

EHATTESAHT/CHINEHKINT TRIBE

Consolidated Financial Statements

March 31, 2015

EHATTESAHT/CHINEHKINT TRIBE

March 31, 2015

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Ehlettesah/Chinehkint Tribe and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these consolidated statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Ehlettesah/Chinehkint Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Ehlettesah/Chinehkint Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Chan Nowosad Boates, Chartered Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Ehlettesah/Chinehkint Tribe and meet when required.

On behalf of Ehlettesah/Chinehkint Tribe:


Chief

July 29, 2015


Council



CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: The Members of the
Ehlettesaht/Chinehkint Tribe

We have audited the accompanying consolidated financial statements of Ehlettesaht/Chinehkint Tribe which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, expenditures, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian audit 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.

John H. Chan Ltd.
Shelly A. Boates Ltd.
Erica Chan-Lafrance Ltd.
Karen Stewart Ltd.
Derek M. Lamb Ltd.

980 Alder Street
Campbell River, BC
V9W 2P9
Telephone (250) 286-0744
Facsimile (250) 286-1067
Toll Free 1-888-CNB-4TAX
Email cnb@channowasadboates.ca
www.channowasadboates.ca

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 for Qualified Opinion

An audit has not been performed in all the Tribe's affiliated and consolidated entities. Accordingly, we were not able to determine any adjustments if necessary which might be required to the Investment in First Nation Affiliated Entities and the related Share of Earnings.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Ehlettesaht/Chinehkint Tribe as at March 31, 2015, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chan Nowosad Boates

Chartered Professional Accountants
Campbell River, BC

July 29, 2015

EHATTESAHT/CHINEHKINT TRIBE

Consolidated Statement of Financial Position

March 31, 2015

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	1,243,084	815,587
Trust Funds Held by Federal Government (Note 3)	73,500	69,670
Accounts Receivable (Note 4)	194,120	288,816
Due from Government and Other Government Organizations (Note 5)	262,965	88,811
Investments in First Nation Affiliated Entities (Note 6)	5,260,227	6,240,251
Due from Related Entities (Note 7)	<u>632,106</u>	<u>1,099,332</u>
	<u>7,666,002</u>	<u>8,602,467</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 8)	118,825	462,309
Due to Government and Other Government Organizations (Note 9)	13,040	34,684
Deferred Revenue (Note 10)	8,768	8,768
Replacement Reserve (Note 12)	3,141	-
Long Term Debt (Note 11)	<u>2,250,975</u>	<u>1,813,999</u>
	<u>2,394,749</u>	<u>2,319,760</u>
NET FINANCIAL ASSETS	<u>5,271,253</u>	<u>6,282,707</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	34,738	27,536
Tangible Capital Assets (Notes 13)	3,538,033	3,567,751
Other Assets (Note 14)	<u>64,048</u>	<u>64,048</u>
	<u>3,636,819</u>	<u>3,659,335</u>
ACCUMULATED SURPLUS (Note 15)	<u>8,908,072</u>	<u>9,942,042</u>

Approved by:


Chief


Council

EHATTESAHT/CHINEHKINT TRIBE

Consolidated Statement of Operations and Accumulated Surplus

Year Ended March 31, 2015

	2015		2014
	Actual	Budget	\$
Revenue			
Federal Government Transfers for Operating	1,381,850	1,149,391	1,382,805
Federal Government Transfers for Capital	341,665	543,270	557,074
Provincial Government Transfers for Operating	154,820	154,820	114,374
Rent	147,150	151,508	107,795
Road Use	66,356	121,025	65,289
Fishing	9,173	47,276	95,703
Other Investment Income	169,554	429,500	817,110
Other	<u>171,029</u>	<u>103,625</u>	<u>198,083</u>
	2,441,597	2,700,415	3,338,233
Total Expenditures	<u>3,008,928</u>	<u>2,849,306</u>	<u>2,359,097</u>
Annual Surplus (Deficit)	(567,331)	<u>(148,891)</u>	979,136
Accumulated Surplus - Beginning of Year	9,942,042		8,962,906
Consolidation of Ehattesaht Fishing (Note 6)	<u>(466,639)</u>		<u>-</u>
Accumulated Surplus - End of Year	<u>8,908,072</u>		<u>9,942,042</u>

