

**EHATTESAHT/CHINEHKINT TRIBE**  
**Consolidated Financial Statements**  
**March 31, 2016**

## **EHATTESAHT/CHINEHKINT TRIBE**

**March 31, 2016**

### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying consolidated financial statements of the Ehattesaht/Chinehkint Tribe and all the information in this 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. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects, including the consolidated financial position of the Ehattesaht/Chinehkint Tribe and the results of its consolidated operations and its consolidated cash flows.

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 Ehattesaht/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 Ehattesaht/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. Chief and Council takes this information into consideration when approving the financial statements for issuance to the Members. In addition, Chief and Council also consider the engagement of the Ehattesaht/Chinehkint Tribe's external auditor.

The consolidated financial statements have been audited by Chan Nowosad Boates, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Members. Chan Nowosad Boates, Chartered Professional Accountants have full access to Chief and Council.

On behalf of Ehattesaht/Chinehkint Tribe:

  
Chief

  
Council

July 22, 2016



## INDEPENDENT AUDITORS' REPORT

To: The Members of the  
Ehattesaht/Chinehkint Tribe

We have audited the accompanying consolidated financial statements of Ehattesaht/Chinehkint Tribe which comprise the consolidated statement of financial position as at March 31, 2016, 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.

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 Ehattesaht/Chinehkint Tribe as at March 31, 2016, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants  
Campbell River, BC

July 22, 2016

# EHATTESAHT/CHINEHKINT TRIBE

## Consolidated Statement of Financial Position

March 31, 2016

2016

2015

(Note 20)

\$

\$

### FINANCIAL ASSETS

Cash and Cash Equivalents (Note 2)	2,007,944	1,243,084
Trust Funds Held by Federal Government (Note 3)	76,112	73,500
Accounts Receivable (Note 4)	296,641	194,120
Due from Government and Other Government Organizations (Note 5)	112,279	262,965
Investments in First Nation Affiliated Entities (Notes 6 and 20)	5,016,706	5,260,228
Due from Related Entities (Note 7)	<u>631,626</u>	<u>632,106</u>
	<u>8,141,308</u>	<u>7,666,003</u>

### LIABILITIES

Accounts Payable and Accrued Liabilities (Note 8)	258,625	118,826
Due to Government and Other Government Organizations (Note 9)	16,631	13,040
Deferred Revenue (Note 10)	8,768	8,768
Replacement Reserve (Note 11)	6,674	3,141
Long Term Debt (Note 12)	<u>2,147,437</u>	<u>2,250,975</u>
	<u>2,438,135</u>	<u>2,394,750</u>

### NET FINANCIAL ASSETS

5,703,173 5,271,253

### NON-FINANCIAL ASSETS

Prepaid Expenses	75,414	34,738
Tangible Capital Assets (Note 13)	3,333,469	3,538,033
Other Assets (Note 14)	<u>64,048</u>	<u>64,048</u>
	<u>3,472,931</u>	<u>3,636,819</u>

### ACCUMULATED SURPLUS (Note 15)

9,176,104 8,908,072

Approved by:

  
Chief

  
Council

# EHATTESAHT/CHINEHKINT TRIBE

## Consolidated Statement of Operations and Accumulated Surplus

Year Ended March 31, 2016

	<b>2016</b>		<b>2015</b>
	<b>Actual</b>	<b>Budget</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Federal Government Transfers for Operating	1,713,913	1,501,200	1,381,850
Federal Government Transfers for Capital	166,575	231,203	341,665
Provincial Government Transfers for Operating	125,984	100,000	154,820
Rent	155,345	156,720	147,150
Road Use	49,281	66,025	66,356
Fishing	81,518	39,153	9,173
Other Investment Income	214,648	399,571	169,554
Other	<u>175,511</u>	<u>132,375</u>	<u>171,029</u>
	2,682,775	2,626,247	2,441,597
<b>Total Expenditures</b>	<u>2,414,743</u>	<u>2,784,992</u>	<u>3,008,928</u>
<b>Annual Surplus (Deficit)</b>	268,032	<u>(158,745)</u>	(567,331)
<b>Accumulated Surplus - Beginning of Year</b>	8,908,072		9,942,042
<b>Consolidation of Ehattesaht Fishing Corporation (Note 6)</b>	<u>-</u>		<u>(466,639)</u>
<b>Accumulated Surplus - End of Year</b>	<u>9,176,104</u>		<u>8,908,072</u>

