639
	(236,293)	(204,626)

Old Massett Village Council
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

8. Accounts payable and accruals

	2017	2016
Indigenous and Northern Affairs Canada	163,246	9,103
First Nations Health Authority	148,109	170,042
Other accruals	203,370	185,940
Accounts payable	705,961	241,442
	1,220,686	606,527

9. Deferred revenue

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
Indigenous and Northern Affairs Canada	262,220	3,212,469	3,040,348	434,341
Other	45,931	190,830	236,761	-
	308,151	3,403,299	3,277,109	434,341

10. Long-term debt

	2017	2016
Northern Savings Credit Union - Mortgage repayable in monthly instalments of \$19,100, including fixed interest at 6.84% compounded semi-annually; due for renewal on April 9, 2018; secured by an environmental indemnity agreement.	67,705	284,332
Northern Savings Credit Union (Tlaga Gaw Tlass Housing) - Mortgage repayable in monthly instalments of \$2,075, including interest at 4.15% per annum; due May 6, 2017; guaranteed by INAC. Loan has been renewed subsequent to year-end.	237,968	252,765
Northern Savings Credit Union (Family Centre) - Repaid in full during the year.	-	15,227
MacCarthy Motors (Terrace) Ltd. - Loan repayable in monthly instalments of \$648, including interest at 8.99% per annum; due May 3, 2018; secured by the specific vehicle with a net book value of \$11,656 (2016 - \$19,426).	8,696	15,631
General Motors Acceptance Corporation of Canada - Loan repayable in monthly instalments of \$660, including interest at 4.98% per annum; due September 1, 2019; secured by the specific vehicle with a net book value of \$20,451 (2016 - \$28,631).	25,715	32,166
General Motors Acceptance Corporation of Canada - Repaid in full during the year.	-	6,976
MacCarthy Motors (Terrace) Ltd. - Loan repayable in monthly instalments of \$541, including interest at 4.24% per annum; due August 5, 2021; secured by the specific vehicle with a net book value of \$31,882.	26,003	-
General Motors Acceptance Corporation of Canada - Loan repayable in monthly instalments of \$572, including interest at 4.24% per annum; due August 9, 2021; secured by the specific vehicle with a net book value of \$27,740.	27,510	-

Old Massett Village Council
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

10. Long-term debt *(Continued from previous page)*

	393,597	607,097
Less: current portion	106,133	267,117
	287,464	339,980

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

2018	106,133
2019	245,249
2020	24,121
2021	12,842
2022	5,252
	393,597

Interest on long-term debt amounted to \$22,936 (2016 - \$45,151).

11. Contingent liabilities

Member housing loans

The Village Council is contingently liable for member housing loans provided to individual members for loans made by various financial institutions for purposes of acquiring on reserve housing. In the event that members default on their obligations under these loans, the Village Council would be required to pay the outstanding loan balance to the lenders. In the event that the Village Council is unable to pay on any defaulted member loans, these loans are guaranteed by INAC. The Village Council's guarantee is itself secured by the related real properties.

The balance outstanding as at March 31, 2017 is \$238,639 (0340-09-92575 - GL Northern Savings Credit Union) (2016 - \$268,241).

Guarantor

The Village Council is a guarantor on a loan to Haida Gwaii Forest Product Joint Venture with an authorized borrowing limit of \$635,000. The balance outstanding as at March 31, 2017 is \$478,372 (2016 - \$591,599).

Contribution agreements

The Village Council has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the Village Council fails to comply with the terms and conditions of the agreements.

Old Massett Village Council
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

12. Commitments

The Village Council has entered into various lease agreements with estimated minimum annual payments as follows:

2018	16,432
2019	18,094
2020	5,611
	40,137

13. Economic dependence

The Village Council receives a majority of its revenue from Indigenous and Northern Affairs Canada ("INAC") and First Nations Health Authority ("FNHA") as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by INAC and FNHA under the terms and conditions of the *Indian Act*. The ability of the Village Council to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these funding agreements.

14. Supplemental cash flow information

During the year, interest was paid by cash for a total of \$22,936 and cash interest was received for a total of \$68,140.

15. Annual surplus

	2017	2016
Investment in tangible capital assets	16,533,530	16,182,293
Externally restricted portfolio investments	22,917	205,976
Internally restricted funds	80,000	80,000
Trust funds held by federal government - capital account	3,294	3,294
Investment in joint venture	1	1,414,792
Deferred revenue	434,341	308,151
Surplus available for operations	1,546,130	2,110,629
Accumulated surplus	18,620,213	20,305,135

16. Segments

During the year, the Village Council had eight reportable segments listed below. These segments are differentiated by major activities.

