

**HUPACASATH FIRST NATION  
FINANCIAL STATEMENTS**

**March 31, 2016**

**HUPACASATH FIRST NATION  
INDEX**

**March 31, 2016**

**Page**

<b>Management's Responsibility for Financial Reporting</b>	1
<b>Independent Auditor's Report</b>	2
 <b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Change in Net Financial Assets	4
Statement of Revenue, Expenditures and Accumulated Surplus	5 - 7
Statement of Cash Flows	8
Notes to Financial Statements	9
 <b>Schedules of Financial position and Revenue, Expenditures and Equity by Program</b>	
Summary Schedule of Revenue, Expenditures and Equity by Program	17
Operating Fund Schedule of Financial Position	18
Administration/Community Initiative - Schedule #2	19
Capacity Development - Schedule #3	21
Capital - Residential - Schedule #4	22
Capital - Non-residential - Schedule #5	23
Community & Human Services - Schedule #6	24
Community Maintenance - Schedule #7	25
Economic Development - Schedule #8	26
Education - Schedule #9	27
Employment & Training - Schedule #10	28
Fisheries - Schedule #11	29
Natural Resources - Schedule #12	31
Language & Cultural Programs - Schedule #13	32
Social Development - Schedule #14	33
Provision for Capital Assets - Schedule #15	34
Trust Fund Schedule of Financial Position	35
Trust Fund - Schedule #17	36

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**HUPACASATH FIRST NATION  
INDEX**

**March 31, 2016**

**Page**

**Schedules of Financial position and Revenue, Expenditures and Equity by Program (continued)**

Social Housing Fund Schedule of Financial Position	37
Phase 1&2 - Schedule #19	38
Enterprise Fund Schedule of Financial Position	39
Enterprise Fund - Schedule #21	40
Treaty Fund Schedule of Financial Position	41
Treaty - General - Schedule #23	42

**Mandatory reporting requirements**

NG85 Negotiation Preparedness	45
NTR0 Preparedness	46

**HUPACASATH FIRST NATION**  
**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**  
**March 31, 2016**

The accompanying financial statements of Hupacasath First Nation and all the information in this annual report for the year ended March 31, 2016 are the responsibility of management and have been approved by the Chief and Council.

The 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 judgement. 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.

The Hupacasath 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 Nation's assets are appropriately accounted for and adequately safeguarded.

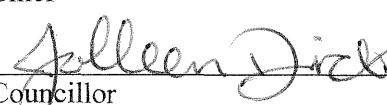
The Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Chief and Council review the Nation's financial statements and recommend their approval. The Chief and Council meet 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 annual report, the financial statements and the external auditors' report. (The Chief and Council take this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.)

The financial statements have been audited by Sabo, Jang Co. in accordance with Canadian generally accepted auditing standards on behalf of their members. Sabo, Jang Co. has full access to Chief and Council.

  
\_\_\_\_\_  
Chief

July 28, 2016  
Date

  
\_\_\_\_\_  
Councillor

July 28, 2016  
Date

# SABO, JANG & CO. LTD.

(A Professional Corporation)

Chartered Professional Accountants

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GREG K. SABO, BA, CPA, CGA, PARTNER  
TIM O'CONNOR, CPA, CGA, ASSOCIATE

MICHAEL JANG, BA, CPA, CGA, CAFM, PARTNER

## Independent Auditor's Report

To the Members of  
Hupacasath First Nation

We have audited the accompanying financial statements of Hupacasath First Nation, which comprise the statement of financial position as at March 31, 2016, and the statements of revenue, expenditures and accumulated surplus, change 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 Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the First Nation's preparation and fair presentation of the 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 First Nation'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 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, the financial statements present fairly, in all material respects, the financial position of Hupacasath First Nation as at March 31, 2016, and the results of its operations, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Parksville, B.C.  
July 28, 2016

*Sabo, Jang & Co. Ltd.*  
Sabo, Jang & Co. Ltd.  
Chartered Professional Accountants