EHATTESAHT/CHINEHKINT TRIBE

Consolidation Statement of Expenditures

Year Ended March 31, 2015

	2015		
	Actual	Budget	2014
	\$	\$	\$
Expenditures (Recovery)			
Band Management	368,938	419,283	410,682
Community Services	17,098	11,400	7,433
Education	66,529	73,305	48,893
CHR & Youth Recreation	330,749	319,309	370,710
New Relationship Trust	-	-	33,370
Social Housing	122,209	147,451	113,975
Governance	257,568	317,716	261,099
BCCI	370	-	370
First Voices	250	-	250
Band Housing	150,718	73,000	91,415
Capital Residential	60,624	68,279	127,670
Capital Infrastructure	190,716	572,949	11,758
Addition to Reserves	9,552	2,500	-
Back to Basics	(2,000)	-	(2,500)
Social Development	203,743	160,485	193,659
Language Project	118,137	131,600	99,308
Canadian Heritage	7,433	-	31,136
Aquaculture	-	-	6,722
Summer Students	41,215	3,350	3,151
Enterprise - Fishing	36,771	47,276	65,215
T'aaq-wiihak	27,345	-	41,923
Shake Mill	-	-	9,880
Fisheries	66,681	59,681	66,464
Treaty	42,758	29,603	4,476
Forestry Strategy	674,011	10,000	68,566
Band Revenue	118,389	399,121	209,658
Economic Development	-	2,998	-
Ehlettesaht Fishing Corporation	17,603	-	-
Barr Creek Hydro Project	2,321	-	-
Community Garden	450	-	5,064
Queen's Cove	78,750	-	78,750
	<u>3,008,928</u>	<u>2,849,306</u>	<u>2,359,097</u>

EHATTESAHT/CHINEHKINT TRIBE

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2015

2015

2014

	\$	\$
Annual Surplus (Deficit)	(567,331)	979,136
Tangible Capital Assets Purchased	(298,852)	(1,489,404)
Amortization of Tangible Capital Assets	328,570	237,375
Proceeds on Sale of Tangible Capital Assets	-	4,500
	<u>29,718</u>	<u>(1,247,529)</u>
Consolidation of Ehlettesah Fishing (Note 6)	(466,639)	-
Acquisition of Prepaid Asset	(255,408)	(263,494)
Use of Prepaid Asset	248,206	244,309
	<u>(7,202)</u>	<u>(19,185)</u>
Decrease in Net Financial Assets	(1,011,454)	(287,578)
Net Financial Assets - Beginning of Year	6,282,707	6,570,285
Net Financial Assets - End of Year	5,271,253	6,282,707

EHATTESAHT/CHINEHKINT TRIBE

Consolidated Statement of Cash Flows

Year Ended March 31, 2015

	2015	2014
	\$	\$
Cash Flows From Operating Activities:		
Cash Flows from Government and Other Sources	2,358,309	3,351,432
Cash Paid to Suppliers and Employees	<u>(3,049,547)</u>	<u>(1,876,111)</u>
	<u>(691,238)</u>	<u>1,475,321</u>
Cash Flows From Capital Activities:		
Purchase of Tangible Capital Assets	(298,852)	(1,489,404)
Proceeds on Sale of Tangible Capital Assets	<u>-</u>	<u>4,500</u>
	<u>(298,852)</u>	<u>(1,484,904)</u>
Cash Flows From Investing Activities:		
Loans from (to) Related Entities	467,226	(561,957)
Investment from First Nation Entities	<u>513,385</u>	<u>184,753</u>
	<u>980,611</u>	<u>(377,204)</u>
Cash Flows From Financing Activities:		
Long Term Debt Incurred	661,873	457,773
Repayment of Long Term Debt	<u>(224,897)</u>	<u>(400,713)</u>
	<u>436,976</u>	<u>57,060</u>
Increase (Decrease) in Cash and Cash Equivalents	427,497	(329,727)
Cash and Cash Equivalents - Beginning of Year	815,587	1,145,314
Cash and Cash Equivalents - End of Year	<u>1,243,084</u>	<u>815,587</u>
Cash is Represented by:		
Cash on Hand and Held in Banks	<u>1,243,084</u>	<u>815,587</u>

EHATTESAHT/CHINEHKINT TRIBE

Notes to Consolidated Financial Statements

March 31, 2015

1. Significant Accounting Policies:

a) Basis of Accounting:

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

b) Basis of Consolidation:

The Ehlettesaht/Chinehkint Tribe reporting entity includes the Ehlettesaht/Chinehkint Tribe government and an organization that is controlled by the Band, Ehlettesaht Fishing Corporation.