Administration - This segment provides band support and administrative services for the operations of the Village Council, including various financial functions such as payroll, accounts receivable and accounts payable.

Capital and Maintenance Operations - This segment implements capital projects undertaken by the Village Council and maintains community infrastructure. Community infrastructure includes buildings, roads and bridges, fire protection, water and electrical systems and wastewater treatment.

Economic Development - This segment implements community economic development planning and capacity building initiatives pursued to benefit the Village Council's community by enhancing employment, income generation activities, use of land and resources, economic infrastructure and business opportunities.

16. Segments *(Continued from previous page)*

Education - This segment is responsible for managing and delivering K to grade 12 education programs and services both on and off reserve. This includes Haida language and culture, employment counselling services and the management of post-secondary student funding and support programs.

Enterprise Fund - This segment is comprised of business activities that are performed in the pursuit of economic and business development.

Health - This segment administers the delivery of the health programs and services.

Housing - This segment activities reflect housing rental units and repairs.

Social Assistance - This segment administers benefits and services to individuals and families living on reserve who are in need of support. Department services include income assistance, assisted living, family violence prevention and awareness, and national child benefit reinvestment.

Old Massett Village Council
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2017

	<i>Land</i>	<i>Buildings</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Vehicles</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	641,372	14,895,007	1,206,432	7,045,900	427,698	24,216,409
Acquisition of tangible capital assets	-	-	-	1,274,796	66,245	1,341,041
Disposal of tangible capital assets	-	-	(1,118)	-	(30,887)	(32,005)
Balance, end of year	641,372	14,895,007	1,205,314	8,320,696	463,056	25,525,445
Accumulated amortization						
Balance, beginning of year	-	5,295,611	1,120,577	3,674,020	369,076	10,459,284
Annual amortization	-	464,650	19,080	198,739	29,416	711,885
Accumulated amortization on disposals	-	-	-	-	(21,846)	(21,846)
Balance, end of year	-	5,760,261	1,139,657	3,872,759	376,646	11,149,323
Net book value of tangible capital assets	641,372	9,134,746	65,657	4,447,937	86,410	14,376,122
2016 Net book value of tangible capital assets	641,372	9,599,396	85,855	3,371,880	58,622	13,757,125

Old Massett Village Council
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Water Treatment Plant</i>	<i>2017</i>	<i>2016</i>
Cost				
Balance, beginning of year	24,216,409	4,990,329	29,206,738	29,189,238
Acquisition of tangible capital assets	1,341,041	-	1,341,041	17,500
Disposal of tangible capital assets	(32,005)	-	(32,005)	-
Balance, end of year	25,525,445	4,990,329	30,515,774	29,206,738
Accumulated amortization				
Balance, beginning of year	10,459,284	2,495,161	12,954,445	11,931,437
Annual amortization	711,885	249,836	961,721	1,023,008
Accumulated amortization on disposals	(21,846)	-	(21,846)	-
Balance, end of year	11,149,323	2,744,997	13,894,320	12,954,445
Net book value of tangible capital assets	14,376,122	2,245,332	16,621,454	16,252,293
2016 Net book value of tangible capital assets	13,757,125	2,495,168	16,252,293	

Old Massett Village Council
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Consolidated expenses by object			
Amortization	230,060	961,721	1,023,000
Bad debts	-	92,529	40,173
Bank charges and interest	5,532	2,010	25,496
Capital assets acquired	-	24,414	19,213
Contract services and professional fees	2,297,413	2,430,869	1,555,072
Delivery	174,091	159,375	162,208
Donations	6,000	5,293	5,481
Employee benefits	559,819	525,349	483,867
Equipment purchases	158,431	287,547	42,350
Honouraria	116,876	130,250	119,168
Impairment of investment in joint venture	-	1,178,498	-
Insurance	131,749	117,751	68,314
Interest on long-term debt	39,560	22,936	37,831
Materials	891,240	870,586	808,207
Public relations	103,465	74,187	72,870
Rent	100,603	94,516	142,591
Repairs and maintenance	378,639	424,021	260,458
Salaries	3,363,788	3,203,061	2,799,942
Social assistance	911,906	871,391	911,939
Telephone and utilities	436,804	370,433	363,475
Travel	1,138,320	1,722,150	1,316,218
Tuition	2,475,464	2,165,381	2,265,866
Vehicle	30,772	16,832	15,646
Write up (down) of investment	-	3,627	(11,216)
	13,550,532	15,754,727	12,528,169

