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**HESQUIAHT FIRST NATION**

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**FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2016**

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# HESQUIAHT FIRST NATION

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YEAR ENDED MARCH 31, 2016  
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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying consolidated financial statements of Hesquiaht First Nation are the responsibility of management and have been approved by the 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 consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The First Nation Council reviews the First Nation's consolidated financial statements and management letter. The 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 auditors' report. The Council approves the consolidated financial statements for issuance to the members. The Council also considers, for review and approval by the members, the engagement of the external auditors.

The consolidated financial statements have been audited by McGorman MacLean, Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the members. McGorman MacLean has full and free access to the Council.

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Councillor

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Councillor

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Councillor

## INDEPENDENT AUDITORS' REPORT

To the members  
Hesquiaht First Nation

We have audited the accompanying consolidated statement of financial position of Hesquiaht First Nation as at March 31, 2016 and the consolidated statements of operations, changes in net debt 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 generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Hesquiaht First Nation as at March 31, 2016 and the results of its consolidated operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*McGorman MacLean*  
CHARTERED PROFESSIONAL ACCOUNTANTS

Parksville, Canada  
July 27, 2016

## HESQUIAHT FIRST NATION

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2016

	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash (note 4)	\$ 1,077,713	\$ 118,191
Funds on deposit in Ottawa Trusts (note 4)	45,398	42,798
Accounts receivable (note 5)	323,663	178,957
Receivable from Ma-mook Natural Resources Ltd.	101,733	127,133
Investment in Hayu Fishing Limited Partnership	264,164	201,205
	1,812,671	668,284
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	300,062	253,206
Damage deposits	1,916	2,920
Deficit in Hayu Fishing Ltd.	1,026	783
Long term debt (note 6)	2,809,065	2,934,338
	3,112,069	3,191,247
<b>NET DEBT</b>	<b>(1,299,398)</b>	<b>(2,522,963)</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	54,768	53,944
Inventory	53,760	79,286
Tangible capital assets (note 7)	7,581,967	7,689,405
	7,690,495	7,743,349
<b>ACCUMULATED SURPLUS</b>	<b>\$ 6,391,097</b>	<b>\$ 5,299,672</b>
<b>ACCUMULATED SURPLUS AT END OF YEAR CONSISTS OF:</b>		
Restricted (note 8)	\$ 817,751	\$ 599,288
Unrestricted	688,113	(74,549)
	1,505,864	524,739
Investment in tangible capital assets	7,107,834	6,997,534
Treaty debt deficit	(2,222,601)	(2,222,601)
	\$ 6,391,097	\$ 5,299,672

Contingent liabilities (note 9)

APPROVED ON BEHALF OF COUNCIL:

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## HESQUIAHT FIRST NATION

### CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2016

	Budget (unaudited)	2016	2015
<b>REVENUE</b>			
Nuu-chah-nulth Tribal Council - operating	\$ 2,042,508	\$ 2,648,540	\$ 2,151,679
Nuu-chah-nulth Tribal Council - capital	100,000	954,033	157,678
Miscellaneous revenue and recoveries	75,816	186,166	192,517
Province of British Columbia	176,648	147,500	176,948
Income from Hayu Fishing Limited			
Partnership	-	77,586	90,566
Social Housing rents	89,208	70,117	87,433
Fisheries licence lease	47,291	46,139	61,356
First Nations Education Steering Committee	56,750	33,515	38,249
CMHC subsidies	38,390	33,039	38,546
Loss from Hayu Fishing Ltd.	-	(243)	(253)
	2,626,611	4,196,392	2,994,719
<b>EXPENSES</b>			
Operating Fund	2,458,484	2,993,014	3,089,284
Social Housing Fund	123,839	99,128	117,904
Enterprise Fund	-	12,825	13,539
	2,582,323	3,104,967	3,220,727
<b>ANNUAL SURPLUS (DEFICIT)</b>	44,288	1,091,425	(226,008)
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>			
As previously stated	-	4,958,147	5,415,571
Correction of prior period error (note 10)	-	341,525	110,109
As restated	-	5,299,672	5,525,680
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	\$ 44,288	\$ 6,391,097	\$ 5,299,672

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## HESQUIAHT FIRST NATION

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### CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT YEAR ENDED MARCH 31, 2016