**HUPACASATH FIRST NATION**  
**STATEMENT OF FINANCIAL POSITION**  
**March 31, 2016**

	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash	\$ 388,020	\$ 333,808
Restricted cash (Note 3)	250,232	240,649
Accounts receivable	454,244	216,335
GST/HST recoverable	62,852	56,119
Accommodation deposit	46,743	46,188
Long-term investments (Note 4)	2,733,260	2,815,642
	<hr/> 3,935,351	<hr/> 3,708,741
<b>LIABILITIES</b>		
Accounts payable	415,665	294,289
GST payable	14,623	9,091
Deferred revenue	57,880	-
Due from/to Tsmas-as Tseafoods LP	133,296	37,035
Committed funds (Note 5)	1,141,118	1,124,909
Wages payable	45,683	31,750
Reserves (Note 6)	48,065	49,014
Long-term debt (Note 7)	2,751,409	2,612,869
	<hr/> 4,607,739	<hr/> 4,158,957
<b>NET FINANCIAL ASSETS</b>	<b>(672,388)</b>	<b>(450,216)</b>
<b>NON-FINANCIAL ASSETS</b>		
Capital assets (Note 9)	3,127,059	2,730,340
Prepaid expenses	54,124	24,152
	<hr/> 3,181,183	<hr/> 2,754,492
<b>ACCUMULATED SURPLUS (Note 11)</b>	<b>\$ 2,508,795</b>	<b>\$ 2,304,276</b>

Approved on behalf of the Hupacasath First Nation

Barb J. Stott, Chief

Jillian D., Councillor

See accompanying Notes to Financial Statements.

**HUPACASATH FIRST NATION**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the year ended March 31, 2016**

	2016	2015
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ 223,315</b>	<b>\$ 5,669</b>
Acquisition of tangible capital assets (Note 10)	(724,417)	(127,854)
Amortization of tangible capital assets (Note 10)	325,116	270,741
Disposition of capital asset	-	2,886
	(396,719)	145,773
Acquisition of prepaid asset	(29,972)	(4,723)
Change in committed funds (Note 5)	(18,796)	(157,754)
Decrease in net financial assets	(222,172)	(11,035)
<b>Net debt at beginning of year</b>	<b>(450,216)</b>	<b>(439,181)</b>
<b>Net debt at end of year</b>	<b>\$ (672,388)</b>	<b>\$ (450,216)</b>

See accompanying Notes to Financial Statements.

**HUPACASATH FIRST NATION**  
**STATEMENT OF REVENUE, EXPENDITURES AND ACCUMULATED SURPLUS**  
**For the year ended March 31, 2016**

	2016	2015
<b>REVENUE</b>		
Sales	\$ 1,444,052	\$ 943,087
NTC	1,408,781	1,152,719
Department of Fisheries and Oceans	464,970	223,053
Province of BC	161,736	174,465
Nuu-chah-nulth Economic Development Corporation	160,439	26,801
Rental Income	135,092	115,383
Administration recoveries	99,817	50,823
Other revenue	50,191	17,012
CMHC subsidies	43,860	73,332
BC Hydro	39,012	40,411
Net income for Nootka Insurance Agency	6,194	5,345
Miscellaneous Revenue	6,087	3,127
Interest income	4,707	18,835
Other grants	4,000	34,472
FNESC	3,631	8,432
Income from Tsumas-as Tseafoods LP	-	34,835
BC special	-	741
Loss from Upnit Power Limited Partnership	(77,037)	(83,521)
	<hr/> 3,955,532	<hr/> 2,839,352

See accompanying Notes to Financial Statements.