# EHATTESAHT/CHINEHKINT TRIBE

## Consolidation Statement of Expenditures

Year Ended March 31, 2016

	2016		2015
	Actual \$	Budget \$	
<b>Expenditures (Recovery)</b>			
Band Management	433,729	524,029	368,938
Community Services	29,997	46,059	17,098
Education	65,962	81,122	66,529
CHR and Youth Recreation	303,326	370,071	330,749
Social Housing	125,960	141,189	122,209
Governance	281,363	297,500	257,568
Indian Residential School Project	202,000	120,000	-
BCCI	370	-	370
First Voices Language Content	250	-	250
Language Nest	12,272	-	-
BC Language Initiative	24,003	20,000	-
Band Housing	154,680	82,460	150,718
Capital Residential	13,355	76,243	60,624
Capital Infrastructure	107,797	247,617	190,716
Addition to Reserves	10,641	9,600	9,552
BC First Nations Youth Grant	28,708	30,000	-
Back to Basics	-	-	(2,000)
Social Development	201,524	200,611	203,743
Language Project	65,748	61,000	118,137
Canadian Heritage	-	30,900	7,433
Aquaculture	310	-	-
NETP - Training Program and Summer Students	6,074	6,297	41,215
Enterprise - Fishing	7,550	44,153	36,771
T'aaq-wiihak	21,791	40,000	27,345
Fisheries	72,765	60,383	66,681
Treaty	14,803	214,974	42,758
Forestry Strategy	7,383	18,500	674,011
Band Revenue	129,578	194,227	118,389
Economic Development	-	3,057	-
Ehattesaht Fishing Corporation	10,979	-	17,603
Enterprise - Barr Creek Hydro	232	-	2,321
Community Garden	2,843	5,000	450
Enterprise - Queen's Cove	78,750	-	78,750
	<u>2,414,743</u>	<u>2,784,992</u>	<u>3,008,928</u>

## EHATTESAHT/CHINEHKINT TRIBE

### Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2016

2016

2015

\$

\$

**Annual Surplus (Deficit)**

268,032

(567,331)

Tangible Capital Assets Purchased

(170,522)

(298,852)

Amortization of Tangible Capital Assets

375,085

328,570

204,563

29,718

Consolidation of Ehattesaht Fishing Corporation (Note 6)

-

(466,639)

Acquisition of Prepaid Asset

(164,530)

(255,408)

Use of Prepaid Asset

123,855

248,206

(40,675)

(7,202)

**Increase (Decrease) in Net Financial Assets**

431,920

(1,011,454)

**Net Financial Assets - Beginning of Year**

5,271,253

6,282,707

**Net Financial Assets - End of Year**

5,703,173

5,271,253

# EHATTESAHT/CHINEHKINT TRIBE

## Consolidated Statement of Cash Flows

Year Ended March 31, 2016

	2016	2015
	\$	\$
<b>Cash Flows From Operating Activities:</b>		
Cash Flows from Government and Other Sources	2,728,328	2,358,309
Cash Paid to Suppliers and Employees	<u>(1,933,411)</u>	<u>(3,049,547)</u>
	<u>794,917</u>	<u>(691,238)</u>
<b>Cash Flows From Capital Activities:</b>		
Purchase of Tangible Capital Assets	<u>(170,522)</u>	<u>(298,852)</u>
<b>Cash Flows From Investing Activities:</b>		
Loans from (to) Related Entities	480	467,226
Investment from First Nation Entities	<u>243,524</u>	<u>513,385</u>
	<u>244,004</u>	<u>980,611</u>
<b>Cash Flows From Financing Activities:</b>		
Long Term Debt Incurred	-	661,873
Repayment of Long Term Debt	<u>(103,539)</u>	<u>(224,897)</u>
	<u>(103,539)</u>	<u>436,976</u>
<b>Increase in Cash and Cash Equivalents</b>	<b>764,860</b>	<b>427,497</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u><b>1,243,084</b></u>	<u><b>815,587</b></u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u><b>2,007,944</b></u></u>	<u><u><b>1,243,084</b></u></u>
<b>Cash is Represented by:</b>		
Cash on Hand and Held in Banks	<u><u>2,007,944</u></u>	<u><u>1,243,084</u></u>