	2016	2015
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	\$ 1,091,425	\$ (226,008)
Acquisition of tangible capital assets	(740,734)	(178,032)
Amortization of tangible capital assets	837,179	873,713
Proceeds from disposal of tangible capital assets	2,000	-
Loss on disposal of tangible capital assets	8,993	-
Use of inventory	79,286	4,995
Acquisition of inventory	(53,760)	(79,286)
Use of prepaid expenses	53,944	56,482
Acquisition of prepaid expenses	(54,768)	(53,944)
<b>CHANGE IN NET DEBT</b>	1,223,565	397,920
<b>NET DEBT AT BEGINNING OF YEAR</b>	(2,522,963)	(2,920,883)
<b>NET DEBT AT END OF YEAR</b>	\$ (1,299,398)	\$ (2,522,963)

## HESQUIAHT FIRST NATION

### CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2016

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ 1,091,425	\$ (226,008)
Adjust for items which do not involve cash:		
Amortization	837,179	873,713
Loss on disposal of tangible capital assets	8,993	-
	1,937,597	647,705
Changes in non-cash working capital		
Decrease (Increase)		
Accounts receivable	(144,706)	114,962
Receivable from Ma-mook Natural Resources Ltd.	25,400	25,400
Prepaid expenses	(824)	2,538
Inventory	25,526	(74,291)
Increase (Decrease)		
Accounts payable and accrued liabilities	46,856	(322,329)
Damage deposits	(1,004)	-
	(48,752)	(253,720)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	1,888,845	393,985
<b>CAPITAL TRANSACTIONS</b>		
Investment in Hayu Fishing Limited Partnership	(62,959)	(90,566)
Deficit in Hayu Fishing Ltd.	243	253
Purchase of tangible capital assets	(740,734)	(178,032)
Proceeds on disposal of tangible capital assets	2,000	-
	(801,450)	(268,345)
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(125,273)	(134,547)
<b>INCREASE (DECREASE) IN CASH</b>	962,122	(8,907)
<b>CASH AND EQUIVALENTS AT BEGINNING OF YEAR</b>	160,989	169,896
<b>CASH AND EQUIVALENTS AT END OF YEAR</b>	\$ 1,123,111	\$ 160,989
<b>CASH AND EQUIVALENTS CONSIST OF:</b>		
Cash	\$ 1,077,713	\$ 118,191
Funds on deposit in Ottawa Trusts	45,398	42,798
	\$ 1,123,111	\$ 160,989



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# HESQUIAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016

### 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as outlined by the Public Sector Accounting Board (PSAB) of the Organization of Chartered Professional Accountants of British Columbia, which encompass the following principles:

(a) Basis of consolidation

The consolidated financial statements reflect a combination of the First Nation's operating, treaty, enterprise, tangible capital assets, trust and social housing funds.

The Operating Fund reports the general activities of the First Nation administration including various commercial activities.

The Treaty Fund reports the activities of the Treaty negotiating team.

The Enterprise Fund reports the activities of the First Nation's owned entities.

The Trust Fund reports on trust funds owned by the First Nation and held by third parties.

The Social Housing Fund reports the activities within the First Nation sponsored Social Housing Program.

(b) Reporting entity and principles of financial reporting

The Hesquiaht First Nation reporting entity includes all entities which are accountable to the First Nation, and are either owned, directly or indirectly, or controlled by the First Nation.

These consolidated financial statements include the assets, liabilities and results of operations for the following entities:

- Hesquiaht First Nation government administration including special and commercial projects
- Hesquiaht First Nation Social Housing Program
- Hesquiaht First Nation Trust Fund
- Hayu Fishing Limited Partnership
- Hayu Fishing Ltd.
- Hesquiaht Enterprises Ltd.
- Ma-mook Natural Resources Ltd.

All inter-entity balances have been eliminated on consolidation.

(c) Cash

The First Nation's policy is to present bank balances under cash.

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# HESQUIAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016

### 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Investments

The investment in Hayu Fishing Limited Partnership, representing a twenty-five percent partnership interest, is accounted for using the modified equity method.

The investment in Hayu Fishing Ltd., representing a twenty-five percent ownership interest, is accounted for using the modified equity method.

The investment in Hesquiaht Enterprises Ltd. is accounted for using the full consolidation method of accounting for long term investments.

