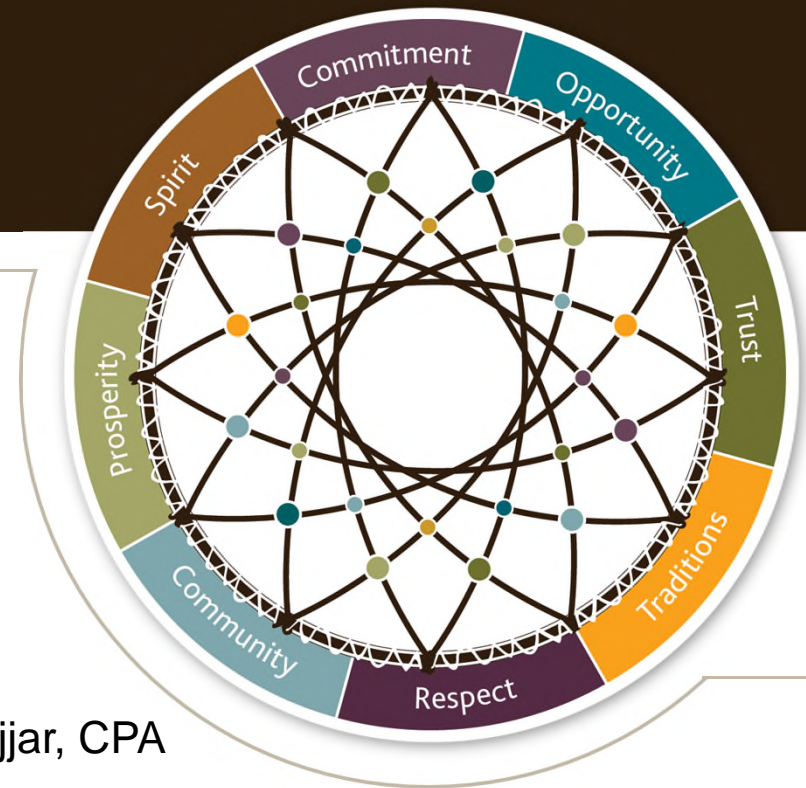




# Ahousaht

Year-end Audit Presentation

March 31, 2019



Presented by: Kali Friday, CPA, CA, CAFM & Prabh Nijjar, CPA

Date: September 10, 2019

## Agenda

- Overview
- Audit Opinion & Audit Findings
- Financial Highlights
- Questions



# Overview

- **The audited financial statements include:**

- 100% Consolidated

- Ahousaht First Nation
  - Ahousaht Education Authority



# Audit Opinion & Audit Findings



# Audit Opinion

- **Qualified opinion**

- *Financial information for Ahousaht Fishing Corporation, for the year ended March 31, 2018 and March 31, 2019 was not available at the audit report date.*

***To remove this qualification in the future, Ahousaht requires AFC's financial information prior to July 29<sup>th</sup> and MNP must have access to financial information with sufficient time to incorporate into the consolidated financial statements. This information must be audited.***



## Audit Findings

- **No significant audit issues identified**
  - We received excellent assistance from management and staff
- **MNP LLP is independent of Ahousaht**



## Financial Highlights

- **No longer in Management Action Plan**
- **Construction of Anderson Creek Watermain Replacement and Elders six-plex in progress**
- **Revenue – ISC increase of \$4 million**
  - **\$3.5 million Anderson Creek Project**
  - **973,000 Housing Projects – 6plex**



## Management's Responsibility

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To the Members of Ahousaht:

The accompanying consolidated financial statements of Ahousaht are the responsibility of management and have been approved by the Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Ahousaht Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for the appointment of the Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Council on behalf of the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Council and management to discuss their audit findings.

July 9, 2019





## Independent Auditor's Report

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

### Basis for Qualified Opinion

Financial information for Ahousaht Fishing Corporation, a Nation business entity, for the years ending March 31, 2019 and March 31, 2018 was not available at the audit report date. We were unable to determine whether adjustments to investments in Nation business entities, earnings from investments in Nation business entities, surplus (deficit) and accumulated surplus were necessary. Further, the financial statements of Ahousaht Fishing Corporation reported a payable to the Nation in 2016, which has not been recorded in the Nation's consolidated financial statements. We are unable to determine if advances to the business entity and adjustments to accumulated surplus need to be recorded.

### Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2019, and the results of its consolidated operations, changes in its consolidated net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Nanaimo, British Columbia

July 9, 2019





**Ahousaht**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2019*

	2019	2018
<b>Financial assets</b>		
Cash and cash equivalents	4,800,975	1,364,162
Accounts receivable <i>(Note 3)</i>	1,463,575	1,042,489
Restricted cash <i>(Note 4)</i>	341,336	341,488
Funds held in trust <i>(Note 5)</i>	73,673	67,965
Advances to Ma-Mook Natural Resources Ltd. <i>(Note 6)</i>	23,285	48,684
Investments in Nation business entities <i>(Note 7)</i>	1	1
<b>Total of assets</b>	<b>6,702,845</b>	<b>2,864,789</b>





## Ahousaht Consolidated Statement of Financial Position

As at March 31, 2019

	2019	2018
<b>Liabilities</b>		
Bank indebtedness (Note 8)	440,397	205,547
Accounts payable and accruals (Note 9)	1,018,057	678,900
Treaty note payable (Note 10)	4,917,699	4,917,699
Contractor deposits (Note 11)	150,000	150,000
Deferred revenue (Note 12)	4,014,104	2,364,122
Forgivable loans (Note 15)	187,784	-
Long-term debt (Note 18)	4,778,925	4,328,505
<b>Total of financial liabilities</b>	<b>15,506,966</b>	<b>12,644,773</b>
<b>Net debt</b>	<b>(8,804,121)</b>	<b>(9,779,984)</b>





## Ahousaht Consolidated Statement of Financial Position

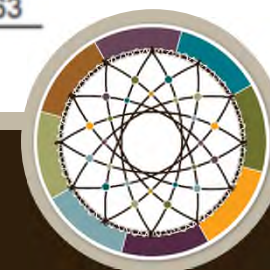
As at March 31, 2019

	2019	2018
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	43,927,720	40,022,550
Deposit on tangible capital assets	-	590,399
<b>Total non-financial assets</b>	<b>43,927,720</b>	<b>40,612,949</b>
<b>Accumulated surplus (Note 16)</b>	<b>35,123,599</b>	<b>30,832,965</b>