# EHATTESAHT/CHINEHKINT TRIBE

## Notes to Consolidated Financial Statements

March 31, 2016

### 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 Ehattesaht/Chinehkint Tribe (the "Tribe") reporting entity includes the Ehattesaht/Chinehkint Tribe government and an organization that is controlled by the Tribe, Ehattesaht 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 Tribe:

Hayu Fishing Limited Partnership  
Hayu Fishing Ltd.  
Aat'uui Forestry Limited Partnership  
Aat'uui Forestry Ltd.  
0754140 BC Ltd.  
Bar Creek Ltd.  
0881643 BC Ltd.  
Zeballos Lake Hydro Limited Partnership

#### 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	15-20%	declining balance and straight line
Social Housing Houses	25yr	straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to the 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 writedowns are accounted for as expenses in the consolidated statement of operations.

# EHATTESAHT/CHINEHKINT TRIBE

---

## Notes to Consolidated Financial Statements

March 31, 2016

---

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

Under the modified equity method of accounting, only the Tribe'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 Tribe, 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 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 (CMHC), the Tribe must set aside funds annually for the repair, maintenance and replacement of worn out assets.

These funds, along with accumulated interest, must be held in separate bank accounts, with each agreement with CMHC requiring its own bank account. The funds are to be invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used for CMHC approved expenditures.

The Tribe is also required to maintain a separate bank account for the operating surplus resulting from the operation of the programs under the agreement, known as the operating reserve.

# EHATTESAHT/CHINEHKINT TRIBE

## Notes to Consolidated Financial Statements

March 31, 2016

### 3. Trust Funds Held by Federal Government:

	2015 \$	Additions \$	Withdrawals \$	2016 \$
Revenue	66,174	2,612	-	68,786
Capital	<u>7,326</u>	<u>-</u>	<u>-</u>	<u>7,326</u>
	<u>73,500</u>	<u>2,612</u>	<u>-</u>	<u>76,112</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:

	<u>2016</u> \$	<u>2015</u> \$
Miscellaneous	135,371	45,149
Band Members	305,862	266,848
Interest on Treaty Funds	-	1,087
Social Housing Rents	<u>93,448</u>	<u>93,911</u>
	534,681	406,995
Less: Allowance for Doubtful Accounts	<u>(238,040)</u>	<u>(212,875)</u>
	<u>296,641</u>	<u>194,120</u>

### 5. Due from Government and Other Government Organizations:

	<u>2016</u> \$	<u>2015</u> \$
<b>Federal Government</b>		
Nuu-chah-nulth Tribal Council	97,156	252,426
Sales Taxes Recoverable	12,270	7,686
Canada Mortgage and Housing Corporation	<u>2,853</u>	<u>2,853</u>
	<u>112,279</u>	<u>262,965</u>

