

EHATTESAHT/CHINEHKINT TRIBE
Consolidated Financial Statements
March 31, 2014

EHATTESAHT/CHINEHKINT TRIBE

March 31, 2014

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of the Ehattesaht/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 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 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 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 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 financial statements. The external auditors have full and free access to financial management of Ehattesaht/Chinehkint Tribe and meet when required.

On behalf of Ehattesaht/Chinehkint Tribe:



Chief and Council



Band Manager

July 28, 2014



Chan
Nowosad
Boates

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To: The Members of the
Ehattesaht/Chinehkint Tribe

We have audited the accompanying financial statements of Ehattesaht/Chinehkint Tribe which comprise the statement of financial position as at March 31, 2014, and the 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 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 auditor considers internal control relevant to the entity'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 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 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 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 financial statements present fairly, in all material respects, the financial position of Ehattesaht/Chinehkint Tribe as at March 31, 2014, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants
Campbell River, BC

July 28, 2014

EHATTESAHT/CHINEHKINT TRIBE

Statement of Financial Position

March 31, 2014

2014

2013

\$

\$

FINANCIAL ASSETS

Cash and Cash Equivalents (Note 2)	815,587	1,145,314
Trust Funds Held by Federal Government (Note 3)	69,670	66,921
Accounts Receivable (Note 4)	288,816	137,223
Due from Government and Other Government Organizations (Note 5)	88,811	256,352
Investments in First Nation Affiliated Entities (Note 6)	6,240,251	6,425,004
Due from Related Entities (Note 10)	1,099,332	537,375
	<u>8,602,467</u>	<u>8,568,189</u>

LIABILITIES

Accounts Payable and Accrued Liabilities (Note 7)	462,309	194,928
Due to Government and Other Government Organizations (Note 8)	34,684	37,269
Deferred Revenue (Note 9)	8,768	8,768
Long Term Debt (Note 11)	1,813,999	1,756,939
	<u>2,319,760</u>	<u>1,997,904</u>

NET FINANCIAL ASSETS

6,282,707 6,570,285

NON-FINANCIAL ASSETS

Replacement Reserve (Note 12)	-	-
Prepaid Expenses	27,536	8,351
Tangible Capital Assets (Notes 13 and 11)	3,567,751	2,320,222
Other Assets (Note 14)	64,048	64,048
	<u>3,659,335</u>	<u>2,392,621</u>

ACCUMULATED SURPLUS (Note 16)

9,942,042 8,962,906

Contingent Liabilities (Note 15)

-

-

Approved by:


Chief and Council


Band Manager

EHATTESAHT/CHINEHKINT TRIBE

Statement of Operations and Accumulated Surplus

Year Ended March 31, 2014

	2014		2013
	Actual	Budget	
	\$	\$	\$
Revenue			
Federal Government Transfers for Operating	1,382,805	1,449,075	1,377,945
Federal Government Transfers for Capital	557,074	1,201,880	90,331
Provincial Government Transfers for Operating	114,374	110,160	144,719
Rent	107,795	111,670	104,958
Road Use	65,289	138,025	182,205
Fishing	95,703	118,253	117,388
Other Investment Income	817,110	229,265	3,730,727
Other	<u>198,083</u>	<u>213,375</u>	<u>147,063</u>
	3,338,233	3,571,703	5,895,336
Total Expenditures	<u>2,359,097</u>	<u>3,839,780</u>	<u>2,396,350</u>
Annual Surplus	979,136	<u>(268,077)</u>	3,498,986
Accumulated Surplus - Beginning of Year	<u>8,962,906</u>		<u>5,463,920</u>
Accumulated Surplus - End of Year	<u>9,942,042</u>		<u>8,962,906</u>

