

**Old Massett Village Council**  
**Consolidated Financial Statements**  
*For the year ended March 31, 2020*

# Old Massett Village Council

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*For the year ended March 31, 2020*

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## Management's Responsibility

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To the Members of Old Massett Village Council:

The accompanying consolidated financial statements of Old Massett Village Council 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.

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

MNP LLP is appointed by the 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 and separately with, both the Chief and Council and management to discuss their audit findings.

 E-SIGNED by Carrie Samuels

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Finance Manager

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# Independent Auditor's Report

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To the Members of Old Massett Village Council:

## Qualified Opinion

We have audited the consolidated financial statements of Old Massett Village Council (the "Village Council"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Village Council as at March 31, 2020, and the results of its consolidated operations, changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Qualified Opinion

The 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 Village Council and we were not able to determine whether any adjustments might be necessary to cash, revenue, accumulated surplus, assets and net assets. Additionally, the consolidated financial statements include budgeted information as required by Canadian public sector accounting standards. However, we were unable to obtain sufficient appropriate audit evidence to verify whether the budgeted information has been approved by Chief and Council or the community members.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Village Council in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Village Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village Council's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Village Council to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Surrey, British Columbia

September 16, 2020

*MNP LLP*

Chartered Professional Accountants

**Old Massett Village Council**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2020*

|  | 2020              | 2019<br>(Restated) |
|--|-------------------|--------------------|
| <b>Financial assets</b>                            |                   |                    |
| Cash resources                                     | -                 | 1,618,658          |
| Accounts receivable (Note 4)                       | 2,766,234         | 2,294,730          |
| Portfolio investments (Note 5)                     | 7,078,571         | 4,988,861          |
| Investment in joint venture (Note 6)               | 1                 | 1                  |
| Funds held in trust (Note 7)                       | 445,635           | 431,725            |
| <b>Total of financial assets</b>                   | <b>10,290,441</b> | <b>9,333,975</b>   |
| <b>Financial liabilities</b>                       |                   |                    |
| Bank indebtedness (Note 8)                         | 413,484           | -                  |
| Accounts payable and accruals (Note 9)             | 1,169,031         | 830,870            |
| Deferred revenue (Note 10)                         | 3,308,139         | 4,382,527          |
| Long-term debt (Note 11)                           | 938,010           | 969,595            |
| <b>Total of financial liabilities</b>              | <b>5,828,664</b>  | <b>6,182,992</b>   |
| <b>Net financial assets</b>                        | <b>4,461,777</b>  | <b>3,150,983</b>   |
| <b>Contingencies (Note 12)</b>                     |                   |                    |
| <b>Significant and subsequent events (Note 17)</b> |                   |                    |
| <b>Non-financial assets</b>                        |                   |                    |
| Tangible capital assets (Schedule 1)               | 16,808,441        | 15,740,600         |
| Prepaid expenses                                   | 91,873            | 104,773            |
| <b>Total non-financial assets</b>                  | <b>16,900,314</b> | <b>15,845,373</b>  |
| <b>Accumulated surplus (Note 13)</b>               | <b>21,362,091</b> | <b>18,996,356</b>  |

Approved on behalf of the Council

E-SIGNED by Duffy Edgars

Chief

E-SIGNED by Christine Carty

Councilor

# Old Massett Village Council

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2020*

|   | <i>Schedules</i> | <i>2020<br/>Budget</i> | <i>2020</i>       | <i>2019<br/>(Restated)</i> |
|---|------------------|------------------------|-------------------|----------------------------|
| <b>Revenue</b>  |                  |                        |                   |                            |
| Indigenous Services Canada  |                  | 10,367,255             | 8,794,741         | 7,189,952                  |
| First Nations Health Authority                                      |                  | 3,797,492              | 4,143,407         | 4,402,085                  |
| Province of British Columbia  |                  | 965,113                | 1,422,710         | 994,484                    |
| Gwaii Trust   |                  | 228,300                | 306,113           | 357,765                    |
| Government of Canada  |                  | 249,935                | 175,327           | 241,135                    |
| Tribal Resources Investment Corporation                             |                  | 28,812                 | 6,853             | 6,853                      |
| BC First Nations Gaming Revenue Sharing Limited Partnership         |                  | -                      | 1,218,004         | -                          |
| Interest and investment income                                      |                  | 50,000                 | 106,135           | 60,651                     |
| Other income  |                  | 1,789,057              | 1,625,602         | 1,800,761                  |
|   |                  | <b>17,475,964</b>      | <b>17,798,892</b> | <b>15,053,686</b>          |
| <b>Expenses</b>   |                  |                        |                   |                            |
| Administration  | 3                | 1,006,375              | 1,162,479         | 1,226,460                  |
| Capital and Maintenance Operations                                  | 4                | 3,619,830              | 1,390,590         | 1,628,678                  |
| Economic Development  | 5                | 1,056,546              | 1,076,218         | 1,261,049                  |
| Education   | 6                | 3,803,384              | 4,665,054         | 4,354,155                  |
| Health  | 7                | 3,531,391              | 4,828,721         | 4,733,406                  |
| Housing   | 8                | 364,195                | 785,069           | 762,111                    |
| Social Assistance   | 9                | 1,657,898              | 1,525,026         | 1,349,743                  |
|   |                  | <b>15,039,619</b>      | <b>15,433,157</b> | <b>15,315,602</b>          |
| <b>Surplus (deficit)</b>  |                  | <b>2,436,345</b>       | <b>2,365,735</b>  | <b>(261,916)</b>           |
| <b>Accumulated surplus, beginning of year, as previously stated</b> |                  | <b>18,470,565</b>      | <b>18,470,565</b> | <b>18,659,041</b>          |
| Correction of an error (Note 3)                                     |                  | -                      | 525,791           | 599,231                    |
| <b>Accumulated surplus, beginning of year, as restated</b>          |                  | <b>18,470,565</b>      | <b>18,996,356</b> | <b>19,258,272</b>          |
| <b>Accumulated surplus, end of year</b>                             |                  | <b>20,906,910</b>      | <b>21,362,091</b> | <b>18,996,356</b>          |