# EHATTESAHT/CHINEHKINT TRIBE

## Notes to Consolidated Financial Statements

March 31, 2016

### 6. Investments in First Nation Affiliated Entities:

	<u>2016</u> \$	<u>2015</u> \$
<b>Zeballos Lake Hydro Limited Partnership</b>		
2 Units (2%)	1	1
<b>Ehattesaht Fishing Corporation</b>		
Shares (100%)	1	1
<b>0881643 BC Ltd.</b>		
Shares (100%)	1	1
<b>Aat'uu Forestry Ltd.</b>		
Shares (100%)	1	1
<b>0754140 BC Ltd.</b>		
Shares (100%)	1	1
<b>Barr Creek Hydro Ltd.</b>		
Shares (20%)	88	88
<b>Hayu Fishing Ltd.</b>		
Shares (25%)	1	1
<b>Hayu Fishing Limited Partnership</b>		
2,500 Units (25%)	1	1
Contributions (Advances)	(12,764)	2,181
Accumulated share of Earnings	<u>276,610</u>	<u>199,024</u>
	<u>263,847</u>	<u>201,206</u>
<b>Aat'uu Forestry Limited Partnership</b>		
999 Units (99%)	99	99
Advances	(2,778,100)	(2,390,600)
Accumulated share of Earnings	<u>7,530,766</u>	<u>7,449,430</u>
	<u>4,752,765</u>	<u>5,058,929</u>
<b>Total</b>		
Shares	194	193
Advances	(2,790,864)	(2,388,419)
Accumulated share of Earnings	<u>7,807,376</u>	<u>7,648,454</u>
	<u>5,016,706</u>	<u>5,260,228</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 and Zeballos Lake Hydro Limited Partnership are owned directly by the Tribe.

The advances made are without interest or specific repayment terms.

During the prior fiscal year, it was determined that operations would cease in Ehattesaht 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, 2016

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

Financial information for the First Nation Affiliated Entities is presented in the following table. 0881643 BC Ltd., Aat'uu Forestry Ltd., 0754140 BC Ltd. and Aat'uu Forestry Limited Partnership financial information is from financial statements prepared for the year ending March 31, 2016 with comparative figures for the year ending March 31, 2015. These financial statements were unaudited.

Financial information for Barr Creek Hydro Ltd. is from financial statements prepared for the year ending June 30, 2015 with comparative figures for the year 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 year ending December 31, 2015 with comparative figures for the year ending December 31, 2014. The financial statements for Hayu Fishing Ltd. were unaudited and the financial statements for Hayu Fishing Limited Partnership were audited.

Financial information for Zeballos Lake Hydro Limited Partnership is from financial statements prepared for the 15 months ending December 31, 2015 with comparative figures for the 12 months ending September 30, 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	Zeballos Lake Hydro LP	TOTAL	
	\$	\$	\$	\$	\$	\$	\$	\$	2016	2015
Cash	3,233	-	-	136,057	15,573	-	76,196	419,000	650,059	1,053,393
Accounts Receivable	-	-	-	287,305	298	-	24,107	746,000	1,057,710	364,456
Inventory	-	-	-	1,156,887	-	-	-	-	1,156,887	985,994
Tangible Capital Assets	-	-	-	321,824	-	-	93,368	54,467,000	54,882,192	56,597,101
Other Assets	667,359	7,596	1	3,526,032	-	110	930,509	2,963,000	8,094,607	7,749,319
<b>Total Assets</b>	<b>670,592</b>	<b>7,596</b>	<b>1</b>	<b>5,428,105</b>	<b>15,871</b>	<b>110</b>	<b>1,124,180</b>	<b>58,595,000</b>	<b>65,841,455</b>	<b>66,750,263</b>
Accounts Payable	-	-	-	190,655	441	1,001	14,322	538,000	744,419	2,199,685
Long-term Debt	-	-	-	-	15,000	-	-	28,553,000	28,568,000	57,447,000
Other Liabilities	631,334	9,339	-	475,148	-	3,212	54,047	-	1,173,080	1,147,720
<b>Total Liabilities</b>	<b>631,334</b>	<b>9,339</b>	<b>-</b>	<b>665,803</b>	<b>15,441</b>	<b>4,213</b>	<b>68,369</b>	<b>29,091,000</b>	<b>30,485,499</b>	<b>60,794,405</b>
Equity	39,258	(1,743)	1	4,762,302	430	(4,103)	1,055,811	29,504,000	35,355,956	5,955,858
<b>Total Liabilities and Equity</b>	<b>670,592</b>	<b>7,596</b>	<b>1</b>	<b>5,428,105</b>	<b>15,871</b>	<b>110</b>	<b>1,124,180</b>	<b>58,595,000</b>	<b>65,841,455</b>	<b>66,750,263</b>
<b>Revenues</b>	<b>(10,024)</b>	<b>81</b>	<b>-</b>	<b>7,948,209</b>	<b>-</b>	<b>29</b>	<b>497,810</b>	<b>6,482,000</b>	<b>14,918,105</b>	<b>4,333,298</b>
<b>Expenses</b>	<b>1,987</b>	<b>828</b>	<b>-</b>	<b>7,866,792</b>	<b>-</b>	<b>1,000</b>	<b>187,436</b>	<b>7,202,000</b>	<b>15,260,043</b>	<b>11,241,851</b>
<b>Net Income (Loss)</b>	<b>(12,011)</b>	<b>(747)</b>	<b>-</b>	<b>81,417</b>	<b>-</b>	<b>(971)</b>	<b>310,374</b>	<b>(720,000)</b>	<b>(341,938)</b>	<b>(6,908,553)</b>