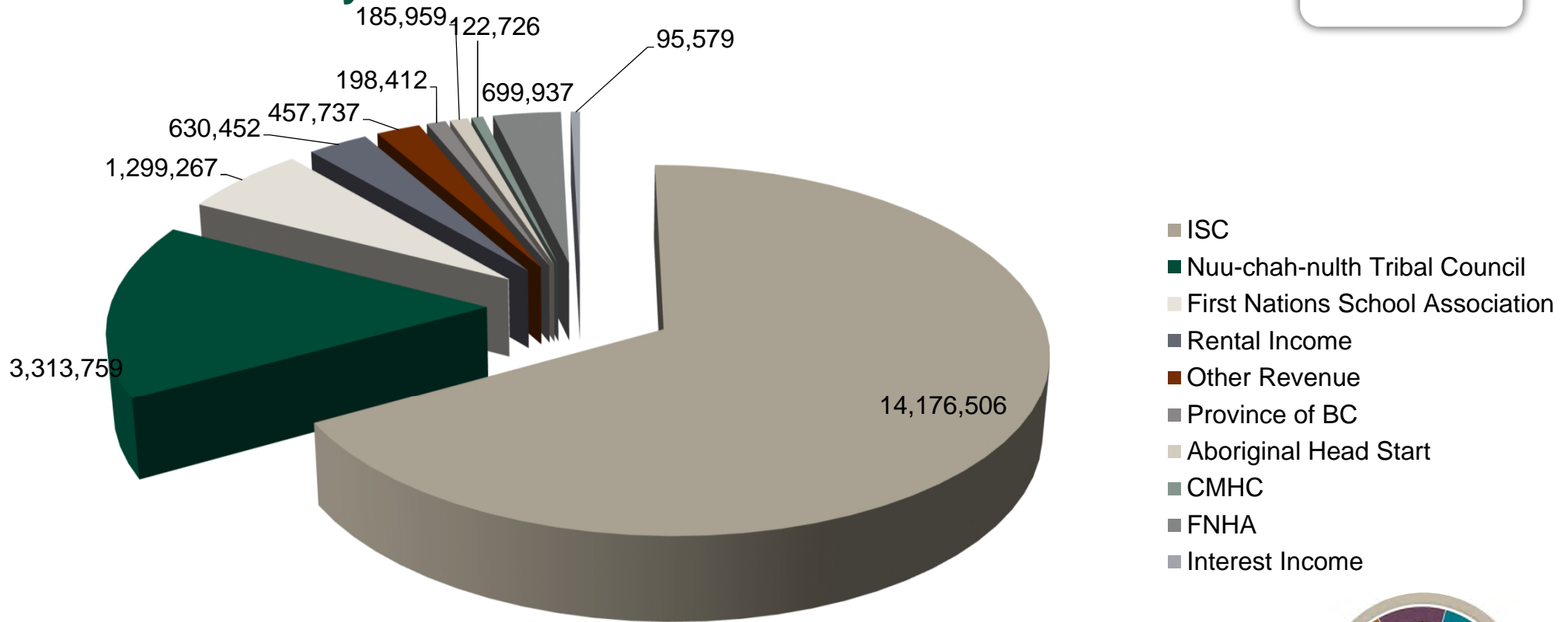


**Ahousaht**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2019*

<i>Schedules</i>	<i>2019 Budget (Note 19)</i>	<i>2019</i>	<i>2018</i>
<b>Revenue</b>			
Indigenous Services Canada (Note 13)	7,794,316	14,176,506	10,611,078
Nuu-chah-nulth Tribal Council	833,653	3,313,759	3,232,615
First Nations School Association	-	1,299,267	932,633
Province of British Columbia	92,628	198,412	135,141
Aboriginal Head Start	-	185,959	271,175
Canada Mortgage and Housing Corporation	43,241	122,726	261,983
Other revenue	905,703	457,737	852,178
Forestry	-	493,725	-
Rental income	320,548	630,452	563,105
Interest income	105,450	95,579	34,448
First Nation Health Authority	478,188	699,937	687,907
	<b>10,573,727</b>	<b>21,674,059</b>	<b>17,582,263</b>

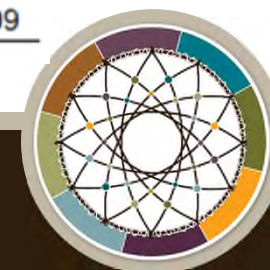


## 2019 Revenues by Source



**Ahousaht**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2019*

	<i>Schedules</i>	<i>2019 Budget (Note 19)</i>	<i>2019</i>	<i>2018</i>
<b>Program expenses</b>				
Administration	3	1,577,067	3,765,120	3,363,843
Patient Travel	4	-	1,623,744	1,804,302
Cha-Chum-Hi-Yup-Tiichmis	5	584,812	1,843,630	1,584,454
Social Development	6	1,206,265	1,161,066	1,270,440
Ahousaht Capital	7	-	52,299	8,018
Operations & Maintenance	8	357,852	760,613	1,008,997
Forestry	9	-	-	10,511
Fisheries	10	215,159	269,879	276,628
Housing	11	363,787	1,454,350	1,484,018
Ahousaht Education Authority	12	5,214,857	6,510,430	6,087,043
		<b>9,519,799</b>	<b>17,441,131</b>	16,898,254
<b>Surplus before other items</b>		<b>1,053,928</b>	<b>4,232,928</b>	684,009