**Old Massett Village Council**  
**Consolidated Statement of Changes in Net Financial Assets**  
*For the year ended March 31, 2020*

|  | <i><b>2020<br/>Budget</b></i> | <i><b>2020</b></i> | <i><b>2019<br/>(Restated)</b></i> |
|--|-------------------------------|--------------------|-----------------------------------|
| <b>Annual surplus (deficit)</b>                | <b>2,436,345</b>              | <b>2,365,735</b>   | (261,916)                         |
| Purchases of tangible capital assets           | -                             | <b>(2,097,893)</b> | (446,352)                         |
| Amortization of tangible capital assets        | <b>30,060</b>                 | <b>1,030,052</b>   | 1,011,739                         |
| Loss on disposal of tangible capital assets    | -                             | -                  | 45,767                            |
| Use of prepaid expenses                        | -                             | <b>12,900</b>      | 31,185                            |
| <b>Increase in net financial assets</b>        | <b>2,466,405</b>              | <b>1,310,794</b>   | 380,423                           |
| <b>Net financial assets, beginning of year</b> | <b>3,150,983</b>              | <b>3,150,983</b>   | 2,770,560                         |
| <b>Net financial assets, end of year</b>       | <b>5,617,388</b>              | <b>4,461,777</b>   | 3,150,983                         |



**Old Massett Village Council**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2020*

|   | 2020               | 2019<br>(Restated) |
|---|--------------------|--------------------|
| <b>Cash provided by (used for) the following activities</b> |                    |                    |
| <b>Operating activities</b>                                 |                    |                    |
| Surplus (deficit)   | 2,365,735          | (261,916)          |
| Non-cash items  |                    |                    |
| Amortization  | 1,030,052          | 1,011,739          |
| Loss on disposal of tangible capital assets                 | -                  | 45,767             |
|   | <b>3,395,787</b>   | 795,590            |
| Changes in working capital accounts                         |                    |                    |
| Accounts receivable   | (471,504)          | (1,017,041)        |
| Prepaid expenses  | 12,900             | 31,185             |
| Accounts payable and accruals                               | 338,161            | (130,046)          |
| Deferred revenue  | (1,074,388)        | 1,667,819          |
|   | <b>2,200,956</b>   | 1,347,507          |
| <b>Financing activities</b>                                 |                    |                    |
| Advances of long-term debt                                  | 99,808             | 192,429            |
| Repayment of long-term debt                                 | (131,393)          | (103,195)          |
|   | <b>(31,585)</b>    | 89,234             |
| <b>Capital activities</b>                                   |                    |                    |
| Purchases of tangible capital assets                        | (2,097,893)        | (446,352)          |
| <b>Investing activities</b>                                 |                    |                    |
| Increase in portfolio investments                           | (2,089,710)        | (3,026,436)        |
| Increase in funds held in trust                             | (13,910)           | (16,508)           |
|   | <b>(2,103,620)</b> | (3,042,944)        |
| <b>Decrease in cash resources</b>                           | <b>(2,032,142)</b> | (2,052,555)        |
| <b>Cash resources, beginning of year</b>                    | <b>1,618,658</b>   | 3,671,213          |
| <b>Cash resources (deficiency), end of year</b>             | <b>(413,484)</b>   | 1,618,658          |

# Old Massett Village Council

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2020*

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### 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 Indigenous Services Canada. Significant aspects of the accounting policies adopted by the Village Council are as follows:

#### **Reporting entity**

The 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 with the exception of Village Council business entities.

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

- Old Massett Economic Development Corporation,
- Old Massett Economic Development Limited Partnership, and
- 1199196 B.C. Ltd.

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 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.

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

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 the assets, liabilities, revenue, and expenses that are subject to shared control have been combined on a line-by-line basis with similar items of the Village Council.

#### **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 deposits with maturities of three months or less.

**Portfolio investments**

Long-term investments in entities that are not owned, controlled or influenced by the Village Council reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Included in portfolio investments are term deposits with an original maturity date of more than three months after year-end are reported using the cost method.

**Funds held in trust**

Funds held in trust on behalf of Village Council 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 land or other Village Council tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

**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**

Assets under construction are not amortized until the asset becomes available for use. Other 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:

|                       | <b>Method</b>                        | <b>Rate</b>     |
|-----------------------|--------------------------------------|-----------------|
| Buildings             | declining balance                    | 5 %             |
| Equipment             | declining balance                    | 20 %            |
| Infrastructure        | declining balance /<br>straight-line | 4 %<br>20 years |
| Vehicles              | straight-line                        | 5 years         |
| Water treatment plant | straight-line                        | 20 years        |

**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.

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

***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 net financial assets of the Village Council 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***

**Funding**

Revenue is recognized as it becomes receivable under the terms of 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.

**Government transfers**

The Village Council recognizes a government transfer 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.

**Externally restricted revenue**

The Village Council recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the Village Council records externally restricted inflows in deferred revenue.

**Funds held in trust**

The Village Council recognizes 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.

**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 in entities that are not owned, controlled or influenced is recorded as revenue when received or receivable.

***Measurement uncertainty (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, 2020.

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, 2020, no liability for contaminated sites exists.

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

***Loan guarantees***

The Village Council records a provision for losses on loan guarantees when it determines that a loss is likely.

The provision is determined based on the current circumstances of the individual borrowers and is reviewed on an ongoing basis as new events occur, as more experience is acquired, or as additional information is obtained. Any changes in the provision is charged or credited to expenses. A provision for loss on a loan guarantee is removed from the Village Council's consolidated statement of financial position when the guaranteed loan has been discharged or the term of the loan guarantee has expired.

***Segments***

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

- facilitate the achievement of the Village Council's long-term objectives to aid in resource allocation decisions, and to assess operational performance;
- 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.