All controlled entities are consolidated on a line-by-line basis except for a commercial enterprise which meets the definition of a Government Business Enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Investments in the following entities are accounted for by the modified equity method and, as such, the accounting policies of these entities are not adjusted to conform with those of the Nation:

Hayu Fishing Limited Partnership
Hayu Fishing Ltd.
Aat'uu Forestry Limited Partnership
Aat'uu Forestry Ltd.
0754140 BC Ltd.
Bar Creek Ltd.
0881643 BC Ltd.

c) 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 provide resources to discharge existing liabilities but are employed to deliver government services and may be consumed in normal operations. Non-financial assets include tangible capital assets, property under development, and prepaid expenses. Intangible assets, and items inherited by right of the First Nation, are not recognized in the consolidated financial statements.

d) Tangible Capital Assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Amortization is provided for using the following rates and methods:

Subdivision Costs	20yr	straight line
Infrastructure	10yr	straight line
Capital Housing	20yr	straight line
Equipment	5yr	straight line
Vehicles	30%	declining balance
Fishing Equipment	15%	declining balance
Social Housing Houses	25yr	straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Ehlettesaht/Chinehkint Tribe's ability to provide goods and services, or when the value of future economic benefits associated with the assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

EHATTESAHT/CHINEHKINT TRIBE

Notes to Consolidated Financial Statements

March 31, 2015

1. Significant Accounting Policies (continued):

e) Other Assets:

Other assets consist of fishing licences which are no longer being amortized as the licences are considered to have an unlimited useful life.

f) Revenue Recognition:

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to any obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

g) Investment in Government Business Enterprise:

The Band accounts for their investment in a controlled government business enterprise using the modified equity method.

Under the modified equity method of accounting, only the Band's investment in the business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the Band, except that any other comprehensive income of the business enterprise is accounted for as an adjustment to the accumulated surplus or deficit. Inter-organizational transactions and balances are not eliminated.

h) Measurement Uncertainty:

In preparing the consolidated financial statements for the Ehlettesaht/Chinehkint Tribe, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

2. Cash and Cash Equivalents:

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Ehlettesaht/Chinehkint Band Council must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Subsidy Fund.

EHATTESAHT/CHINEHKINT TRIBE

Notes to Consolidated Financial Statements

March 31, 2015

3. Trust Funds Held by Federal Government:

	2014 \$	Additions \$	Withdrawals \$	2015 \$
Revenue	62,344	3,830	-	66,174
Capital	7,326	-	-	7,326
	<u>69,670</u>	<u>3,830</u>	<u>-</u>	<u>73,500</u>

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

4. Accounts Receivable:

	2015 \$	2014 \$
Miscellaneous	45,149	75,787
Band Members	266,848	254,944
Aat'uu Forestry	-	70,941
Interest on Treaty Funds	1,087	1,087
Social Housing Rents	<u>93,911</u>	<u>98,932</u>
	<u>406,995</u>	<u>501,691</u>
Less: Allowance for Doubtful Accounts	<u>(212,875)</u>	<u>(212,875)</u>
	<u>194,120</u>	<u>288,816</u>

5. Due from Government and Other Government Organizations:

	2015 \$	2014 \$
Federal Government		
Nuu-chah-nulth Tribal Council	252,426	79,646
Sales Taxes Recoverable	7,686	7,040
Canada Mortgage and Housing Corporation	<u>2,853</u>	<u>2,125</u>
	<u>262,965</u>	<u>88,811</u>