The receivable from Ma-mook Natural Resources Ltd. is accounted for at cost. Ma-mook Development Corporation, in which Hesquiaht First Nation has a twenty percent membership, owns the outstanding shares of Ma-mook Natural Resources Ltd.

#### (e) Tangible capital assets

Tangible capital assets are stated at cost and are being amortized on the straight-line basis using the following rates:

Buildings and social housing	-	15 - 37 years
Infrastructure	-	20 years
Boats and equipment	-	7 years
Equipment	-	5 years
Computer equipment	-	3 years

In the year of acquisition, 50% of the normal amortization is recorded.

#### (f) Revenue recognition

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

Government transfers are recognized in the financial statements as revenue in the period the transfers are authorized and any eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. Transfers received which meet the definition of a liability are included in deferred revenue.

Deferred revenue consists of funding which is received, externally restricted, and will not be included in revenue until the related expenses are incurred.

#### (g) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses. Significant items subject to such estimates and assumptions include valuation of accounts receivable, prepaid expenses, the estimated lives of tangible capital assets and accrued liabilities. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

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## HESQUIAHT FIRST NATION

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016

#### 2. FINANCIAL INSTRUMENTS

The First Nation's financial instruments consist of cash, accounts receivable, receivable from Ma-mook Natural Resources Ltd., investment in Hayu Fishing Limited Partnership, accounts payable and accrued liabilities, deficit in Hayu Fishing Ltd. and long term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments, the fair value of which approximates their carrying value.

The fair market values of the investments in Hayu Fishing Limited Partnership and Hayu Fishing Ltd. have not been determined and accordingly may differ from the recorded values.

#### 3. ECONOMIC DEPENDENCE

The First Nation receives the major portion of its operating revenue pursuant to an agreement referred to as the "Canada/First Nations Funding Agreement" (CFNFA). The agreement is between Nuuchahnulth Tribal Council, its member First Nations and Indigenous and Northern Affairs Canada.

#### 4. RESTRICTED CASH

##### (a) Ottawa Trust Funds

The Ottawa 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 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.

##### (b) Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve account is to be credited in the amount of \$24,013 annually for Social Housing projects I, II and III. These funds, along with the accumulated interest, must be held in separate bank accounts and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC.

The First Nation was not able to comply with the agreement with CMHC for funding the reserve. At year end, \$10,756 was held in a separate bank account included in cash. The remaining \$275,267 was receivable from the First Nation's operating fund.

##### (c) Subsidy Surplus Reserve - Project I and II

Under the terms of the agreement with CMHC, excess federal assistance payments received may be retained in a subsidy surplus reserve up to a maximum of \$500 per unit plus interest. The reserve is to be comprised of monies deposited into a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in this account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum federal assistance. At year end, there were no funds in the subsidy surplus reserve for Project I and II.

# HESQUIAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016

### 4. RESTRICTED CASH (continued)

#### (d) Surplus - Project III

Under the terms of the agreement with CMHC, surpluses in the operation of the project can be retained by the Social Housing program until the surplus is required for Project III, without any subsidy recovery by CMHC. If there is a deficit in the operation of Project III, the excess expenditures must be reimbursed to the Social Housing program by the First Nation.

### 5. ACCOUNTS RECEIVABLE

	2016	2015
Nuu-chah-nulth Tribal Council	\$ 167,238	\$ 78,222
Rent receivable from First Nation members	57,448	54,713
Other	51,233	12,897
GST recoverable	35,553	24,295
Receivable from First Nation members	9,438	6,077
CMHC subsidies	2,753	2,753
	\$ 323,663	\$ 178,957

### 6. LONG TERM DEBT

	2016	2015
British Columbia Treaty Commission		
Treaty Negotiation Loan	\$ 2,222,601	\$ 2,222,601
- Interest free loan until it becomes due and payable at which time interest will be charged at a rate equal to that charged by the Consolidated Revenue Fund to provincial crown corporations		
- Loan proceeds become due and payable upon the earlier of:		
a) September 2, 2016 (extension from the previous maturity date of the twelfth (12th) anniversary of the date on which the first loan advance was made);		
b) The seventh (7th) anniversary of the date of signing of an agreement-in-principle;		
c) The date on which a treaty is signed by the parties;		
d) The date on which the agreement is terminated; or		
e) The date on which Nuu-cha-nulth Tribal Council commits an act of bankruptcy.		
All Nations Trust Company		
Phase I Social Housing Loan	162,011	215,639
- Interest at 2.11% compounded semi-annually		
- Renewing November 1, 2018		
- Monthly payments of \$5,210 including principal and interest		