### 7. Due from (to) Related Entities:

	2016	2015
	\$	\$
Aat'uu Forestry Limited Partnership	-	-
Aat'uu Forestry Ltd.	293	293
0754140 BC Ltd.	(1)	(1)
Hayu Fishing Limited Partnership	-	480
0881643 BC Ltd.	631,334	631,334
	<u>631,626</u>	<u>632,106</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, 2016

### 8. Accounts Payable and Accrued Liabilities:

	<u>2016</u>	<u>2015</u>
	\$	\$
Trade payables	233,801	93,709
Accrued salaries and benefits payable	<u>24,824</u>	<u>25,117</u>
	<u>258,625</u>	<u>118,826</u>

### 9. Due to Government and Other Government Organizations:

	<u>2016</u>	<u>2015</u>
	\$	\$
Federal Government	15,768	12,046
Other Government Organizations	<u>863</u>	<u>994</u>
	<u>16,631</u>	<u>13,040</u>

### 10. Deferred Revenue:

	<u>2015</u>	<u>Funding</u>	<u>Revenue</u>	<u>2016</u>
	\$	Received	Recognized	\$
		\$	\$	
<b>Federal Government</b>				
Capital Projects	-	166,575	166,575	-
Other	<u>6,518</u>	<u>1,713,913</u>	<u>1,713,913</u>	<u>6,518</u>
	<u>6,518</u>	<u>1,880,488</u>	<u>1,880,488</u>	<u>6,518</u>
<b>Provincial Government</b>				
Other	<u>2,250</u>	<u>125,984</u>	<u>125,984</u>	<u>2,250</u>
<b>Other</b>				
Unearned fees	-	676,303	676,303	-
<b>Total</b>	<u>8,768</u>	<u>2,682,775</u>	<u>2,682,775</u>	<u>8,768</u>

### 11. Replacement Reserve:

Under the terms of agreement with CMHC, the Replacement Reserve account is to be credited in the amount of \$6,860 (2015 - \$5,997). These funds, along with accumulated interest, must be held in separate bank accounts, with each agreement with CMHC requiring its own bank account. The funds are to be invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used for CMHC approved expenditures. During the year \$3,327 in expenditures were paid from the Replacement Reserve and consisted of payments for a washing machine, dryer and fridge. Withdrawals are credited to interest first and then principal.

# EHATTESAHT/CHINEHKINT TRIBE

## Notes to Consolidated Financial Statements

March 31, 2016

### 12. Long Term Debt:

	<u>2016</u>	<u>2015</u>
	\$	\$
Royal Bank of Canada: Repayable at \$5,567 per month including interest at 3.1% per annum; due July 1, 2016; secured by the Tribe	22,175	87,410
CMHC: Repayable at \$605 per month including interest at 1.77% per annum; due Nov 30, 2019; secured by the Tribe	140,465	145,026
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	346,239	358,023
Bank of Montreal - 4Plex Mortgage: Repayable at \$2,840 per month including interest at 4.35%; due on demand; secured by the Tribe	490,272	503,204
Bank of Montreal - Photocopier Loan: Repayable at \$786 per month including interest at 4.35%; due on demand; guaranteed by the Tribe	4,617	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>2,147,437</u>	<u>2,250,975</u>

Interest expense on long term debt for the year ended March 31, 2016 is \$37,897 (2015 - \$46,320).