EHATTESAHT/CHINEHKINT TRIBE

Statement of Expenditures

Year Ended March 31, 2014

	2014		2013
	Actual	Budget	
	\$	\$	\$
Expenditures (Recovery)			
Band Management	410,682	399,221	274,385
Community Services	7,433	11,400	27,995
Education	48,893	58,322	64,093
CHR & Youth Rec	370,710	327,120	299,375
New Relationship Trust	33,370	-	-
Social Housing	113,975	333,872	115,531
Governance	261,099	274,916	311,301
BCCI	370	74,400	73,770
First Voices	250	-	300
Band Housing	91,415	694,352	97,889
Capital Residential	127,670	154,716	230,711
Capital Infrastructure	11,758	572,600	10,137
Addition to Reserves	-	92,500	15,252
BC First Nations Youth Grant	-	-	135
Back to Basics	(2,500)	-	30,500
Social Development	193,659	244,798	293,781
Language Project	99,308	172,810	64,517
Canadian Heritage	31,136	-	-
Community Food Action	-	-	3,300
Aquaculture	6,722	-	10,169
Summer Students	3,151	10,687	9,629
Enterprise - Fishing	65,215	91,470	25,592
T'aaq-wiihak	41,923	-	-
Shake Mill	9,880	-	9,487
Fisheries	66,464	59,114	111,985
Treaty	4,476	23,691	43,326
Forestry Strategy	68,566	-	4,411
Band Revenue	209,658	190,791	177,002
Zeballos Lake Hydro Project	-	-	2,564
Barr Creek Hydro Project	-	48,000	172
Community Garden	5,064	5,000	6,411
Queen's Cove	78,750	-	82,630
	<u>2,359,097</u>	<u>3,839,780</u>	<u>2,396,350</u>

EHATTESAHT/CHINEHKINT TRIBE

Statement of Changes in Net Financial Assets

Year Ended March 31, 2014

	2014	2013
	\$	\$
Annual Surplus	<u>979,136</u>	<u>3,498,986</u>
Tangible Capital Assets Purchased	(1,489,404)	(78,153)
Amortization of Tangible Capital Assets	237,375	243,627
Proceeds on Sale of Tangible Capital Assets	<u>4,500</u>	<u>1,500</u>
	<u>(1,247,529)</u>	<u>166,974</u>
Replacement Reserve	<u>-</u>	<u>7,958</u>
Acquisition of Prepaid Asset	(263,494)	(98,163)
Use of Prepaid Asset	<u>244,309</u>	<u>108,948</u>
	<u>(19,185)</u>	<u>10,785</u>
Increase (Decrease) in Net Financial Assets	(287,578)	3,684,703
Net Financial Assets - Beginning of Year	<u>6,570,285</u>	<u>2,885,582</u>
Net Financial Assets - End of Year	<u>6,282,707</u>	<u>6,570,285</u>

EHATTESAHT/CHINEHKINT TRIBE

Statement of Cash Flows

Year Ended March 31, 2014

	2014	2013
	\$	\$
Cash Flows From Operating Activities:		
Cash Flows from Government and Other Sources	3,351,432	6,133,669
Cash Paid to Suppliers and Employees	<u>(1,876,111)</u>	<u>(2,390,346)</u>
	<u>1,475,321</u>	<u>3,743,323</u>
Cash Flows From Capital Activities:		
Purchase of Tangible Capital Assets	(1,489,404)	(78,153)
Proceeds on Sale of Tangible Capital Assets	<u>4,500</u>	<u>1,500</u>
	<u>(1,484,904)</u>	<u>(76,653)</u>
Cash Flows From Investing Activities:		
Loans from (to) Related Entities	(561,957)	384,976
Investment from (in) First Nation Entities	<u>184,753</u>	<u>(3,450,887)</u>
	<u>(377,204)</u>	<u>(3,065,911)</u>
Cash Flows From Financing Activities:		
Long Term Debt Incurred	457,773	-
Repayment of Long Term Debt	<u>(400,713)</u>	<u>(100,812)</u>
	<u>57,060</u>	<u>(100,812)</u>
Increase (Decrease) in Cash and Cash Equivalents	(329,727)	499,947
Cash and Cash Equivalents - Beginning of Year	<u>1,145,314</u>	<u>645,367</u>
Cash and Cash Equivalents - End of Year	<u>815,587</u>	<u>1,145,314</u>
Cash is Represented by:		
Cash on Hand and Held in Banks	<u>815,587</u>	<u>1,145,314</u>

EHATTESAHT/CHINEHKINT TRIBE

Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies:

a) **Basis of Accounting:**

These 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) **Reporting Entity:**

The Ehattesaht/Chinehkint Tribe reporting entity includes the Ehattesaht/Chinehkint Tribe government and all related entities that are controlled by the Tribe.

c) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, balances with banks and short term investments having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

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 Ehattesaht/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 writedowns are accounted for as expenses in the consolidated statement of operations.