Old Massett Village Council
Administration
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada (INAC)	623,751	623,751	619,371
Gwaii Trust	10,000	10,000	10,000
Government of Canada	-	-	75,217
Interest and investment income	42,000	53,712	40,178
Other income	312,844	60,429	499,957
	988,595	747,892	1,244,723
Expenses			
Amortization	-	50,117	53,730
Bad debts (recoveries)	-	(3,261)	(3,261)
Bank charges and interest	1,250	1,161	1,254
Contract services and professional fees	44,000	39,385	39,972
Delivery	2,500	2,464	1,109
Donations	6,000	2,941	4,481
Employee benefits	75,173	70,671	63,011
Equipment purchases	5,000	3,606	-
Honouraria	116,876	130,250	119,168
Insurance	3,000	5,141	2,425
Materials	75,000	56,542	68,374
Public relations	11,000	6,269	8,386
Rent	15,000	16,431	13,977
Repairs and maintenance	3,600	2,810	1,292
Salaries	376,983	365,933	330,819
Telephone and utilities	73,000	54,289	72,636
Travel	21,124	71,652	58,713
	829,506	876,401	836,086
Surplus (deficit) before transfers	159,089	(128,509)	408,637
Transfers between programs	(120,000)	-	(15,019)
Surplus (deficit)	39,089	(128,509)	393,618

Old Massett Village Council
Capital and Maintenance Operations
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada (INAC)	2,172,149	1,853,375	872,754
Gwaii Trust	-	5,000	-
Province of British Columbia	-	47,000	-
Other income	60,012	165,133	66,012
	2,232,161	2,070,508	938,766
Expenses			
Amortization	-	551,622	560,804
Bank charges and interest	77	20	26
Capital assets acquired	-	3,389	-
Contract services and professional fees	952,642	1,130,226	122,704
Delivery	141,800	137,110	134,859
Employee benefits	24,603	18,524	20,387
Equipment purchases	4,500	30,609	4,741
Insurance	26,999	24,730	16,374
Materials	45,205	63,948	30,739
Public relations	150	11,755	58
Rent	1,609	3,267	4,393
Repairs and maintenance	83,370	55,804	75,146
Salaries	153,946	152,603	153,047
Telephone and utilities	156,144	147,076	129,592
Travel	12,090	15,439	4,625
Vehicle	-	618	-
	1,603,135	2,346,740	1,257,495
Surplus (deficit) before transfers	629,026	(276,232)	(318,729)
Transfers between programs	-	11,137	15,019
Surplus (deficit)	629,026	(265,095)	(303,710)

Old Massett Village Council
Economic Development
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada (INAC)	192,128	192,128	191,404
Gwaii Trust	65,985	-	-
Tribal Resources Investment Corporation	147,446	157,013	20,776
Province of British Columbia	305,000	307,216	228,520
Government of Canada	262,495	282,959	161,935
Other income	1,154,234	406,544	434,912
	2,127,288	1,345,860	1,037,547
Expenses			
Amortization	200,000	83,347	102,972
Bank charges and interest	3,795	813	23,250
Capital assets acquired	-	21,025	19,213
Contract services and professional fees	248,238	356,466	295,927
Delivery	5,855	8,136	3,445
Employee benefits	66,639	61,259	66,677
Equipment purchases	78,984	145,461	21,277
Insurance	22,400	14,127	9,092
Interest on long-term debt	29,200	12,574	26,736
Materials	219,792	244,165	164,718
Public relations	32,800	4,001	6,336
Rent	31,500	9,288	34,160
Repairs and maintenance	147,821	135,934	87,968
Salaries	462,564	462,870	536,000
Telephone and utilities	54,800	22,219	21,614
Travel	16,000	65,347	26,303
Vehicle	22,772	8,464	7,900
	1,643,160	1,655,496	1,453,588
Surplus (deficit)	484,128	(309,636)	(416,041)

Old Massett Village Council
Education
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada (INAC)	3,578,980	3,480,177	3,243,282
Gwaii Trust	4,000	-	3,302
Tribal Resources Investment Corporation	23,000	21,104	63,290
Province of British Columbia	498,000	469,784	430,789
Other income	234,427	57,558	62,887
	4,338,407	4,028,623	3,803,550
Expenses			
Amortization	15,160	78,827	89,956
Bank charges and interest	160	114	130
Contract services and professional fees	148,694	64,876	142,783
Delivery	1,400	3,319	1,127
Donations	-	1,246	1,000
Employee benefits	186,439	179,156	166,417
Equipment purchases	22,703	4,655	5,146
Insurance	9,000	16,725	8,404
Interest on long-term debt	360	259	1,233
Materials	175,584	151,574	141,797
Public relations	2,000	4,705	1,257
Rent	10,050	28,244	32,533
Repairs and maintenance	35,350	49,905	38,914
Salaries	915,329	995,122	878,251
Telephone and utilities	55,800	60,073	55,981
Travel	66,755	85,547	74,741
Tuition	2,475,464	2,165,381	2,265,866
	4,120,248	3,889,728	3,905,536
Surplus (deficit)	218,159	138,895	(101,986)