**HUPACASATH FIRST NATION**  
**STATEMENT OF REVENUE, EXPENDITURES AND ACCUMULATED SURPLUS**  
**For the year ended March 31, 2016**

	2016	2015
<b>EXPENDITURES</b>		
Administration fees	7,200	156
Amortization	325,116	270,741
Bad debts	9,851	29,200
Basic needs	196,222	167,048
Community support programs	121,340	86,126
Consultant fees	361,630	137,224
Contracts	479,561	404,161
Custom election code	-	13,850
Election expense	2,330	7,000
Equipment	2,796	-
Equipment lease	16,734	-
Fire protection	18,665	18,223
Food fish expense	-	18,469
Fuel	6,387	7,865
Honoraria	108,660	58,027
Housing renovations	21,010	23,982
Insurance	58,420	29,166
Interest and bank charges	2,988	2,536
Interest on long term debt	62,359	59,999
Licences, dues and fees	14,114	8,365
Materials and supplies	63,516	56,562
Meetings	7,730	7,478
Membership distribution	51,800	116,400
National Child Tax Benefit	24,551	21,946
Office expenses	51,784	57,026
Operating reserve transfers	3,463	4,483
Patient transportation	26,302	18,558
Production costs	735,049	329,583
Professional fees	42,536	33,209
Property tax	8,962	3,956
RRAP Renovations	5,995	35,164
Reforestation	550	4,784
Rent	5,936	6,084
Rental property costs	27,074	55,200
Repairs and maintenance	56,639	62,303
Replacement reserve transfers	12,000	12,000
Special needs	14,703	6,873
Student allowances	9,933	11,522
Student transportation	82	-
Telecommunications	1,985	3,057
Training	3,360	136
Travel	27,678	37,083
Tuition - preschool	5,054	4,538
Utilities and telephone	64,202	61,322
Wages and benefits	665,950	542,278

See accompanying Notes to Financial Statements.

**HUPACASATH FIRST NATION**  
**STATEMENT OF REVENUE, EXPENDITURES AND ACCUMULATED SURPLUS**  
**For the year ended March 31, 2016**

	2016	2015
	3,732,217	2,833,683
EXCESS OF REVENUE OVER EXPENDITURES	223,315	5,669
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	388,087	537,272
Less: Committed funds end of year	(1,141,118)	(1,124,909)
Add: Committed funds beginning of the year	1,124,909	970,055
ACCUMULATED SURPLUS AT END OF YEAR	\$ 595,193	\$ 388,087

See accompanying Notes to Financial Statements.

**HUPACASATH FIRST NATION**  
**STATEMENT OF CASH FLOWS**  
**For the year ended March 31, 2016**

	2016	2015
<b>Cash flows from</b>		
<b>Operating activities</b>		
EXCESS OF REVENUE OVER EXPENDITURES	\$ 223,315	\$ 5,669
Change in non-cash operating working capital	77,778	(38,941)
	301,093	(33,272)
<b>Capital activities</b>		
Amortization of tangible capital assets	325,116	270,741
Acquisition of tangible capital assets	(724,417)	(127,854)
Disposition of capital asset	-	2,886
	(399,301)	145,773
<b>Financing activities</b>		
Due from/to Tsmas-as Tseafoods LP	96,261	37,035
Long-term debt	138,541	(225,118)
	234,802	(188,083)
<b>Investing activities</b>		
(Increase) decrease in investments	(82,382)	(31,669)
Increase (decrease) in cash and cash equivalents	54,212	(107,251)
Cash and cash equivalents, beginning of year	333.808	441,059
Cash and cash equivalents, end of year	\$ 388,020	\$ 333,808

See accompanying Notes to Financial Statements.

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**HUPACASATH FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2016**

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Fund accounting**

The Hupacasath First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual, or voluntary actions. The various funds have been amalgamated for the purposes of presentation in the consolidated financial statements. Detail of the operations of each fund are set out in the supplementary schedules.

**(b) Reporting entity principles of financial reporting**

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

The controlled business of Upnit Power Limited Partnership, has been recorded by the First Nation using the modified equity method where applicable. See Note 5 on Investments.

The First Nation also prepares Financial Statements that consolidate the assets, liabilities and results of operations for the following entities which lend themselves to consolidation:

1. Operating Fund
2. Trust Fund
3. Social Housing Fund
4. Enterprise Fund
5. Treaty Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Readers of the Financial Statements should refer to the consolidated Financial Statements.

**(c) Comparative figures**

Comparative figures have been reclassified, where applicable, to conform to current presentation.