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.

EHATTESAHT/CHINEHKINT TRIBE

Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies (continued):

f) **Revenue Recognition (continued):**

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) **Measurement Uncertainty:**

In preparing the financial statements for the Ehattesaht/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 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, Ehattesaht/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. Cash and cash equivalents is comprised of the following:

	2014	2013
	\$	\$
Unrestricted		
Operating	317,761	665,875
Social Housing	23,083	15,759
Capital Assets	81,138	74,158
Treaty	393,605	389,522
	<u>815,587</u>	<u>1,145,314</u>

3. Trust Funds Held by Federal Government:

	2013	Additions	Withdrawals	2014
	\$	\$	\$	\$
Revenue	59,595	2,749	-	62,344
Capital	7,326	-	-	7,326
	<u>66,921</u>	<u>2,749</u>	<u>-</u>	<u>69,670</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*.

EHATTESAHT/CHINEHKINT TRIBE

Notes to Financial Statements

March 31, 2014

4. Accounts Receivable:

	<u>2014</u>	<u>2013</u>
	\$	\$
Miscellaneous	75,787	18,428
Breakers Fish Co.	-	12,912
Band Members	254,944	214,508
Aat-uu Forestry	70,941	7,154
Shake & Shingle Sales	-	6,000
Interest on Treaty Funds	1,087	1,087
Social Housing Rents	<u>98,932</u>	<u>100,575</u>
	501,691	360,664
Less: Allowance for Doubtful Accounts	<u>(212,875)</u>	<u>(223,441)</u>
	<u>288,816</u>	<u>137,223</u>

5. Due from Government and Other Government Organizations:

	<u>2014</u>	<u>2013</u>
	\$	\$
Federal Government		
Nuu-chah-nulth Tribal Council	79,646	227,066
Sales Taxes Recoverable	7,040	33,540
CMHC	2,125	2,165
Provincial Government	<u>-</u>	<u>781</u>
	88,811	263,552
Less: Allowance for Doubtful Accounts	<u>-</u>	<u>(7,200)</u>
	<u>88,811</u>	<u>256,352</u>

EHATTESAHT/CHINEHKINT TRIBE

Notes to Financial Statements

March 31, 2014

6. Investments in First Nation Affiliated Entities:

	<u>2014</u>	<u>2013</u>
	\$	\$
Ehattesaht Fishing Corporation		
Shares (100%)	2	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 (Advances)	14,181	14,181
Accumulated share of Earnings	<u>108,458</u>	<u>33,447</u>
	<u>122,640</u>	<u>47,629</u>
Aat'uu Forestry Limited Partnership		
999 Units (99%)	99	99
Contributions (Advances)	(2,001,400)	(1,066,449)
Accumulated share of Earnings	<u>8,118,818</u>	<u>7,443,631</u>
	<u>6,117,517</u>	<u>6,377,281</u>
Total		
Shares	194	194
Contributions (Advances)	(1,987,219)	(1,052,268)
Accumulated share of Earnings	<u>8,227,276</u>	<u>7,477,078</u>
	<u>6,240,251</u>	<u>6,425,004</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.

EHATTESAHT/CHINEHKINT TRIBE

Notes to Financial Statements

March 31, 2014

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, 2014 with comparative figures for the year ending March 31, 2013. These financial statements were unaudited.

Financial information for Barr Creek Hydro Ltd. is from financial statements prepared for the period ending June 30, 2013. 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, 2013. These financial statements were audited.