***Employee future benefits***

The Village Council's employee future benefit programs consist of a defined contribution pension plan. Village Council contributions to the defined contribution plan are expensed as incurred.

**3. Correction of an error**

During the year, the Village Council determined that certain housing owned and leased by the Village Council had not been capitalized when originally constructed and that a unit disposed of in the prior year had not been recorded. For 2020 and 2019 the impact of this correction has resulted in an increase in building cost of \$997,987, an increase in building accumulated amortization of \$472,196, an increase in amortization for 2019 of \$27,673 and an increase in loss on disposal of tangible assets for 2019 of \$45,767.

**Old Massett Village Council**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**4. Accounts receivable**

|                                       | 2020             | 2019             |
|---------------------------------------|------------------|------------------|
| Indigenous Services Canada            | 553,703          | 196,305          |
| First Nations Health Authority        | 1,500,019        | 1,472,132        |
| Housing                               | 664,808          | 592,431          |
| Other accounts receivable             | 713,062          | 626,293          |
|                                       | <b>3,431,592</b> | <b>2,887,161</b> |
| Less: Allowance for doubtful accounts | 665,358          | 592,431          |
|                                       | <b>2,766,234</b> | <b>2,294,730</b> |

**5. Portfolio investments**

Portfolio investments include twelve guaranteed investment certificates totaling \$7,078,571 (2019 - ten totaling \$4,988,861) with interest rates ranging from 1.25% to 2.25% and maturity dates ranging from April 2020 to November 2022.

Included in portfolio investments is an externally restricted term deposit of \$22,917 (2019 - \$22,917). The restricted term deposit is for the park use permit.

**6. Investments 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 the processing and sale of wood products. During the year ended March 31, 2020, there was an impairment of the joint venture in the amount of \$202,365 (2019 - \$271,885).

|  |                        |  |  | 2020                    |
|--|------------------------|--|--|-------------------------|
|  | <i>Investment cost</i> | <i>Cumulative share of earnings (loss)</i> | <i>Impairment of investment in joint venture</i> | <i>Total investment</i> |
| <b>First Nation Business Partnerships – Modified Equity:</b> |                        |  |  |                         |
| Haida Gwaii Forest Products Joint Venture - 50%              | 1,600,000              | (1,397,634)                                | (202,365)  | 1                       |
|  |                        |  |  |                         |
|  |                        |  |  | 2019                    |
|  | <i>Investment cost</i> | <i>Cumulative share of earnings (loss)</i> | <i>Impairment of investment in joint venture</i> | <i>Total investment</i> |
| <b>First Nation Business Partnerships – Modified Equity:</b> |                        |  |  |                         |
| Haida Gwaii Forest Products Joint Venture - 50%              | 1,600,000              | (1,328,114)                                | (271,885)  | 1                       |

**Old Massett Village Council**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**6. Investment in joint venture** *(Continued from previous page)*

Summary financial information for each Village Council business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

|  | <i>Haida Gwaii<br/>Forest Products<br/>Joint Venture<br/>As at March 31,<br/>2020</i> | <i>Haida Gwaii<br/>Forest Products<br/>Joint Venture<br/>As at March 31,<br/>2019</i> |
|--|---|---|
| <b>Balance Sheet</b>                           |   |   |
| Cash   | -   | 124,664   |
| Accounts receivable                            | 684   | 22,998  |
| Inventory                                      | 111,560   | 120,308   |
| Property, plant and equipment                  | 446,116   | 453,462   |
| <b>Total assets</b>                            | <b>558,360</b>  | <b>721,432</b>  |
| Total liabilities                              | 352,688   | 447,674   |
| Venturers' equity                              | 205,672   | 273,758   |
| <b>Total liabilities and venturers' equity</b> | <b>558,360</b>  | <b>721,432</b>  |
| <b>Statement of Operations</b>                 |   |   |
| Total revenue                                  | 114,347   | 309,499   |
| Total expenses                                 | 182,432   | 224,499   |
| <b>Net income (loss)</b>                       | <b>(68,085)</b>   | <b>85,000</b>   |

**7. Funds held in trust**

Funds held in trust include the Ottawa Trust accounts which arise from moneys 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*. Capital and revenue trust moneys are transferred to the Village Council on the authorization of the Minister of Indigenous Services Canada, with the consent of the Village Council's Council.

|                                    | <b>2020</b>    | <b>2019</b> |
|------------------------------------|----------------|-------------|
| <b>Capital Trust</b>               |                |             |
| Balance, beginning and end of year | <b>3,294</b>   | 3,294       |
| <b>Revenue Trust</b>               |                |             |
| Balance, beginning of year         | <b>428,431</b> | 411,923     |
| Additions                          | <b>13,910</b>  | 16,508      |
| Balance, end of year               | <b>442,341</b> | 428,431     |
|                                    | <b>445,635</b> | 431,725     |

**8. Bank indebtedness**

The Village Council has available a \$500,000 (2019 - \$500,000) revolving line of credit with interest charged at the Northern Savings Credit Union prime lending rate plus 1% per annum. As at March 31, 2020, bank indebtedness has arisen due to outstanding cheques, but the outstanding line of credit balance was \$NIL (2019 - \$NIL). The prime lending rate at March 31, 2020 was 2.45% (2019 - 3.95%)

**Old Massett Village Council**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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**9. Accounts payable and accruals**

|                                     | <b>2020</b>      | <b>2019</b> |
|-------------------------------------|------------------|-------------|
| Indigenous Services Canada          | <b>31,873</b>    | 15,003      |
| First Nations Health Authority      | <b>55,806</b>    | 5,359       |
| Other accounts payable and accruals | <b>1,081,352</b> | 810,508     |
|                                     | <b>1,169,031</b> | 830,870     |