**Ahousaht**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2019*

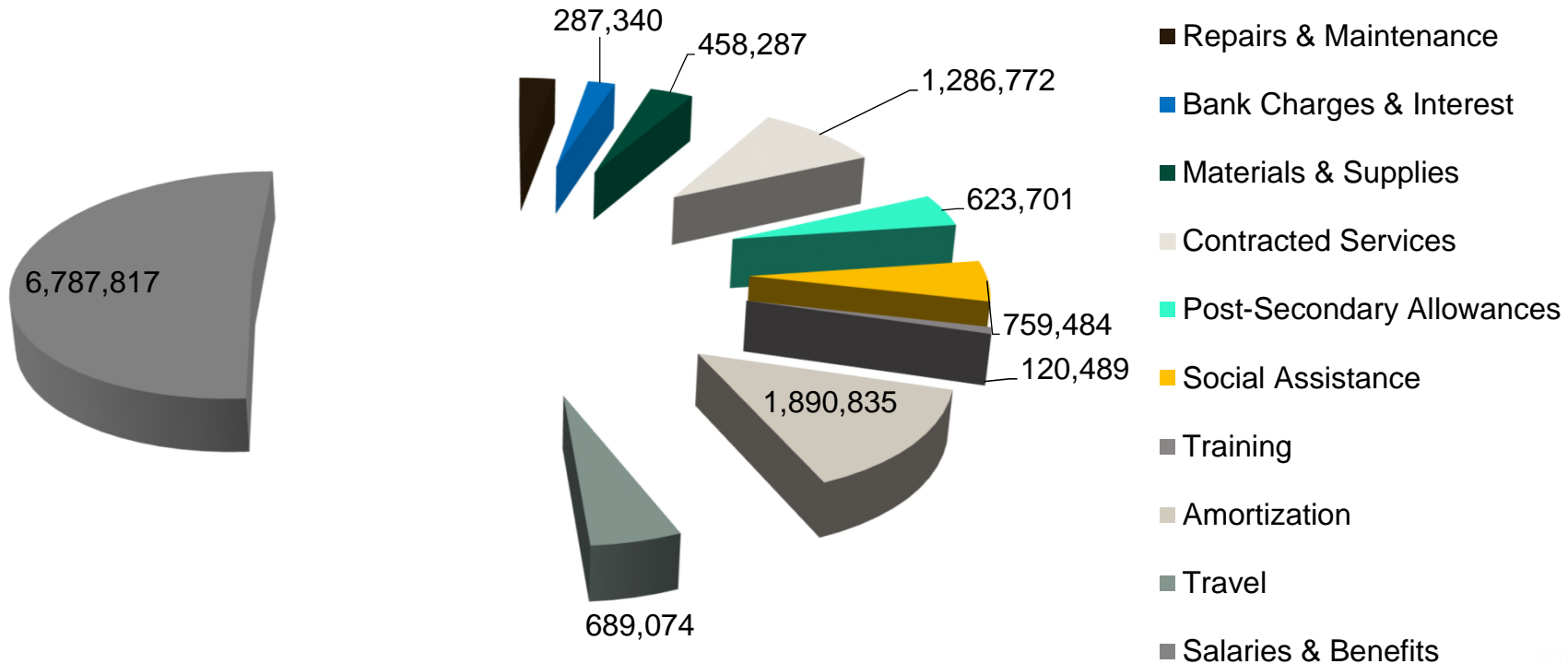


	2019 Budget (Note 19)	2019	2018
Administration	677,819	345,747	71,107
Amortization	-	1,890,835	1,899,033
Audit and accounting fees	38,228	149,692	209,020
Bad debts	-	107,654	112,961
Bank charges and interest	137,670	287,340	280,464
Community donations	-	107,413	77,282
Consulting	-	270,330	258,042
Contracted services	67,612	1,286,772	1,184,659
Equipment rental	-	65,401	65,968
Field trip	-	55,521	13,722
Freight	24,921	37,936	63,597
Fuel	-	43,246	34,033
Funeral	-	13,117	51,084
Graduation	-	17,862	15,378
Honouraria	141,725	93,692	73,053
Insurance	39,733	287,754	250,997
Materials and supplies	1,442,694	458,287	754,582