**HUPACASATH FIRST NATION  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2016**

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

**(d) Tangible capital assets**

Property, equipment and infrastructure expenditures incurred after March 31, 1986 are valued at the acquisition cost. Expenditures incurred previous to April 1, 1986 are reflected at a nominal cost of \$1 for each capital asset classification.

Assets are amortized using the straight-line method at the annual rates set out in Note 9.

Social housing capital assets have been amortized in an amount equal to the principal reduction of the mortgage, as required for the CMHC reporting purposes.

**(e) Revenue recognition**

Funding received under the terms of agreements is recognized as revenue when received. Funding received but not yet expended is included in the applicable statement of revenue and expenditure.

**(f) Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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. Actual results could differ from those estimates.

**2. ECONOMIC DEPENDENCE**

Hupacasath First Nation receives the major portion of its operating revenues pursuant to an agreement referred to as the First Nations and Tribal Councils National Funding Agreement (FNTCNFA). This agreement has been entered into by the Nuu-chah-nulth Tribal Council, certain of its member First Nations, and Indigenous and Northern Affairs Canada (INAC). This current agreement covers the period April 1, 2014 until March 31, 2018.

**3. RESTRICTED CASH**

	2016	2015
	\$	\$
Ottawa Trust Funds	\$ 32,613	\$ 31,224
Social Housing reserve bank	50,996	55,409
Treaty	642	641
In Trust for Membership	165,981	153,375
	<hr/>	<hr/>
	\$ 250,232	\$ 240,649
	<hr/>	<hr/>

**4. LONG-TERM INVESTMENTS**

**HUPACASATH FIRST NATION  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2016**

**4. LONG-TERM INVESTMENTS, continued**

Investments are comprised of investments in and advances to subsidiaries. Subsidiaries controlled by the First Nation are consolidated in these financial statements on the modified equity basis:

	2016	2015
Investment in Nootka Insurance Agency LP	\$ 51	\$ 5,396
Investment in Tsumas-as Tseafoods LP	109,845	109,845
Investment in Upnit Power LP	2,623,361	2,700,398
Investment in 650445 BC Ltd.	3	3
	<hr/> \$ 2,733,260	<hr/> \$ 2,815,642

The First Nation owns 51% of the outstanding units of Nootka Insurance Agency Limited Partnership. The investment is comprised of \$51 capital investment in the partnership. As at December 31, 2015, the partnership had assets of \$29,645, liabilities of \$17,399 and net income of \$12,146 for the year then ended.

The First Nation owns 99.99% of the outstanding units of Tsuma-as Tseafoods Limited Partnership. This investment is comprised of \$75,010 capital investment in the partnership plus the First Nation's share of the accumulated net income of \$34,835. As at December 31, 2015, the limited partnership had assets of \$300,551 and liabilities of \$190,670 and net income for the period then ended of \$34,870.

The First Nation owns 72.5% of the units of Upnit Power Limited Partnership. The investment is comprised of \$3,391,250 capital investment in the partnership less the First Nation's share of accumulated net losses of \$767,889. Upnit Power Limited Partnership operates a micro hydro facility which began operations in December, 2005. As at December 31, 2015, the partnership had assets of \$9,930,811, liabilities of \$6,639,960 and a net loss of \$106,258 for the year then ended.

The First Nation owns 100% of the outstanding shares of 650455 BC Ltd. with a cost of \$3. The company was originally incorporated to hold the First Nation's 10% interest in Eagle Rock Materials Ltd. Due to market and other conditions, management has determined that the value and cash flows from the investment are indeterminable and thus, conservatively, wrote the investment down to zero during the year ended March 31, 2011. This does not affect the future participation, if any, of the First Nation in this project.