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**10. Deferred revenue**

|                                | <i>Balance,<br/>beginning of<br/>year</i> | <i>Contributions<br/>received</i> | <i>Revenue<br/>recognized</i> | <i>Balance, end<br/>of year</i> |
|--------------------------------|---|-----------------------------------|-------------------------------|---------------------------------|
| Indigenous Services Canada     | <b>3,659,274</b>                          | <b>1,084,983</b>                  | <b>1,955,655</b>              | <b>2,788,602</b>                |
| First Nations Health Authority | <b>696,823</b>                            | <b>118,466</b>                    | <b>297,413</b>                | <b>517,876</b>                  |
| Other                          | <b>26,430</b>                             | <b>-</b>                          | <b>24,769</b>                 | <b>1,661</b>                    |
|                                | <b>4,382,527</b>                          | <b>1,203,449</b>                  | <b>2,277,837</b>              | <b>3,308,139</b>                |

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**Old Massett Village Council**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

**11. Long-term debt**

|  | 2020           | 2019    |
|--|----------------|---------|
| Northern Savings Credit Union (Heating System) -<br>Mortgage repayable in monthly instalments of \$5,781, including interest at 6.00% compounded monthly; due for renewal on May 3, 2023; secured by a first interest in specific equipment with a net book value of \$1,127,857 (2019 - \$1,174,851). | <b>488,272</b> | 527,000 |
| Northern Savings Credit Union (Tlaga Gaw Tlass Housing) -<br>Mortgage repayable in monthly instalments of \$2,058, including interest at 5.09% per annum; due for renewal on May 6, 2021; guaranteed by Indigenous Services Canada.  | <b>189,505</b> | 206,301 |
| Brandt Tractor Ltd. -<br>Loan repayable in monthly instalments of \$3,122, including interest at 4.99% per annum, due June 5, 2023; secured by the specific equipment with a net book value of \$119,160 (2019 - \$148,950).   | <b>112,199</b> | 143,224 |
| Meridian OneCap Credit Corp. -<br>Loan repayable in monthly instalments of \$1,337, including interest at 18% per annum; due April 10, 2024; secured by the specific vehicle with a net book value of \$67,589.  | <b>56,893</b>  | -       |
| NLFD Auto Ltd. -<br>Lease repayable in monthly instalments of \$511, including interest at 0.99% per annum; due October 24, 2023; secured by the specific vehicle with a net book value of \$28,988.   | <b>29,783</b>  | -       |
| Prairiecoast Equipment Ltd. -<br>Loan repayable in monthly instalments of \$321, including interest at 0.21% per annum; due September 8, 2025; secured by the specific equipment with a net book value of \$23,729 (2019 - \$29,661).  | <b>21,158</b>  | 25,005  |
| MacCarthy Motors (Terrace) Ltd. -<br>Loan repayable in bi-weekly instalments of \$343, including interest at 5.19% per annum; due May 17, 2022; secured by the specific vehicle with a net book value of \$20,787 (2019 - \$29,102).   | <b>17,782</b>  | 25,850  |
| General Motors Acceptance Corporation of Canada -<br>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 \$9,247 (2019 - \$15,411).  | <b>9,302</b>   | 15,630  |
| MacCarthy Motors (Terrace) Ltd. -<br>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 \$10,627 (2019 - \$17,712).   | <b>8,792</b>   | 14,773  |
| General Motors Acceptance Corporation of Canada -<br>Loan repayable in monthly instalments of \$660, including interest at 4.98% per annum; due October 1, 2020; secured by the specific vehicle with a net book value of \$NIL (2019 - \$4,090)   | <b>4,324</b>   | 11,812  |
|  | <b>938,010</b> | 969,595 |

**Old Massett Village Council**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2020*

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

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

|            |         |
|------------|---------|
| 2021       | 138,785 |
| 2022       | 134,141 |
| 2023       | 125,504 |
| 2024       | 109,469 |
| 2025       | 77,965  |
| Thereafter | 352,146 |
|            | 938,010 |

Interest expense on long-term debt amounted to \$75,405 (2019 - \$61,742).

**12. Contingencies**

***Guarantee***

The Village Council is a guarantor on a loan to Haida Gwaii Forest Product Joint Venture with an authorized borrowing limit of \$635,000 and a balance outstanding as at March 31, 2020 of \$86,835 (2019 - \$227,207). The Village Council may become liable for the guaranteed debt should the borrower default on the terms and conditions of its credit facility. As at March 31, 2020, the borrower is in compliance with the terms and conditions of the credit facility, and as such, no liability has been reflect in the Village Council's financial statements.

***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.

**13. Accumulated surplus**

|  | <b>2020</b>       | <i>2019<br/>(Restated)</i> |
|--|-------------------|----------------------------|
| Investment in tangible capital assets                    | <b>15,870,431</b> | 14,771,005                 |
| Externally restricted portfolio investments              | <b>22,917</b>     | 22,917                     |
| Internally restricted funds                              | <b>80,000</b>     | 80,000                     |
| Trust funds held by federal government - capital account | <b>3,294</b>      | 3,294                      |
| Trust funds held by federal government - revenue account | <b>442,341</b>    | 428,431                    |
| Investment in joint venture                              | <b>1</b>          | 1                          |
| Surplus available for operations                         | <b>4,943,107</b>  | 3,690,708                  |
|  | <b>21,362,091</b> | 18,996,356                 |

**14. Segments**

The Village Council has seven 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.

**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.

**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.

**15. Economic dependence**

Old Massett Village Council receives substantially all of its revenue from Indigenous Services Canada as a result of Treaties entered into with the Government of Canada. These treaties are administered by Indigenous Services Canada 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 treaties.

**16. Defined contribution pension plan**

The Village Council has a defined contribution pension plan covering all full-time and part-time employees. Contributions to the plan are based on 100% of participants' contributions up to 3-5% of the gross wages per participant. The Village Council contributions and corresponding expense totaled \$352,217 (2019 - \$289,383). There were no changes to the pension plan during the year.

**17. Significant and subsequent events**

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Village Council and its operating subsidiaries in future periods.