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

	\$
2017	1,201,261
2018	31,900
2019	33,039
2020	154,874
2021	30,274
Thereafter	696,089

# EHATTESAHT/CHINEHKINT TRIBE

## Notes to Consolidated Financial Statements

March 31, 2016

### 13. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Capital:</b>										
Subdivision	990,348	-	-	990,347	774,498	11,979	-	786,477	203,870	215,850
Infrastructure	1,888,970	146,922	-	2,035,892	753,572	127,016	-	880,588	1,155,304	1,135,398
Band Housing	1,942,383	23,600	-	1,965,983	406,106	94,183	-	500,289	1,465,694	1,536,277
Office Equip	88,802	-	-	88,802	70,057	5,749	-	75,806	12,996	18,745
General Equip	44,959	-	-	44,959	44,959	-	-	44,959	-	-
Fisheries Equip	64,772	-	-	64,542	32,823	4,988	-	37,581	26,961	31,949
Vehicles	267,984	-	-	267,984	40,198	80,395	-	120,593	147,391	227,786
	<u>5,288,218</u>	<u>170,522</u>	<u>-</u>	<u>5,458,509</u>	<u>2,122,213</u>	<u>324,310</u>	<u>-</u>	<u>2,446,293</u>	<u>3,012,216</u>	<u>3,166,005</u>
<b>Social Housing:</b>										
Land	150,000	-	-	150,000	-	-	-	-	150,000	150,000
Housing	<u>1,269,592</u>	<u>-</u>	<u>-</u>	<u>1,269,592</u>	<u>1,047,564</u>	<u>50,775</u>	<u>-</u>	<u>1,098,339</u>	<u>171,253</u>	<u>222,028</u>
	<u>1,419,592</u>	<u>-</u>	<u>-</u>	<u>1,419,592</u>	<u>1,047,564</u>	<u>50,775</u>	<u>-</u>	<u>1,098,339</u>	<u>321,253</u>	<u>372,028</u>
<b>Total</b>	<u>6,707,810</u>	<u>170,522</u>	<u>-</u>	<u>6,878,101</u>	<u>3,169,777</u>	<u>375,085</u>	<u>-</u>	<u>3,544,632</u>	<u>3,333,469</u>	<u>3,538,033</u>

### 14. Other Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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:

	2016	2015
	\$	\$
<b>Internally Restricted</b>		
Equity in Tangible Capital Assets	2,254,454	2,494,775
<b>Externally Restricted</b>		
Equity in Ottawa Trust	76,112	73,500
Investment in Treaty	(1,426,494)	(1,411,691)
<b>Unrestricted</b>		
Operating Surplus	<u>8,272,032</u>	<u>7,751,488</u>
<b>Total Surplus</b>	<u>9,176,104</u>	<u>8,908,072</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.



# **EHATTESAHT/CHINEHKINT TRIBE**

---

## **Notes to Consolidated Financial Statements**

March 31, 2016

---

### **17. Federal Assistance Payments:**

The Ehattesaht/Chinehkint Tribe Social Housing Project has received federal assistance through CMHC 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 2016 was \$34,233 (2015 - \$29,138).

### **18. Budget Figures:**

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Tribe and have not been audited.

### **19. Employee Future Benefits:**

The Tribe matches employee contributions to a defined contribution plan, which is administered by London Life. The total pension expense, representing employer contributions to the plan for the year was \$3,388.

### **20. Prior Period Adjustment:**

The Tribe identified an investment in Zeballos Lake Hydro Limited Partnership as a result of the amendment of the partnership agreement in the current period to include mention of the Tribe in the original agreement dated in fiscal 2007.

Partnership unit's had been issued by Zeballos Lake Hydro Limited Partnership to the Tribe in fiscal 2007 and as a result the Tribe had previously understated their investment balance. The investment in Zeballos Lake Hydro Limited Partnership is to be accounted for by the modified equity method; however, the equity attributable to the Tribe is negative and as a result the investment will be carried at an amount not less than zero and there is no income or losses to be recognized in the prior period comparative financial statements.