## HESQUIAHT FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016

#### 6. LONG TERM DEBT (continued)

	2016	2015
Phase II Social Housing Loan	86,915	96,155
- Interest at 1.92% compounded semi-annually		
- Renewing April 1, 2019		
- Monthly payments of \$987 including principal and interest		
Phase III Social Housing Loan	225,205	238,969
- Interest at 1.92% compounded semi-annually		
- Renewing April 1, 2019		
- Monthly payments of \$1,622 including principal and interest		
Nuu-chah-nulth Economic Development Corporation		
Term Loan	126	13,773
- Interest at 5% per annum		
- Monthly payments of \$3,476 including principal and interest		
Term Loan	12,724	22,318
- Interest at 5% per annum		
- Monthly payments of \$2,594 including principal and interest		
Bank of Montreal		
Demand Loan	99,483	124,883
- Interest at prime plus 1.5% per annum		
- Monthly payments of \$2,117 including principal and interest		
<b>Total long term debt</b>	<b>\$ 2,809,065</b>	<b>\$ 2,934,338</b>

The Social Housing loans are secured by ministerial guarantees from the Department of Indigenous and Northern Affairs Canada. The term loans are secured by promissory notes. The demand loan is secured by a general security agreement. The payments on demand loan are being reimbursed by Ma-mook Natural Resources Ltd.

Assuming the British Columbia Treaty Commission Treaty Negotiation Loan and the Social Housing loans are renewed with similar terms, principal reduction over the next five years is approximately as follows:

2017	\$ 124,276
2018	112,410
2019	93,029
2020	50,334
2021	27,586

# HESQUIAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016

### 7. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated amortization					
	Balance at end of 2015	Additions	Disposals	Balance at end of 2016	Balance at end of 2015	Disposals	Amortization	Balance at at end of 2016	Net book value at end of 2016
Land	\$ 804,507	\$ -	\$ -	\$ 804,507	\$ -	\$ -	\$ -	\$ -	\$ 804,507
Social Housing	1,820,850	-	-	1,820,850	944,428	-	50,324	994,752	826,098
Buildings	11,938,632	-	-	11,938,632	6,817,472	-	644,254	7,461,726	4,476,906
Infrastructure	5,272,654	-	-	5,272,654	4,757,666	-	54,386	4,812,052	460,602
Boats and equipment	314,911	4,494	139,436	179,969	263,780	128,443	7,712	143,049	36,920
Equipment	854,365	-	-	854,365	677,902	-	76,456	754,358	100,007
Work-in-progress	141,108	733,714	-	874,822	-	-	-	-	874,822
Computer equipment	38,464	2,526	-	40,990	34,838	-	4,047	38,885	2,105
	\$21,185,491	\$ 740,734	\$ 139,436	\$21,786,789	\$3,496,086	\$ 128,443	\$ 837,179	\$4,204,822	\$7,581,967

  

	Cost			Accumulated amortization					
	Balance at end of 2014	Additions	Disposals	Balance at end of 2015	Balance at end of 2014	Disposals	Amortization	Balance at at end of 2015	Net book value at end of 2015
Land	\$ 804,507	\$ -	\$ -	\$ 804,507	\$ -	\$ -	\$ -	\$ -	\$ 804,507
Social Housing	1,820,850	-	-	1,820,850	869,340	-	75,088	944,428	876,422
Buildings	11,938,632	-	-	11,938,632	6,173,217	-	644,255	6,817,472	5,121,160
Infrastructure	5,272,654	-	-	5,272,654	4,702,928	-	54,738	4,757,666	514,988
Boats and equipment	314,911	-	-	314,911	249,611	-	14,169	263,780	51,131
Equipment	817,441	36,924	-	854,365	600,300	-	77,602	677,902	176,463
Work-in-progress	-	141,108	-	141,108	-	-	-	-	141,108
Computer equipment	38,464	-	-	38,464	26,977	-	7,861	34,838	3,626
	\$21,007,459	\$ 178,032	\$ -	\$21,185,491	\$2,622,373	\$ -	\$ 873,713	\$3,496,086	\$7,689,405

## HESQUIAHT FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016

#### 8. RESTRICTED SURPLUS

A portion of the surplus in financial assets is classified as restricted due to the surplus being committed to specific future expenses or recoverable by the relevant funding agencies. This restricted surplus is set out on page 16 of the consolidated financial statements.