Effective April 1, 2020, the Village Council's agreements with First Nation Health Authority to run health programs for the community have been terminated and all the funding and programs have been moved to a new Society set up for the sole purpose of running the health programs. The Village Council does not retain continuing control over the new Society. At this time, it is unknown how any unexpended First Nation Health Authority funding will be treated as the First Nation Health Authority has yet to do their review of the program reporting for the year ended March 31, 2020 and the Village Council and the new Society are still in discussions regarding the same.

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

*For the year ended March 31, 2020*

|  | <i>Land</i>    | <i>Buildings</i> | <i>Equipment</i> | <i>Infrastructure</i> | <i>Vehicles</i> | <i>Water<br/>Treatment<br/>Plant</i> | <i>Subtotal</i>   |
|--|----------------|------------------|------------------|-----------------------|-----------------|--------------------------------------|-------------------|
| <b>Cost</b>                                      |                |                  |                  |                       |                 |                                      |                   |
| Balance, beginning of year                       | 641,372        | 15,892,994       | 1,458,529        | 8,320,696             | 627,848         | 4,990,329                            | 31,931,768        |
| Acquisition of tangible capital assets           | -              | -                | 85,000           | -                     | 107,308         | -                                    | 192,308           |
| Construction-in-progress                         | -              | -                | -                | -                     | -               | -                                    | -                 |
| Disposal of tangible capital assets              | -              | -                | -                | -                     | (49,663)        | -                                    | (49,663)          |
| Balance, end of year                             | 641,372        | 15,892,994       | 1,543,529        | 8,320,696             | 685,493         | 4,990,329                            | 32,074,413        |
| <b>Accumulated amortization</b>                  |                |                  |                  |                       |                 |                                      |                   |
| Balance, beginning of year                       | -              | 7,068,105        | 1,189,112        | 4,359,253             | 421,021         | 3,243,710                            | 16,281,201        |
| Annual amortization                              | -              | 414,551          | 62,028           | 235,094               | 68,863          | 249,516                              | 1,030,052         |
| Accumulated amortization on disposals            | -              | -                | -                | -                     | (49,663)        | -                                    | (49,663)          |
| Balance, end of year                             | -              | 7,482,656        | 1,251,140        | 4,594,347             | 440,221         | 3,493,226                            | 17,261,590        |
| <b>Net book value of tangible capital assets</b> | <b>641,372</b> | <b>8,410,338</b> | <b>292,389</b>   | <b>3,726,349</b>      | <b>245,272</b>  | <b>1,497,103</b>                     | <b>14,812,823</b> |
| 2019 Net book value of tangible capital assets   | 641,372        | 8,824,889        | 269,417          | 3,961,443             | 206,827         | 1,746,619                            | 15,650,567        |

**Old Massett Village Council**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2020*

|  | <i>Subtotal</i>   | <i>Assets Under<br/>Construction</i> | <i>2020</i>       | <i>2019</i>       |
|--|-------------------|--------------------------------------|-------------------|-------------------|
|  |                   |                                      |                   | <i>(Restated)</i> |
| <b>Cost</b>                                      |                   |                                      |                   |                   |
| Balance, beginning of year                       | 31,931,768        | 90,033                               | 32,021,801        | 31,657,975        |
| Acquisition of tangible capital assets           | 192,308           | -                                    | 192,308           | 415,603           |
| Construction-in-progress                         | -                 | 1,905,585                            | 1,905,585         | 30,749            |
| Disposal of tangible capital assets              | (49,663)          | -                                    | (49,663)          | (82,526)          |
| Balance, end of year                             | 32,074,413        | 1,995,618                            | 34,070,031        | 32,021,801        |
| <b>Accumulated amortization</b>                  |                   |                                      |                   |                   |
| Balance, beginning of year                       | 16,281,201        | -                                    | 16,281,201        | 15,306,221        |
| Annual amortization                              | 1,030,052         | -                                    | 1,030,052         | 1,011,739         |
| Accumulated amortization on disposals            | (49,663)          | -                                    | (49,663)          | (36,759)          |
| Balance, end of year                             | 17,261,590        | -                                    | 17,261,590        | 16,281,201        |
| <b>Net book value of tangible capital assets</b> | <b>14,812,823</b> | <b>1,995,618</b>                     | <b>16,808,441</b> | <b>15,740,600</b> |
| 2019 Net book value of tangible capital assets   | 15,650,567        | 90,033                               | 15,740,600        |                   |

**Old Massett Village Council**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2020*

|   | <i>2020<br/>Budget</i> | <i>2020</i>       | <i>2019<br/>(Restated)</i> |
|---|------------------------|-------------------|----------------------------|
| <b>Consolidated expenses by object</b>      |                        |                   |                            |
| Amortization                                | 30,060                 | 1,030,052         | 1,011,739                  |
| Bad debt expense (recovery)                 | -                      | 73,477            | (3,261)                    |
| Bank charges and interest                   | 1,895                  | 1,786             | 5,153                      |
| Contract services and professional fees     | 4,012,514              | 1,333,769         | 1,546,479                  |
| Delivery                                    | 172,579                | 94,424            | 174,017                    |
| Donations                                   | 2,800                  | 2,550             | 2,600                      |
| Employee benefits                           | 558,724                | 661,047           | 562,761                    |
| Equipment purchases                         | 204,204                | 103,763           | 101,479                    |
| Honouraria                                  | 116,575                | 181,275           | 181,916                    |
| Insurance                                   | 85,132                 | 136,377           | 138,286                    |
| Interest on long-term debt                  | 51,360                 | 75,405            | 61,742                     |
| Loss on disposal of tangible capital assets | -                      | -                 | 45,767                     |
| Materials                                   | 922,928                | 1,014,742         | 1,272,899                  |
| Public relations                            | 61,205                 | 159,385           | 161,161                    |
| Rent  | 83,845                 | 85,932            | 64,267                     |
| Repairs and maintenance                     | 570,568                | 304,913           | 465,027                    |
| Salaries                                    | 3,320,530              | 3,950,249         | 3,711,593                  |
| Social assistance                           | 1,170,356              | 1,153,891         | 1,001,714                  |
| Telephone and utilities                     | 388,687                | 412,913           | 380,896                    |
| Travel                                      | 1,143,642              | 1,977,697         | 2,128,453                  |
| Tuition                                     | 2,142,015              | 2,679,510         | 2,300,914                  |
|   | <b>15,039,619</b>      | <b>15,433,157</b> | <b>15,315,602</b>          |

