

YUULU?IL?ATH FIRST NATION GOVERNMENT
ANNUAL BUDGET ACT, 2015-2016

YFNS 45/2015



This law enacted on April 29, 2015

Signed


Charles McCarthy, President of the
Yuulu?il?ath First Nation

DEPOSITED IN THE
REGISTRY OF LAWS

ON 29th / Apr / 2015


Signature of Law Clerk

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PART 1 - INTRODUCTORY PROVISIONS

Short title

1.1 This Act may be cited as the Annual Budget Act, 2015-2016.

Executive oversight

1.2 The member of the Executive holding the finance portfolio is responsible for the executive oversight of this Act.

Adoption of annual budget

1.3 The annual budget attached as Schedule 1 is adopted for the 2015-2016 fiscal year.

Commencement

1.4 This Act comes into force on the date it is enacted.

**SCHEDULE 1 - ANNUAL BUDGET
FOR THE YUULU?IL?ATH FIRST NATION
FOR THE 2015-2016 FISCAL YEAR**



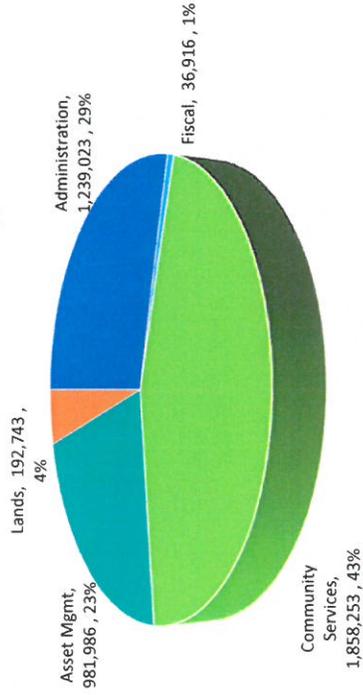
Yuulu?if?ath (Ucluelet First Nation)
2016 - 2020 FINANCIAL PLAN

BUDGET SUMMARY

	Forecast April 1, 2015 - March 31, 2016	Forecast April 1, 2016 - March 31, 2017	Forecast April 1, 2017 - March 31, 2018	Forecast April 1, 2018 - March 31, 2019	Forecast April 1, 2019 - March 31, 2020
REVENUE					
Property value taxes	36,500	38,000	38,000	50,000	75,000
Fees	311,700	342,000	342,000	342,000	342,000
Grants	7,557,913	7,454,620	7,579,277	7,708,073	7,399,734
Contributions					
Deferred Revenue					
Other income	2,000	1,500	1,500	1,500	1,500
Total Revenue	7,908,113	7,836,120	7,960,777	8,101,573	7,818,234
EXPENSES					
Fiscal					
Interest payments	284,783	237,679	213,354	188,020	262,050
Fiscal other	5,000	5,100	5,200	5,300	5,410
Interfund Tsf	-	-	-	-	-
Amortization expense	-	-	-	-	-
Total fiscal expenses	289,783	242,779	218,554	193,320	267,460
Core Services					
Administration	1,239,023	1,263,803	1,289,080	1,314,861	1,341,158
Finance	36,916	37,654	38,407	39,176	39,959
Community Services	1,858,253	1,895,418	1,933,326	1,971,993	2,011,433
Asset Management	981,986	1,001,626	1,021,658	1,042,091	1,062,933
Land Resources	192,743	196,598	200,530	204,540	208,631
Total core services	4,308,921	4,395,099	4,483,001	4,572,661	4,664,115
Projects					
Administration	74,000	-	-	-	35,000
Finance	-	-	-	-	-
Community Services	90,350	10,000	10,000	10,000	10,000
Asset Management	10,000	-	-	-	-
Land Resources	-	-	-	-	-
Total projects	174,350	10,000	10,000	10,000	45,000
Total Expenses	4,773,054	4,647,878	4,711,555	4,775,981	4,976,575
Surplus (deficit)	3,135,059	3,188,242	3,249,222	3,325,592	2,841,659

Surplus (deficit) from p. 1	3,135,059	3,188,242	3,249,222	3,325,592	2,841,659
Add:					
Add back amortization expense	427,376				
Proceeds of debt	2,157,019	1,436,627	1,438,627	1,435,627	1,511,014
Transfer from reserves					
Total additions	2,584,395	1,436,627	1,438,627	1,435,627	1,511,014
Deduct:					
Principal payment on debt	598,983	622,188	646,532	671,887	672,263
Transfer to reserves	3,962,199	4,002,681	4,041,317	4,089,332	3,680,410
Acquisition of tangible capital assets (TCA)					
Administration	8,000				
Finance	-				
Community Services	-				
Asset Management	1,100,272				
Land Resources	50,000				
Total acquisition of TCA	1,158,272	-	-	-	-
Total deduction	5,719,454	4,624,869	4,687,849	4,761,219	4,352,673
Surplus (deficit)	-	(0)	(0)	(0)	0