EHATTESAHT/CHINEHKINT TRIBE

Notes to Consolidated Financial Statements

March 31, 2015

6. Investments in First Nation Affiliated Entities:

	<u>2015</u> \$	<u>2014</u> \$
Ehlettesaht Fishing Corporation		
Shares (100%)	-	2
0881643 BC Ltd.		
Shares (100%)	1	1
Aat'uu Forestry Ltd.		
Shares (100%)	1	1
0754140 BC Ltd.		
Shares (100%)	1	1
Barr Creek Hydro Ltd.		
Shares (20%)	88	88
Hayu Fishing Ltd.		
Shares (25%)	1	1
Hayu Fishing Limited Partnership		
2,500 Units (25%)	1	1
Contributions	2,181	14,181
Accumulated share of Earnings	<u>199,024</u>	<u>108,458</u>
	<u>201,206</u>	<u>122,640</u>
Aat'uu Forestry Limited Partnership		
999 Units (99%)	99	99
Advances	(2,390,600)	(2,001,400)
Accumulated share of Earnings	<u>7,449,430</u>	<u>8,118,818</u>
	<u>5,058,929</u>	<u>6,117,517</u>
Total		
Shares	192	194
Advances	(2,388,419)	(1,987,219)
Accumulated share of Earnings	<u>7,648,454</u>	<u>8,227,276</u>
	<u>5,260,227</u>	<u>6,240,251</u>

The company shares are held in trust for the Tribe members by Trustees appointed by the Council. The units of Aat'uu Forestry Limited Partnership are held in trust for the Tribe by 0754140 BC Ltd. The units of Hayu Fishing Limited Partnership are owned directly by the Tribe.

The advances made are without interest or specific repayment terms.

During the fiscal year, it was determined that operations would cease in Ehlettesaht Fishing Corporation and as such, it no longer met the definition of a Government Business Enterprise and was consolidated. Upon consolidation \$466,639 of deficit was recorded and \$484,470 of inter-company receivables were eliminated.

EHATTESAHT/CHINEHKINT TRIBE

Notes to Consolidated Financial Statements

March 31, 2015

6. Investments in First Nation Affiliated Entities (continued):

Financial information for the First Nation Affiliated Entities is presented in the following table. With the exception of Barr Creek Hydro Ltd and Hayu Fishing Limited Partnership, the financial information is from financial statements prepared for the year ending March 31, 2015 with comparative figures for the year ending March 31, 2014. These financial statements were unaudited.

Financial information for Barr Creek Hydro Ltd. is from financial statements prepared for the period ending June 30, 2014. These financial statements were unaudited.

Financial information for Hayu Fishing Ltd. and Hayu Fishing Limited Partnership is from financial statements prepared for the period ending December 31, 2014. These financial statements were audited.

	0881643 BC Ltd	Aat'uu Forestry Ltd	0754140 BC Ltd	Aat'uu Forestry LP	Barr Creek Hydro Ltd	Hayu Fishing Ltd.	Hayu Fishing LP	TOTAL 2015	TOTAL 2014
Cash	5,220	-	-	325,713	15,835	-	316,625	663,393	1,800,984
Accounts Receivable	-	-	-	315,122	37	-	49,297	364,456	946,419
Inventory	-	-	-	985,994	-	-	-	985,994	1,052,021
Tangible Capital Assets	-	-	-	69,514	-	-	12,587	82,101	228,936
Other Assets	<u>677,383</u>	<u>7,456</u>	<u>1</u>	<u>3,906,217</u>	<u>-</u>	<u>81</u>	<u>528,181</u>	<u>5,119,319</u>	<u>4,442,378</u>
Total Assets	<u>682,603</u>	<u>7,456</u>	<u>1</u>	<u>5,602,560</u>	<u>15,872</u>	<u>81</u>	<u>906,690</u>	<u>7,215,263</u>	<u>8,470,738</u>
Accounts Payable	-	-	-	111,704	442	1,046	18,493	131,685	466,828
Long-term Debt	-	-	-	-	15,000	-	-	15,000	15,000
Other Liabilities	<u>631,334</u>	<u>8,451</u>	<u>-</u>	<u>422,471</u>	<u>-</u>	<u>2,166</u>	<u>83,298</u>	<u>1,147,720</u>	<u>1,754,615</u>
Total Liabilities	<u>631,334</u>	<u>8,451</u>	<u>-</u>	<u>534,175</u>	<u>15,442</u>	<u>3,212</u>	<u>101,791</u>	<u>1,294,405</u>	<u>2,236,443</u>
Equity	<u>51,269</u>	<u>(995)</u>	<u>1</u>	<u>5,068,385</u>	<u>430</u>	<u>(3,131)</u>	<u>804,899</u>	<u>5,920,858</u>	<u>6,234,295</u>
Total Liabilities and Equity	<u>682,603</u>	<u>7,456</u>	<u>1</u>	<u>5,602,560</u>	<u>15,872</u>	<u>81</u>	<u>906,690</u>	<u>7,215,263</u>	<u>8,470,738</u>
Revenues	(40,029)	-	-	1,634,923	-	38	498,366	2,093,298	4,683,327
Expenses	<u>6,372</u>	<u>1,384</u>	<u>-</u>	<u>2,304,983</u>	<u>-</u>	<u>1,047</u>	<u>136,065</u>	<u>2,449,851</u>	<u>3,819,473</u>
Net Income (Loss)	<u>(46,401)</u>	<u>(1,384)</u>	<u>-</u>	<u>(670,060)</u>	<u>-</u>	<u>(1,009)</u>	<u>362,301</u>	<u>(356,553)</u>	<u>863,854</u>