Medical travel	-	1,530,399	1,695,962
Meeting, food and events	-	220,313	176,288
Office expenses	33,499	165,660	171,806
Post-secondary allowances	295,181	623,701	673,067
Professional fees	-	104,900	43,765
Repairs and maintenance	95,779	378,347	360,245
Safe Water Operator wage enhancement	-	37,360	32,160
Salaries and benefits	5,298,759	6,787,817	6,097,263
Social assistance	1,113,040	759,484	853,858
Training	6,001	120,489	69,808
Travel	89,819	689,074	769,875
Tuition	-	239,433	230,606
Utilities	17,319	265,555	308,569
	<b>9,519,799</b>	<b>17,441,131</b>	<b>16,898,254</b>

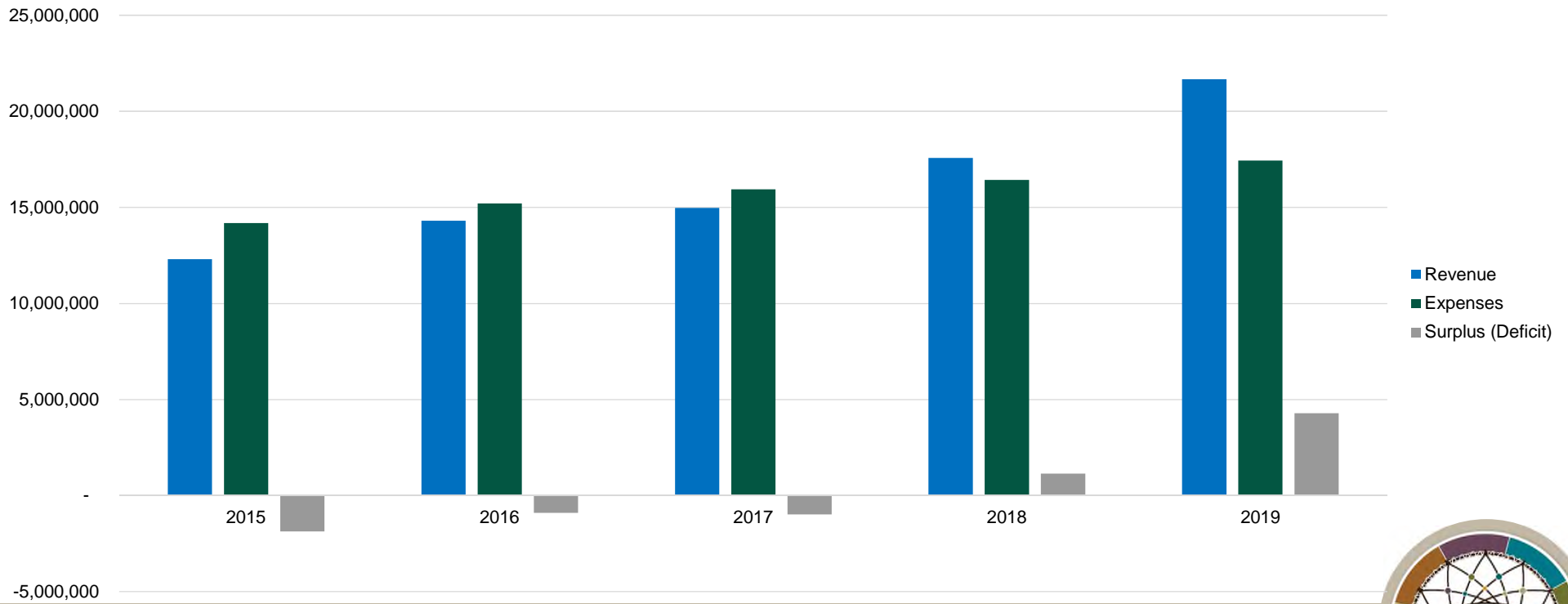




# 2019 Expenses by type



# Consolidated Operations



# Questions??



***KLECO-KLECO!!***

THANK  
you!