**Old Massett Village Council**  
**Administration**  
**Schedule 3 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|   | <i>2020<br/>Budget</i> | <i>2020</i>      | <i>2019<br/>(Restated)</i> |
|---|------------------------|------------------|----------------------------|
| <b>Revenue</b>  |                        |                  |                            |
| Indigenous Services Canada                                  | 841,708                | 764,318          | 792,783                    |
| First Nations Health Authority                              | -                      | 3,141            | -                          |
| Gwaii Trust   | 10,000                 | 10,000           | 180,008                    |
| Government of Canada  | -                      | 2,097            | -                          |
| BC First Nations Gaming Revenue Sharing Limited Partnership | -                      | 989,392          | -                          |
| Interest and investment income                              | 50,000                 | 106,135          | 60,651                     |
| Other income  | 378,498                | 56,548           | 160,068                    |
|   | <b>1,280,206</b>       | <b>1,931,631</b> | <b>1,193,510</b>           |
| <b>Expenses</b>   |                        |                  |                            |
| Amortization  | -                      | 86,889           | 77,977                     |
| Bad debt recoveries   | -                      | (3,261)          | (3,261)                    |
| Bank charges and interest                                   | 1,000                  | 813              | 1,503                      |
| Contract services and professional fees                     | 140,400                | 88,608           | 134,377                    |
| Delivery  | 4,500                  | 563              | 3,177                      |
| Donations   | 2,800                  | 1,550            | 600                        |
| Employee benefits   | 68,752                 | 63,815           | 56,634                     |
| Equipment purchases   | 39,000                 | 36,308           | 7,013                      |
| Honouraria  | 116,575                | 181,275          | 181,916                    |
| Insurance   | 11,000                 | 11,537           | 12,260                     |
| Materials   | 75,000                 | 89,880           | 243,725                    |
| Public relations  | 9,500                  | 25,607           | 17,475                     |
| Rent  | 12,000                 | 27,181           | 15,595                     |
| Repairs and maintenance                                     | 46,500                 | 32,272           | 49,874                     |
| Salaries  | 378,423                | 384,461          | 291,839                    |
| Telephone and utilities                                     | 58,000                 | 52,061           | 46,291                     |
| Travel  | 42,925                 | 82,920           | 89,465                     |
|   | <b>1,006,375</b>       | <b>1,162,479</b> | <b>1,226,460</b>           |
| <b>Surplus (deficit) before transfers</b>                   | <b>273,831</b>         | <b>769,152</b>   | <b>(32,950)</b>            |
| <b>Transfers between programs</b>                           | <b>-</b>               | <b>-</b>         | <b>(10,172)</b>            |
| <b>Surplus (deficit)</b>                                    | <b>273,831</b>         | <b>769,152</b>   | <b>(43,122)</b>            |

**Old Massett Village Council**  
**Capital and Maintenance Operations**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|   | <i>2020<br/>Budget</i> | <i>2020</i>      | <i>2019<br/>(Restated)</i> |
|---|------------------------|------------------|----------------------------|
| <b>Revenue</b>                              |                        |                  |                            |
| Indigenous Services Canada                  | 3,433,757              | 2,550,471        | 966,524                    |
| Other income                                | 53,047                 | 68,651           | 60,012                     |
|   | <b>3,486,804</b>       | <b>2,619,122</b> | <b>1,026,536</b>           |
| <b>Expenses</b>                             |                        |                  |                            |
| Amortization                                | -                      | 575,909          | 564,641                    |
| Bank charges and interest                   | 50                     | 42               | 347                        |
| Contract services and professional fees     | 2,887,890              | 74,862           | 202,843                    |
| Delivery                                    | 141,750                | 87,512           | 140,687                    |
| Employee benefits                           | 24,603                 | 30,817           | 27,925                     |
| Equipment purchases                         | 11,500                 | 12,107           | 28,305                     |
| Insurance                                   | 20,200                 | 22,402           | 28,577                     |
| Interest on long-term debt                  | -                      | 37,628           | 36,337                     |
| Loss on disposal of tangible capital assets | -                      | -                | 45,767                     |
| Materials                                   | 107,604                | 93,476           | 99,461                     |
| Public relations                            | 150                    | 513              | 14,834                     |
| Rent  | 1,009                  | 2,004            | 7,062                      |
| Repairs and maintenance                     | 78,396                 | 89,503           | 58,822                     |
| Salaries                                    | 153,946                | 169,576          | 201,602                    |
| Telephone and utilities                     | 168,652                | 166,009          | 148,210                    |
| Travel                                      | 24,080                 | 28,230           | 23,258                     |
|   | <b>3,619,830</b>       | <b>1,390,590</b> | <b>1,628,678</b>           |
| <b>Surplus (deficit) before transfers</b>   | <b>(133,026)</b>       | <b>1,228,532</b> | <b>(602,142)</b>           |
| <b>Transfers between programs</b>           | <b>-</b>               | <b>251,049</b>   | <b>210,303</b>             |
| <b>Surplus (deficit)</b>                    | <b>(133,026)</b>       | <b>1,479,581</b> | <b>(391,839)</b>           |