	Ehattesaht Fishing Corp	0881643 BC Ltd	Aat'nu Forestry Ltd	0754140 BC Ltd	Aat'nu Forestry LP	Barr Creek Hydro Ltd	Hayu Fishing Ltd	Hayu Fishing LP	TOTAL 2014	TOTAL 2013
Cash	-	11,256	-	-	1,499,397	25,134	-	265,197	1,800,984	1,963,065
Accounts Receivable	465	-	-	-	916,718	168	-	29,068	946,419	1,478,636
Inventory	-	-	-	-	1,052,021	-	-	-	1,052,021	1,120,090
Tangible Capital Assets	460	-	-	-	86,574	-	-	141,902	228,936	256,740
Other Assets	-	717,412	8,126	1	3,514,295	-	43	202,501	4,442,378	4,332,854
Total Assets	925	728,668	8,126	1	7,069,005	25,302	43	638,668	8,470,738	9,151,385
Accounts Payable	-	-	-	-	424,815	9,872	2,164	29,977	466,828	863,989
Long-term Debt	-	-	-	-	-	15,000	-	-	15,000	567,491
Other Liabilities	467,562	630,998	7,738	-	518,545	-	-	129,772	1,754,615	1,414,515
Total Liabilities	467,562	630,998	7,738	-	943,360	24,872	2,164	159,749	2,236,443	2,845,995
Equity	(466,637)	97,670	388	1	6,125,645	430	(2,121)	478,919	6,234,295	6,305,390
Total Liabilities and Equity	925	728,668	8,126	1	7,069,005	25,302	43	638,668	8,470,738	9,151,385
Revenues	-	(63,072)	676	-	4,251,251	(1)	34	494,439	4,683,327	4,259,733
Expenses	21,610	26,261	801	-	3,575,389	-	1,047	194,365	3,819,473	439,436
Net Income (Loss)	(21,610)	(89,333)	(125)	-	675,862	(1)	(1,013)	300,074	863,854	3,820,297

7. Accounts Payable and Accrued Liabilities:

	2014 \$	2013 \$
Trade payables	425,837	172,557
Accrued salaries and benefits payable	36,472	22,371
	<u>462,309</u>	<u>194,928</u>

8. Due to Government and Other Government Organizations:

	2014 \$	2013 \$
Federal Government	32,036	35,604
Other Government Organizations	2,648	1,665
	<u>34,684</u>	<u>37,269</u>

EHATTESAHT/CHINEHKINT TRIBE

Notes to Financial Statements

March 31, 2014

9. Deferred Revenue:

	2013	Funding Received	Revenue Recognized	2014
Federal Government				
Capital Projects	-	557,074	557,074	-
Other	<u>6,518</u>	<u>1,382,805</u>	<u>1,382,805</u>	<u>6,518</u>
	<u>6,518</u>	<u>1,939,879</u>	<u>1,939,879</u>	<u>6,518</u>
Provincial Government				
Capital Projects	-	-	-	-
Other	<u>2,250</u>	<u>114,374</u>	<u>114,374</u>	<u>2,250</u>
	<u>2,250</u>	<u>114,374</u>	<u>114,374</u>	<u>2,250</u>
Other				
Unearned fees	-	<u>1,283,980</u>	<u>1,283,980</u>	-
Total	<u>8,768</u>	<u>3,338,233</u>	<u>3,338,233</u>	<u>8,768</u>

10. Due from (to) Related Entities:

	<u>2014</u>	<u>2013</u>
	\$	\$
Aat'uu Forestry Limited Partnership	-	-
Aat'uu Forestry Ltd.	293	293
0754140 BC Ltd.	(1)	(1)
Ehattesaht Fishing Corp.	467,562	453,963
Hayu Fishing Limited Partnership	480	3,721
0881643 BC Ltd.	<u>630,998</u>	<u>79,399</u>
	<u>1,099,332</u>	<u>537,375</u>

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

11. Long Term Debt:

	<u>2014</u>	<u>2013</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	150,194	-
Bank of Montreal: repayable at \$5,766 per month including interest at 4.91% per annum; due June 1, 2016; secured by mortgage	-	211,309