Old Massett Village Council
Enterprise Fund
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Income (loss) from investment in joint venture	-	(236,293)	(204,626)
Other income	-	15,998	29,712
	-	(220,295)	(174,914)
Expenses			
Amortization	-	3,875	10,579
Bank charges and interest	-	62	479
Contract services and professional fees	-	12,459	34,536
Impairment of investment in joint venture	-	1,178,498	-
Materials	-	1,080	33,422
Public relations	-	-	10,979
Salaries (SRED recoveries)	-	296	(193,701)
Telephone and utilities	-	-	1,930
Write up (down) of investment	-	3,627	(11,216)
	-	1,199,897	(112,992)
Deficit	-	(1,420,192)	(61,922)

Old Massett Village Council
Health

Schedule 8 - Schedule of Revenue and Expenses

For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Gwaii Trust	161,545	95,391	38,000
First Nations Health Authority (FNHA)	3,232,345	3,660,368	3,019,743
Province of British Columbia	150,000	143,607	170,000
Other income	417,265	188,500	141,585
	3,961,155	4,087,866	3,369,328
Expenses			
Amortization	-	54,612	58,456
Bank charges and interest	90	(220)	143
Contract services and professional fees	573,186	507,736	413,444
Delivery	5,500	6,930	3,862
Donations	-	1,106	-
Employee benefits	166,968	165,691	139,451
Equipment purchases	36,677	60,680	10,189
Insurance	44,400	30,874	10,958
Materials	213,502	252,102	213,688
Public relations	39,207	24,161	33,182
Rent	39,776	35,110	41,271
Repairs and maintenance	62,792	144,682	33,058
Salaries	1,205,039	1,010,661	871,716
Telephone and utilities	60,960	53,293	49,335
Travel	1,009,491	1,479,619	1,151,459
Vehicle	8,000	7,750	7,750
	3,465,588	3,834,787	3,037,962
Surplus before transfers	495,567	253,079	331,366
Transfers between programs	-	-	(46,095)
Surplus	495,567	253,079	285,271

Old Massett Village Council
Housing
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue			
Indigenous and Northern Affairs Canada (INAC)	247,980	247,980	454,030
Other income	228,888	273,747	300,480
	476,868	521,727	754,510
Expenses			
Amortization	14,900	139,321	146,503
Bad debts	-	95,790	43,434
Bank charges and interest	60	2	180
Contract services and professional fees	325,903	304,419	497,207
Delivery	400	20	1,577
Employee benefits	1,434	538	1,347
Equipment purchases	6,600	-	-
Insurance	20,850	23,962	18,935
Interest on long-term debt	10,000	10,103	9,861
Materials	26,340	3,157	27,361
Public relations	250	-	-
Rent	568	565	443
Repairs and maintenance	29,650	27,792	13,552
Salaries	-	-	3,392
Telephone and utilities	17,700	17,282	16,610
Travel	875	-	36
	455,530	622,951	780,438
Surplus (deficit)	21,338	(101,224)	(25,928)

Old Massett Village Council
Social Assistance
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2017	2016
Revenue			
Indigenous and Northern Affairs Canada (INAC)	1,228,771	1,207,511	1,227,356
Gwaii Trust	25,000	5,000	25,000
Province of British Columbia	62,192	66,282	66,602
Government of Canada	-	25,000	-
Other income	22,404	35,428	26,110
	1,338,367	1,339,221	1,345,068
Expenses			
Bank charges and interest	100	56	34
Contract services and professional fees	4,750	15,303	8,500
Delivery	16,636	1,396	16,228
Employee benefits	38,563	29,510	26,577
Equipment purchases	3,967	42,536	997
Insurance	5,100	2,192	2,126
Materials	135,817	98,019	128,107
Public relations	18,058	23,297	12,671
Rent	2,100	1,611	15,813
Repairs and maintenance	16,056	7,094	10,527
Salaries	249,926	215,576	220,418
Social assistance	911,906	871,391	911,939
Telephone and utilities	18,400	16,201	15,778
Travel	11,986	4,545	341
	1,433,365	1,328,727	1,370,056
Surplus (deficit)	(94,998)	10,494	21,107