**Old Massett Village Council**  
**Economic Development**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|   | <i>2020<br/>Budget</i> | <i>2020</i>      | <i>2019<br/>(Restated)</i> |
|---|------------------------|------------------|----------------------------|
| <b>Revenue</b>                            |                        |                  |                            |
| Indigenous Services Canada                | 180,815                | 180,815          | 190,175                    |
| Province of British Columbia              | 215,908                | 273,208          | 228,007                    |
| Gwaii Trust                               | 65,000                 | 85,045           | -                          |
| Government of Canada                      | 249,935                | 170,735          | 241,135                    |
| Tribal Resources Investment Corporation   | 5,812                  | -                | -                          |
| Other income                              | 693,825                | 180,828          | 548,083                    |
|   | <b>1,411,295</b>       | <b>890,631</b>   | <b>1,207,400</b>           |
| <b>Expenses</b>                           |                        |                  |                            |
| Amortization                              | -                      | 73,239           | 76,410                     |
| Bank charges and interest                 | 450                    | 33               | 118                        |
| Contract services and professional fees   | 306,706                | 289,830          | 426,427                    |
| Delivery                                  | 5,650                  | 1,083            | 3,977                      |
| Employee benefits                         | 39,968                 | 53,050           | 51,335                     |
| Equipment purchases                       | 16,800                 | 9,002            | 1,536                      |
| Insurance                                 | 15,882                 | 19,013           | 16,852                     |
| Interest on long-term debt                | 33,000                 | 28,203           | 10,708                     |
| Materials                                 | 179,835                | 97,318           | 131,026                    |
| Public relations                          | 1,850                  | 400              | 1,374                      |
| Rent                                      | 10,900                 | 18,692           | 9,296                      |
| Repairs and maintenance                   | 83,750                 | 58,094           | 72,934                     |
| Salaries                                  | 339,325                | 383,724          | 445,112                    |
| Telephone and utilities                   | 14,700                 | 23,169           | 11,163                     |
| Travel                                    | 7,730                  | 21,368           | 2,781                      |
|   | <b>1,056,546</b>       | <b>1,076,218</b> | <b>1,261,049</b>           |
| <b>Surplus (deficit) before transfers</b> | <b>354,749</b>         | <b>(185,587)</b> | <b>(53,649)</b>            |
| <b>Transfers between programs</b>         | <b>-</b>               | <b>(117,243)</b> | <b>(31,755)</b>            |
| <b>Surplus (deficit)</b>                  | <b>354,749</b>         | <b>(302,830)</b> | <b>(85,404)</b>            |

**Old Massett Village Council**  
**Education**  
**Schedule 6 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|   | <i>2020<br/>Budget</i> | <i>2020</i>      | <i>2019<br/>(Restated)</i> |
|---|------------------------|------------------|----------------------------|
| <b>Revenue</b>  |                        |                  |                            |
| Indigenous Services Canada                                  | 3,769,890              | 3,786,429        | 3,360,390                  |
| Province of British Columbia                                | 498,000                | 904,968          | 450,737                    |
| Gwaii Trust   | 4,000                  | -                | 9,500                      |
| Government of Canada  | -                      | 2,495            | -                          |
| Tribal Resources Investment Corporation                     | 23,000                 | 6,853            | 6,853                      |
| BC First Nations Gaming Revenue Sharing Limited Partnership | -                      | 228,612          | -                          |
| Other income  | 261,901                | 346,646          | 428,874                    |
|   | <b>4,556,791</b>       | <b>5,276,003</b> | <b>4,256,354</b>           |
| <b>Expenses</b>   |                        |                  |                            |
| Amortization  | 15,160                 | 73,302           | 74,203                     |
| Bank charges and interest                                   | 160                    | 84               | 278                        |
| Contract services and professional fees                     | 165,279                | 57,620           | 53,044                     |
| Delivery  | 1,400                  | 1,348            | 3,882                      |
| Donations   | -                      | 1,000            | 2,000                      |
| Employee benefits   | 186,439                | 207,462          | 189,956                    |
| Equipment purchases   | 22,703                 | -                | 22,724                     |
| Insurance   | 9,000                  | 17,382           | 17,200                     |
| Materials   | 175,944                | 139,995          | 179,931                    |
| Public relations  | 2,000                  | 13,250           | 5,837                      |
| Rent  | 10,050                 | 7,295            | 6,701                      |
| Repairs and maintenance                                     | 35,350                 | 38,209           | 60,472                     |
| Salaries  | 915,329                | 1,240,896        | 1,230,483                  |
| Telephone and utilities                                     | 55,800                 | 74,695           | 78,563                     |
| Travel  | 66,755                 | 113,006          | 127,967                    |
| Tuition   | 2,142,015              | 2,679,510        | 2,300,914                  |
|   | <b>3,803,384</b>       | <b>4,665,054</b> | <b>4,354,155</b>           |
| <b>Surplus (deficit) before transfers</b>                   | <b>753,407</b>         | <b>610,949</b>   | <b>(97,801)</b>            |
| <b>Transfers between programs</b>                           | <b>-</b>               | <b>-</b>         | <b>(106,082)</b>           |
| <b>Surplus (deficit)</b>                                    | <b>753,407</b>         | <b>610,949</b>   | <b>(203,883)</b>           |