#### 9. CONTINGENT LIABILITIES

The First Nation is contingently liable with respect to guarantees for Social Housing loans with All Nations Trust Company in the amount of \$474,132.

#### 10. CORRECTION OF PRIOR PERIOD ERROR

In 2015, the First Nation did not capitalize \$141,108 of the Microhydro project costs.

From 2012 to 2015, the First Nation did not record investment activity on Hayu Fishing Limited Partnership and Hayu Fishing Ltd.

The 2015 comparative figures were restated to reflect the following changes:

- Increase in tangible capital assets, investment in tangible capital assets, accumulated operating fund surplus and decrease in operating fund expenses by \$141,108; and
- Increase in investment in Hayu Fishing Limited Partnership by \$201,205, increase in deficit in Hayu Fishing Ltd. by \$783 and decrease in enterprise fund deficit by \$200,422.

#### 11. INVESTMENT IN HAYU FISHING LIMITED PARTNERSHIP

Hesquiaht First Nation owns a 25% partnership interest in Hayu Fishing Limited Partnership. The following presents condensed financial information as of December 31, 2015 for the partnership:

	2016	2015
Marketable securities	\$ 26,975	\$ 402,294
Cash	76,196	316,625
Tangible capital assets	93,368	120,587
Accounts receivable	26,681	49,297
Prepaid expenses and deposits	900,960	15,706
Due from partners	-	2,181
	1,124,180	906,690
Accounts payable and accrued liabilities	14,322	18,494
Deferred revenue	54,047	83,298
	68,369	101,792
Partners' equity	\$ 1,055,811	\$ 804,898

## HESQUIAHT FIRST NATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016

#### 11. INVESTMENT IN HAYU FISHING LIMITED PARTNERSHIP (continued)

Revenue	\$ 497,810	\$ 533,428
Expenses	187,436	171,127
Net income	\$ 310,374	\$ 362,301

#### 12. DEFICIT IN HAYU FISHING LTD.

Hesquiaht First Nation owns a 25% interest in Hayu Fishing Ltd. Hayu Fishing Ltd. is the general partner of Hayu Fishing Limited Partnership. The following presents condensed financial information as of December 31, 2015 for the company:

	2016	2015
Investment	\$ 110	\$ 81
Accounts payable and accrued liabilities	4,212	3,212
Share capital	1	1
	4,213	3,213
Deficit	\$ (4,103)	\$ (3,132)
Revenue	\$ 29	\$ 38
Expenses	1,000	1,047
Net loss	\$ (971)	\$ (1,009)

#### 13. COMPARATIVE FIGURES

The 2015 comparative figures were audited by another accountant. Certain comparative figures have been changed to reflect financial statement presentation adopted in the current year.

#### 14. BUDGET AMOUNTS

Unaudited budget figures have been provided for comparison purposes and have been derived from the estimates provided by the First Nation.



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## HESQUIAHT FIRST NATION

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2016

#### 15. EXPENSES BY OBJECT

	2016	2015
Amortization	\$ 837,179	\$ 873,713
Bank charges and interest	19,863	27,590
Basic needs	82,683	75,256
Contracted services	225,492	123,923
Fuel	474,952	632,149
Honoraria	86,040	77,905
Insurance	49,266	51,871
Other	7,172	-
Professional fees	87,159	130,546
Repairs and maintenance	235,846	102,828
Supplies	94,360	144,557
Telephone	30,885	47,898
Training and workshops	4,073	22,994
Travel	330,023	224,685
Wages and benefits	539,974	684,812
	<u>\$ 3,104,967</u>	<u>\$ 3,220,727</u>

#### 16. SEGMENTED REPORTING

The First Nation provides a wide variety of services and programs to its members. These services and programs are reported under various funds as disclosed in note 1(a).