2016 Core Services (Operating)



NOTES TO BUDGET 2016

REVENUES:

- Revenues are presented by funding source. The major funding source is from grants, namely the Fiscal Financing Agreement which includes:
 - Fiscal Financing Agreement (FFA) funding i/a/o \$3,673,391, comprising:
 - \$3,549,227 – Core funding of including incremental implementation funding for the transition to governance of \$387,063 (intended to supplement the Implementation Investment returns in the initial years, see also Transfers to/from Reserves)
 - \$82,847 – targeted for fisheries (formerly to YFN Fisheries Enterprises LP under service agreement)
 - \$41,317 – BC Community Development funds for economic and social development
 - minimum of \$210,000 – Resource Revenue Sharing funds, to be calculated from previous years' stumpage/harvest in specified areas according to the Maa-nulth agreements
 - \$439,997 – Funds for the Implementation Investment which is invested and which is beginning to provide annual returns of about \$300,000-\$400,000 to support ongoing governance costs. (Note: some of the additional costs of governance post-treaty effective date include law creation and registry; OCP/leases/resource permits; related staffing; participation in Maa-nulth Treaty Society activities; and more)
 - \$2,654,352 – The grants include the Capital Transfer from Canada which is generally transferred into the Settlement Trust.

EXPENSES:

- Expenses are presented by:
 - Fiscal – non-departmental costs tax requisitions and non-core agreements (e.g. NEDC)
 - Core Services by department – including the cost to operate government and its mandatory programmes
 - Projects – including one-time or non-core programmes which are funded with targeted grants from various funders
 - Included in “Projects” (to stand out for clarity) is the first annual \$1,000 payment to citizens who reach the age of 65 during the year (“Senior Citizens’ Annual Payment”). This is a one-time payment upon reaching 65 years of age. Current year totals \$39,000 to include all citizens 65 and over; future years will include only those who turn 65 in the year.

The above is based on accrual accounting. In order to calculate the cash implications of the budget the following is added:

- Proceeds of debt:
 - \$427,376 – Social Housing – completion of final units (of total 7-single units)
 - \$266,000 – Infrastructure – Lost Shoe development highway access – on HOLD
 - \$267,000 – Infrastructure – Lost Shoe development power – on HOLD
- Transfer from Reserves:
 - \$571,000 – unexpended AANDC 2014 flex funding for the water/sewer/reservoir capital project. It is recorded in surplus/deferred revenue 2015 and expended in 2016

- \$25,000 contingency from Tangible Capital Asset Reserve for unforeseen infrastructure work
- \$35,000 estimated to complete landscaping and furniture/fixtures in new community building
- \$510,175 – distribution from the Settlement Trust for repayment of the Maa-nulth Treaty negotiation loan which the government prepays each year. This is in accordance with the Maa-nulth Final Agreement Chapter 16
- \$210,000 – distribution from Settlement Trust of Resource Revenue Sharing funds which are in/out for future Own Source Revenue exemptions
- \$386,885 – being 3% of the Implementation Investment ending value 2015, for use in the provision of ongoing government services (with Core FFA funds)
- \$350,000 – estimated annual loan/distribution from Settlement Trust for coverage of Community Centre loan payments (vs. up to \$4MM pay down of loan)
- \$39,000 – from former Ottawa Trust monies, for year 1 of annual one-time payment to seniors who reach 65. Includes one-time payment to those 65 and over in 2015
- \$29,093 – from previous years' surplus to balance the budget. See note below.

The following is deducted for cash purposes:

- \$598,983 – Principal payment on debt: this includes the Maa-nulth Treaty negotiation loan and Community Centre loan repayments, plus other smaller loans.
- Transfers to Reserves:
 - \$2,864,352 – Settlement Trust, includes Capital Transfer and Resource Revenue Sharing funds
 - \$439,997 – Implementation investment
 - \$207,850 – Tangible Capital Assets reserve as required by Financial Administration Act Part 10
 - \$450,000 – YFN Holdings Limited Partnership for investment on behalf of the Yuułu?if?ath government in the economic development partnerships. Some of this may be held by the government for Economic Development Committee consulting costs

BALANCED BUDGET:

- The 2016 budget is balanced by drawing on reserves (prior years' surplus) of \$29,093. Core Service expenses exceed the sources of core funding. However, this is significantly lower than previous years; initial years after treaty effective date incurred higher than expected implementation costs, but these costs are declining.
- In future years additional *ongoing* sources of funding which may support additional programmes include:
 - Property taxes, which currently generate under \$40,000 but will grow as businesses occupy lands;
 - Land leases;
 - In 2020, about 95% of transaction taxes (PST, GST) generated in any business (whether or not related to this government) will be directed to this government;
 - Other government fees and permits.
- Whereas investment in development (infrastructure, economic, etc.) have also been drawn from the reserves, these are not intended as *ongoing* costs. The intent is that the investments will provide a return, whether on the direct investment or on taxes generated from the growth of any businesses on Yuułu?if?ath lands