**Old Massett Village Council**  
**Health**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|   | <b>2020<br/>Budget</b> | <b>2020</b>      | <b>2019<br/>(Restated)</b> |
|---|------------------------|------------------|----------------------------|
| <b>Revenue</b>                            |                        |                  |                            |
| Indigenous Services Canada                | -                      | -                | 260,000                    |
| First Nations Health Authority            | 3,797,492              | 4,140,266        | 4,402,086                  |
| Province of British Columbia              | 183,929                | 244,533          | 248,464                    |
| Gwaii Trust                               | 17,500                 | 14,800           | 80,736                     |
| Other income                              | 71,931                 | 424,834          | 395,249                    |
|   | <b>4,070,852</b>       | <b>4,824,433</b> | <b>5,386,535</b>           |
| <b>Expenses</b>                           |                        |                  |                            |
| Amortization                              | -                      | 72,624           | 65,098                     |
| Bank charges and interest                 | 90                     | 728              | 2,740                      |
| Contract services and professional fees   | 366,954                | 574,326          | 550,898                    |
| Delivery                                  | 3,250                  | 3,032            | 4,540                      |
| Employee benefits                         | 193,724                | 254,333          | 196,109                    |
| Equipment purchases                       | 97,500                 | 44,703           | 38,062                     |
| Insurance                                 | 4,200                  | 33,089           | 35,483                     |
| Interest on long-term debt                | 8,000                  | 1,674            | 6,161                      |
| Materials                                 | 175,602                | 390,412          | 326,243                    |
| Public relations                          | 34,629                 | 112,040          | 93,768                     |
| Rent                                      | 38,200                 | 27,870           | 23,403                     |
| Repairs and maintenance                   | 283,123                | 51,732           | 163,529                    |
| Salaries                                  | 1,273,582              | 1,485,630        | 1,291,503                  |
| Telephone and utilities                   | 56,635                 | 57,285           | 58,122                     |
| Travel                                    | 995,902                | 1,719,243        | 1,877,747                  |
|   | <b>3,531,391</b>       | <b>4,828,721</b> | <b>4,733,406</b>           |
| <b>Surplus (deficit) before transfers</b> | <b>539,461</b>         | <b>(4,288)</b>   | <b>653,129</b>             |
| <b>Transfers between programs</b>         | <b>-</b>               | <b>(2,426)</b>   | <b>(46,134)</b>            |
| <b>Surplus (deficit)</b>                  | <b>539,461</b>         | <b>(6,714)</b>   | <b>606,995</b>             |

**Old Massett Village Council**  
**Housing**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|   | <i>2020<br/>Budget</i> | <i>2020</i>      | <i>2019<br/>(Restated)</i> |
|---|------------------------|------------------|----------------------------|
| <b>Revenue</b>                            |                        |                  |                            |
| Indigenous Services Canada                | 651,007                | 82,705           | 254,442                    |
| Gwaii Trust                               | 70,000                 | 66,000           | 70,000                     |
| Other income                              | 228,888                | 466,822          | 203,097                    |
|   | <b>949,895</b>         | <b>615,527</b>   | <b>527,539</b>             |
| <b>Expenses</b>                           |                        |                  |                            |
| Amortization                              | 14,900                 | 145,740          | 153,410                    |
| Bad debt expense                          | -                      | 76,738           | -                          |
| Bank charges and interest                 | 60                     | 17               | 29                         |
| Contract services and professional fees   | 124,035                | 228,324          | 155,582                    |
| Delivery                                  | 400                    | 624              | 17,688                     |
| Employee benefits                         | 9,534                  | 19,503           | 14,411                     |
| Equipment purchases                       | 9,600                  | -                | 3,538                      |
| Insurance                                 | 20,850                 | 29,359           | 24,942                     |
| Interest on long-term debt                | 10,000                 | 7,900            | 8,536                      |
| Materials                                 | 66,873                 | 91,417           | 203,329                    |
| Public relations                          | 4,850                  | 50               | 5,612                      |
| Rent                                      | 568                    | 1,628            | 225                        |
| Repairs and maintenance                   | 29,650                 | 25,682           | 47,448                     |
| Salaries                                  | 52,000                 | 129,839          | 105,155                    |
| Telephone and utilities                   | 17,700                 | 23,211           | 18,445                     |
| Travel                                    | 3,175                  | 5,037            | 3,761                      |
|   | <b>364,195</b>         | <b>785,069</b>   | <b>762,111</b>             |
| <b>Surplus (deficit) before transfers</b> | <b>585,700</b>         | <b>(169,542)</b> | <b>(234,572)</b>           |
| <b>Transfers between programs</b>         | <b>-</b>               | <b>-</b>         | <b>(16,160)</b>            |
| <b>Surplus (deficit)</b>                  | <b>585,700</b>         | <b>(169,542)</b> | <b>(250,732)</b>           |

**Old Massett Village Council**  
**Social Assistance**  
**Schedule 9 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2020*

|   | <i>2020<br/>Budget</i> | <i>2020</i>      | <i>2019<br/>(Restated)</i> |
|---|------------------------|------------------|----------------------------|
| <b>Revenue</b>                          |                        |                  |                            |
| Indigenous Services Canada              | 1,490,078              | 1,430,003        | 1,365,637                  |
| Province of British Columbia            | 67,276                 | -                | 67,276                     |
| Gwaii Trust                             | 61,800                 | 130,268          | 17,522                     |
| Other income                            | 100,967                | 81,274           | 5,378                      |
|   | <b>1,720,121</b>       | <b>1,641,545</b> | <b>1,455,813</b>           |
| <b>Expenses</b>                         |                        |                  |                            |
| Amortization                            | -                      | 2,350            | -                          |
| Bank charges and interest               | 85                     | 68               | 137                        |
| Contract services and professional fees | 21,250                 | 20,200           | 23,309                     |
| Delivery                                | 15,629                 | 264              | 65                         |
| Employee benefits                       | 35,703                 | 32,066           | 26,391                     |
| Equipment purchases                     | 7,101                  | 1,643            | 300                        |
| Insurance                               | 4,000                  | 3,597            | 2,972                      |
| Materials                               | 142,430                | 112,245          | 89,184                     |
| Public relations                        | 8,226                  | 7,526            | 22,261                     |
| Rent                                    | 11,118                 | 1,263            | 1,985                      |
| Repairs and maintenance                 | 13,800                 | 9,415            | 11,949                     |
| Salaries                                | 207,925                | 156,123          | 145,900                    |
| Social assistance                       | 1,170,356              | 1,153,891        | 1,001,714                  |
| Telephone and utilities                 | 17,200                 | 16,482           | 20,101                     |
| Travel                                  | 3,075                  | 7,893            | 3,475                      |
|   | <b>1,657,898</b>       | <b>1,525,026</b> | <b>1,349,743</b>           |
| <b>Surplus before transfers</b>         | <b>62,223</b>          | <b>116,519</b>   | <b>106,070</b>             |
| <b>Transfers between programs</b>       | <b>-</b>               | <b>(131,381)</b> | <b>-</b>                   |
| <b>Surplus (deficit)</b>                | <b>62,223</b>          | <b>(14,862)</b>  | <b>106,070</b>             |