**HUPACASATH FIRST NATION  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2016**

**5. COMMITTED FUNDS**

The First Nation has committed funds that were received during the year which are for future expenditure in the following programs;

	2016	2015
Health & Family Services	\$ 359,250	\$ 325,370
Capital - Residential	243,779	239,979
Capital - Non-residential	361,988	317,276
Natural Resources	176,101	242,284
	<hr/> \$ 1,141,118	<hr/> \$ 1,124,909

**6. RESERVES**

	2016	2015
Social Housing Replacement Reserve	\$ 43,466	\$ 43,327
Social Housing Operating Reserve	4,599	5,687
	<hr/> \$ 48,065	<hr/> \$ 49,014

**7. LONG-TERM DEBT**

	2016	2015
Indigenous & Northern Affairs Canada treaty loan, for details see Note 8.	\$ 904,411	\$ 904,411
NEDC, repayable at \$1,180 per month including interest at 12% per annum; secured by PPSA and a promissory note of the First Nation	-	10,531
Ford Credit Corporation, repayable at \$398 per month including interest at 3.49%; secured by certain automotive equipment	11,050	15,357
NEDC, repayable at \$2,454 per month including interest at 8% per annum; \$7,939 is forgiven at \$1 for every \$1 principal paid on the interest bearing loan; secured by PPSA and a promissory note of the First Nation.	112,584	-
Royal Bank of Canada, although due on demand, the bank is accepting \$7,222 per month including interest at prime plus 1.35% per annum, matures 2025; secured by a general security agreement	852,222	938,889

**HUPACASATH FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2016**

**7. LONG-TERM DEBT, continued**

	2016	2015
	\$	\$
All Nations Trust Company, repayable at \$2,010.33 per month including interest at 1.92% per annum, guaranteed by Hupacasath First Nation and the Federal Government, renewal date is April 2019 (matures April 2026)	221,056	240,811
All Nations Trust Company, repayable at \$2,718.93 per month including interest at 1.53% per annum, guaranteed by Hupacasath First Nation and the Federal Government, renewal date is December 2017 (matures October 2032)	477,788	502,870
NEDC, repayable at \$1,480 per month including interest at 8% per annum; \$24,095 is forgiven at \$1 for every \$1 principal paid on the interest bearing loan; secured by PPSA and a promisory note of the First Nation.	96,455	-
NEDC, repayable beginning July 31, 2016 at 8% per annum; \$25,000 is forgiven at \$1 for every \$1 principal paid on the interest bearing loan; secured by PPSA and a promisory note of the First Nation.	75,843	-
	<hr/> \$ 2,751,409	<hr/> \$ 2,612,869

Principal portion of long-term debt due within the next five years:

2017	\$ 180,295
2018	176,604
2019	167,023
2020	170,251
2021 and thereafter	2,057,236
	<hr/> \$ 2,751,409

	2016	2015
	\$	\$
Interest expense for the year on long-term debt	-	-

**8. TREATY LOAN FROM INDIGENOUS AND NORTHERN AFFAIRS CANADA**

During the current year, the First Nation received no funding from the BC Treaty Commission.

For the year ended March 31, 2016, the First Nation received \$Nil in additional loan funds and \$Nil in contributions funds. These funds are to be used solely for the purpose of treaty negotiations. Loans are non-interest bearing and become due and payable upon the earlier of:

**HUPACASATH FIRST NATION  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2016**

**8. TREATY LOAN FROM INDIGENOUS AND NORTHERN AFFAIRS CANADA, continued**

- a) the twelfth (12th) anniversary of the date on which the first loan advance was made pursuant to the instructions of the Commissioners. However, the First Nation has applied for and been granted an additional five years;
- 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) that date on which the First Nation commits an act of bankruptcy.

	2016	2015
Loan amount received in prior years	\$ 904,411	\$ 904,411
Loan amount received in current years	-	-
Loan balance, end of year	\$ 904,411	\$ 904,411