7. Due from (to) Related Entities:

	2015 \$	2014 \$
Aat'uu Forestry Limited Partnership	-	-
Aat'uu Forestry Ltd.	293	293
0754140 BC Ltd.	(1)	(1)
Ehlettesaht Fishing Corporation	-	467,562
Hayu Fishing Limited Partnership	480	480
0881643 BC Ltd.	<u>631,334</u>	<u>630,998</u>
	<u>632,106</u>	<u>1,099,332</u>

Amounts due from (to) related entities have no set terms of repayment or stated interest rate.

EHATTESAHT/CHINEHKINT TRIBE

Notes to Consolidated Financial Statements

March 31, 2015

8. Accounts Payable and Accrued Liabilities:

	<u>2015</u> \$	<u>2014</u> \$
Trade payables	93,708	425,837
Accrued salaries and benefits payable	25,117	36,472
	<u>118,825</u>	<u>462,309</u>

9. Due to Government and Other Government Organizations:

	<u>2015</u> \$	<u>2014</u> \$
Federal Government	12,046	32,036
Other Government Organizations	994	2,648
	<u>13,040</u>	<u>34,684</u>

10. Deferred Revenue:

	2014	Funding Received	Revenue Recognized	2015
Federal Government				
Capital Projects	-	341,665	341,665	-
Other	6,518	1,381,850	1,381,850	6,518
	<u>6,518</u>	<u>1,723,515</u>	<u>1,723,515</u>	<u>6,518</u>
Provincial Government				
Capital Projects	-	-	-	-
Other	2,250	154,820	154,820	2,250
	<u>2,250</u>	<u>154,820</u>	<u>154,820</u>	<u>2,250</u>
Other				
Unearned fees	-	563,262	563,262	-
Total	8,768	2,441,597	2,441,597	8,768

EHATTESAHT/CHINEHKINT TRIBE

Notes to Consolidated Financial Statements

March 31, 2015

11. Long Term Debt:

	<u>2015</u>	<u>2014</u>
	\$	\$
Social Housing:		
Royal Bank of Canada:		
Repayable at \$5,567 per month including interest at 3.1% per annum; due July 1, 2016; secured by mortgage	87,410	150,194
CMHC:		
Repayable at \$605 per month including interest at 1.77% per annum; due Nov 30, 2019; secured by mortgage	145,026	-
Enterprise:		
Nuu-chah-nulth Economic Development Corporation:		
Loan was repaid during the year	-	132,638
Forgiven portion	-	15,050
Nuu-chah-nulth Economic Development Corporation:		
Loan was repaid during the year	-	198
Forgiven portion	-	197
Bank of Montreal - 6Plex Mortgage:		
Repayable at \$1,986 per month including interest at 3.5%; due August 31, 2017; secured by band council resolutions to \$400,000	358,023	372,053
Bank of Montreal - 4Plex Mortgage:		
Repayable at \$2,840 per month including interest at 4.35%; due on demand; secured by mortgage	503,204	-
Bank of Montreal - Photocopier Loan:		
Repayable at \$786 per month including interest at 4.35%; due on demand; guaranteed by band	13,643	-
Nuu-chah-nulth Tribal Council (BC Treaty Commission):		
Interest free loan until it becomes due and payable. Once the loan is due and payable, interest will be charged at a rate equal to that charged by the Consolidated Revenue Fund to provincial crown corporations.		
Loan becomes due and payable on the earlier of:		
a) Seven years from date of signing of an Agreement-in-Principle		
b) The date of signing a Treaty		
c) The date the loan agreement is terminated		
d) September 2, 2016	<u>1,143,669</u>	<u>1,143,669</u>
Total Long Term Debt	<u>2,250,975</u>	<u>1,813,999</u>

EHATTESAHT/CHINEHKINT TRIBE

Notes to Consolidated Financial Statements

March 31, 2015

11. Long Term Debt (continued):

Interest expense on long term debt for the year ended March 31, 2015 is \$46,320 (2014 - \$18,420).