EHATTESAHT/CHINEHKINT TRIBE

Notes to Financial Statements

March 31, 2014

11. Long Term Debt (continued):

	<u>2014</u>	<u>2013</u>
	\$	\$
Enterprise:		
Nuu-chah-nulth Economic Development Corporation:		
Band Office Improvements - repayable at \$2,210 per month including interest at 8.14%; matures August 2020	132,638	-
Forgivable Portion	15,050	-
Bank of Montreal - 6Plex Mortgage:		
repayable at \$2,002 per month including interest at 3.5%; due August 13, 2014; secured by band council resolutions to \$400,000	372,053	383,656
Nuu-chah-nulth Economic Development Corporation:		
Fisheries Boat Loan - repayable at \$774 per month including interest at 7%, to be paid in full on April 1, 2014; secured by a promissory note	198	9,180
Forgivable Portion	197	9,125
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 the 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>1,813,999</u>	<u>1,756,939</u>

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

	\$	
2015	90,911	
2016	94,274	
2017	1,196,973	
2018	33,210	
2019	35,409	
Thereafter	363,222	
Interest expense for the year on long term debt	<u>18,420</u>	<u>23,686</u>

EHATTESAHT/CHINEHKINT TRIBE

Notes to Financial Statements

March 31, 2014

12. Replacement Reserve:

	<u>2014</u>	<u>2013</u>
	\$	\$
Balance - Beginning of Year	-	(7,958)
Add:		
Reserve Allocation	5,380	5,380
	5,380	(2,578)
Less:		
Replacement Reserve Expenditures	(6,214)	(1,155)
	(834)	(3,733)
Transfer from Operating	834	3,733
Balance - End of Year	-	-

13. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2014	2013
Capital:										
Subdivision	757,547	232,801	-	990,348	753,693	8,471	-	762,164	228,184	3,854
Infrastructure	1,480,641	408,329	-	1,888,970	522,078	111,825	-	633,903	1,255,067	958,563
Band Housing	1,288,181	654,202	-	1,942,383	251,292	61,433	-	312,725	1,629,658	1,036,889
Office Equip	69,164	1,701	-	70,865	56,789	6,921	-	63,710	7,155	12,375
General Equip	44,959	-	-	44,959	44,959	-	-	44,959	-	-
Fisheries Equip	50,093	18,949	4,500	64,542	22,567	5,385	-	27,952	36,590	27,526
Vehicles	40,257	-	-	40,257	39,257	-	-	39,257	1,000	1,000
Assets under Construction	-	173,422	-	173,422	-	-	-	-	173,422	-
	3,730,842	1,489,404	4,500	5,215,746	1,690,635	194,035	-	1,884,670	3,331,076	2,040,207
Social Housing:										
Land	150,000	-	-	150,000	-	-	-	-	150,000	150,000
Housing	1,083,469	-	-	1,083,469	953,454	43,340	-	996,794	86,675	130,015
	1,233,469	-	-	1,233,469	953,454	43,340	-	996,794	236,675	280,015
Total	4,964,311	1,489,404	4,500	6,449,215	2,644,089	237,375	-	2,881,464	3,567,751	2,320,222

14. Other Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2014	2013
Fishing Licences	507,163	-	-	507,163	443,115	-	-	443,115	64,048	64,048

15. Contingent Liabilities:

Band members have received forgivable loans under the Residential Rehabilitation Assistance Program (RRAP) which are guaranteed by the Tribe. The loans are forgivable over 5 years and forgiveness is subject to specific conditions where the balance may become payable if members are in default.

EHATTESAHT/CHINEHKINT TRIBE

Notes to Financial Statements

March 31, 2014

16. Accumulated Surplus:

	<u>2014</u>	<u>2013</u>
	\$	\$
Internally Restricted		
Equity in Tangible Capital Assets	2,961,469	1,771,000
Externally Restricted		
Equity in Ottawa Trust	69,670	66,921
Investment in Treaty	(1,368,933)	(1,364,456)
Unrestricted		
Operating Surplus	<u>8,279,836</u>	<u>8,489,441</u>
Total Surplus	<u>9,942,042</u>	<u>8,962,906</u>

17. 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.

18. Federal Assistance Payments:

The Ehattesaht/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 reduce mortgage interest expenses to 2% to enable the project to provide housing to low income individuals. The amount of assistance received in 2014 was \$24,650 (2013 - \$25,984) which reduced interest on the mortgage with respect to the residential component to an effective annual rate of 2%.

19. Budget Figures:

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

20. Comparative Figures:

The comparative figures have been restated, where necessary, to conform with the current year's presentation.