**9. TANGIBLE CAPITAL ASSETS**

	Rate	Cost	2016 Accumulated amortization	Net book value	2015 Net book value
Land	n/a	\$ 66,625	\$ -	\$ 66,625	\$ 66,625
Buildings	20 yrs	2,956,997	2,119,774	837,223	851,642
Vehicles	5 yrs	623,405	272,019	351,386	113,100
Computer Equipment	3 yrs	141,378	138,766	2,612	6,083
Roads and Parking Lots	20 yrs	237,444	40,458	196,986	181,193
Equipment	5 yrs	278,800	243,892	34,908	2,344
Social Housing	Note 1(d)	1,460,353	363,291	1,097,062	1,141,855
Community Infrastructure	20 yrs	1,267,225	1,082,915	184,310	206,144
Computer Software	3 yrs	6,020	5,305	715	2,147
Boats	8 yrs	315,735	75,564	240,171	70,680
Fencing	5 yrs	12,039	12,039	-	-
Other Capital Assets	10 yrs	197,636	82,575	115,061	88,527
		<hr style="border: 1px solid black;"/>			
		\$ 7,563,657	\$ 4,436,598	\$ 3,127,059	\$ 2,730,340

**HUPACASATH FIRST NATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2016**

**10. CHANGES IN TANGIBLE CAPITAL ASSETS**

	Additions	Disposals	Amortization	Accumulated amortization on disposals
Community Infrastructure	\$ -	\$ -	\$ 21,834	\$ -
Buildings	-	-	120,446	-
Boats	193,165	-	23,674	-
Vehicles	317,372	-	79,086	-
Equipment	33,670	-	1,107	-
Computer Equipment	-	-	3,471	-
Computer Software	-	-	1,432	-
Other Capital Assets	44,093	-	11,559	-
Roads	26,990	-	3,197	-
Parking Lot	-	-	8,000	-
Signage	3,100	-	517	-
Sawmill	-	-	6,000	-
Sugar Shack	106,027	-	-	-
Social Housing	-	-	44,793	-
<b>Total - 2016</b>	<b>724,417</b>	<b>-</b>	<b>325,116</b>	<b>-</b>
<b>Total - 2015</b>	<b>\$ 127,854</b>	<b>\$ 9,619</b>	<b>\$ 270,741</b>	<b>\$ 6,734</b>

**11. ACCUMULATED SURPLUS**

	2016	2015
Surplus per summary schedule	\$ 1,607,497	\$ 1,384,182
Committed funds	(1,143,702)	(1,124,909)
Contributed equity	2,045,000	2,045,000
	<b>\$ 2,508,795</b>	<b>\$ 2,304,273</b>

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**HUPACASATH FIRST NATION  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2016**

**12. CONTINGENT LIABILITIES**

- a) The First Nation is contingently liable for guarantees of mortgages of members' residences situated on reserve. The total amount of such mortgages as at March 31, 2016 is \$443,915 (2015 - \$302,223)
- b) The First Nation is contingently liable on a loan made by Western Economic Diversification Canada to the First Nation controlled entity Upnit Power Limited Partnership. The balance of the loan at March 31, 2016 was \$223,750 (2015 - \$299,350). The First Nation's contingent liability is limited to its 72.5% share in the limited partnership.
- c) The First Nation is contingently liable for \$157,623 loaned by Canadian Mortgage and Housing Corporation to the First Nation controlled entity Ooh-ah-thuk-kuu-wil Society. Commencing in August 2007, the loan is forgiven at a rate of one fifteenth of the original principal amount for each year the Society continues to own and operate the safehouse project.
- d) The First Nation has received funding from Canadian Mortgage and Housing Corporation to provide major renovations to the homes of certain of its members. This funding of \$116,294 becomes repayable in the event that the member does not remain in the house for a period of five years.

**13. SUBSEQUENT EVENTS**

On July 13, 2016 the First Nation signed an agreement for an extension to September 2, 2021 for the repayment of the Treaty Loan which is valued at \$904,411.

**14. FINANCIAL INSTRUMENTS**

The financial instruments of the First Nation consist of cash, accounts receivable, accounts payable and accruals, wages payable and 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.

**15. INDIGENOUS & NORTHERN AFFAIRS CANADA - Supplementary Information**

These financial statements include supplementary information required by Indigenous & Northern Affairs Canada. the required information is presented on pages 45-47. The amounts reflected in the supplementary information are referenced by page number to a particular program of the First Nation. As each program is a summary of a number of related activities the specific amounts reflected in the supplementary information may not be identifiable except by revenue and expenditure category.