Scheduled principal repayments for the next five years is estimated as follows:

	\$
2016	102,970
2017	1,200,709
2018	31,130
2019	32,266
2020	33,387
Thereafter	850,513

12. Replacement Reserve:

Under the terms of agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$5,997 (2014 - \$5,380). These funds, along with accumulated interest, must be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by C.M.H.C. from time to time. The funds in the account may only be used for C.M.H.C. approved expenditures. During the year \$2,856 in expenditures were paid from the Replacement Reserve and consisted of payments for washing machines and new hot water heaters. Withdrawals are credited to interest first and then principal.

13. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2015	2014
Capital:										
Subdivision	990,348	-	-	990,348	762,164	12,334	-	774,498	215,850	228,184
Infrastructure	1,888,970	-	-	1,888,970	633,903	119,669	-	753,572	1,135,398	1,255,067
Band Housing	1,942,383	-	-	1,942,383	312,725	93,381	-	406,106	1,536,277	1,629,658
Office Equip	70,865	17,937	-	88,802	63,710	6,347	-	70,057	18,745	7,155
General Equip	44,959	-	-	44,959	44,959	-	-	44,959	-	-
Fisheries Equip	64,542	230	-	64,772	27,952	4,871	-	32,823	31,949	36,590
Vehicles	40,257	267,984	40,257	267,984	39,257	41,198	40,257	40,198	227,786	1,000
Assets under Construction	173,422	12,701	186,123	-	-	-	-	-	-	173,422
	5,215,746	298,852	226,380	5,288,218	1,884,670	277,800	40,257	2,122,213	3,166,005	3,331,076
Social Housing:										
Land	150,000	-	-	150,000	-	-	-	-	150,000	150,000
Housing	1,083,469	186,123	-	1,269,592	996,794	50,770	-	1,047,564	222,028	86,675
	1,233,469	186,123	-	1,419,592	996,794	50,770	-	1,047,564	372,028	236,675
Total	6,449,215	484,975	226,380	6,707,810	2,881,464	328,570	40,257	3,169,777	3,538,033	3,567,751

EHATTESAHT/CHINEHKINT TRIBE

Notes to Consolidated Financial Statements

March 31, 2015

14. Other Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2015	2014
Fishing Licences	<u>507,163</u>	<u> </u>	<u> </u>	<u>507,163</u>	<u>443,115</u>	<u> </u>	<u> </u>	<u>443,115</u>	<u>64,048</u>	<u>64,048</u>

15. Accumulated Surplus:

	<u>2015</u>	<u>2014</u>
	\$	\$
Internally Restricted		
Equity in Tangible Capital Assets	<u>2,494,775</u>	<u>2,961,469</u>
Externally Restricted		
Equity in Ottawa Trust	<u>73,500</u>	<u>69,670</u>
Investment in Treaty	<u>(1,411,691)</u>	<u>(1,368,933)</u>
Unrestricted		
Operating Surplus	<u>7,751,488</u>	<u>8,279,836</u>
Total Surplus	<u>8,908,072</u>	<u>9,942,042</u>

16. Commitments:

The Tribe holds six foreshore licences for the oyster project with terms of twenty years each beginning in 2001. Under the foreshore licence agreements, licence fees charged on the oyster leases can increase from year to year. Future minimum payment for the next five years is \$4,455 each year.

17. Federal Assistance Payments:

The Ehlettesaht/Chinehkint Tribe Social Housing Project has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act to enable the project to provide housing to low income individuals. The amount of assistance received in 2015 was \$29,138 (2014 - \$24,650).

18. Budget Figures:

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Ehlettesaht/Chinehkint Band Council and have not been audited.