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**DITIDAHT FIRST NATION  
FINANCIAL STATEMENTS  
MARCH 31, 2014**

**DITIDAHT FIRST NATION**

**INDEX TO THE FINANCIAL STATEMENTS**  
**March 31, 2014**

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**Management's Responsibility for Financial Reporting**  
**Independent Auditors' Report**

**SUMMARY FINANCIAL STATEMENTS**

Summary Statement of Financial Position	Statement 1
Summary Statement of Operations	Statement 2
Summary Statement of Change in Net Debt	Statement 3
Summary Statement of Cash Flows	Statement 4
Notes to Financial Statements	

**Ditidaht First Nation**  
**March 31, 2014**

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying financial statements of the Ditidaht First Nation for the year ended March 31, 2014 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 generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB). 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 financial statements are presented fairly, in all material respects.

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

The Ditidaht First 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 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 accompanying financial statements have been audited by Reid Hurst Nagy Inc., Certified General Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Members. Reid Hurst Nagy Inc., Certified General Accountants have full and free access to the books and records of the First Nation.

Chief



Band Administrator



Date

July 31/14

330 - 1620 Dickson Avenue  
Kelowna, BC V1Y 9Y2 Canada  
T: 250.860.1177  
1.888.746.3188  
F: 604.273.9390  
info@rhmcga.com



## INDEPENDENT AUDITORS' REPORT

### DITIDAHT FIRST NATION

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#### **Report on the financial statements**

We have audited the accompanying summary financial statements of Ditidaht First Nation, which comprise the summary statement of financial position as at March 31, 2014, the summary statements of operations, 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.

#### **Auditors' responsibility**

Our responsibility is to express an opinion on these summary 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 controls 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 controls.

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**

Beginning April 1, 2009, generally accepted accounting principles for government entities required that the Band record the net value of tangible capital assets in its financial statements. The Band has not applied these new financial statement reporting standards. Because the Band did not provide us with a completed capital asset register reflecting the total cost of tangible capital assets owned by the Band and appropriate accumulated amortization and any impairment attributable to each of those assets, we were unable to determine the net value of the tangible capital assets that should have been recorded as an asset and the related amortization or impairment that should have been recorded as an expense in the current and prior year. Upon adoption of PS 1200 Financial Statement Presentation, the Band did not fully adopt all aspects of the standard as they relate to the aforementioned tangible capital assets as they have reported capital purchases and long-term debt payments as expenses and have failed to appropriately report depreciation as an expense.

## INDEPENDENT AUDITORS' REPORT (Continued)

### Opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the summary financial statements present fairly, in all material respects, the financial position of Didakt First Nation as at March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



REID HURST NAGY INC.  
CERTIFIED GENERAL ACCOUNTANTS

RICHMOND, B.C.  
JULY 31, 2014

# DITIDAHT FIRST NATION

## SUMMARY STATEMENT OF FINANCIAL POSITION March 31, 2014

Statement 1

	2014 \$	2013 \$
<b>FINANCIAL ASSETS</b>		
Cash	1,092,458	995,704
Restricted cash	2,020,804	1,963,933
Accounts receivable	218,902	260,014
Rents receivable	84,468	142,468
Investment in First Nation Controlled Entities (Note 3)	1,776,720	485,900
	5,193,352	3,848,019
<b>LIABILITIES</b>		
Accounts payable	397,803	375,708
Long-term debt (Note 4)	10,832,728	9,806,636
	11,230,531	10,182,344
<b>NET DEBT</b>	<b>(6,037,179)</b>	<b>(6,334,325)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 1c & 5)	3,769,169	3,933,963
Deferred negotiation expenses	8,426,893	7,665,706
Prepaid expenses	11,171	9,542
	12,207,233	11,609,211
<b>MEMBERS' EQUITY (Note 6)</b>	<b>6,170,054</b>	<b>5,274,886</b>

APPROVED ON BEHALF OF  
THE DITIDAHT FIRST NATION

  
 \_\_\_\_\_ Chief  
  
 \_\_\_\_\_ Councilor

The notes to the financial statements are an integral part thereof.

# DITIDAHT FIRST NATION

## SUMMARY STATEMENT OF OPERATIONS For the year ended March 31, 2014

Statement 2

	2014 \$	2013 \$
<b>REVENUE</b>		
Contributions, Nuu-Chah-Nulth Tribal Council	2,816,067	2,738,825
Contributions from Social Housing fund	153,425	-
First Nations Education Steering Committee	133,319	113,483
Health Canada/First Nation Health Authority	113,850	113,850
Loan proceeds	125,529	-
Miscellaneous	373,391	312,598
Parks Canada	240,553	248,327
Province of BC	11,223	13,885
Rental	151,169	160,389
Sales	253,552	699,098
Social Housing	122,793	109,516
Capital fund	605,393	138,318
First Nation Negotiation Support Agreement Fund	681,200	610,168
Enterprise Fund	1,038,480	275,821
Ottawa Trust Funds	56,563	48,083
	<b>6,876,507</b>	<b>5,582,361</b>
<b>EXPENDITURES</b>		
Operating fund		
Band program	1,120,825	1,337,623
Community services	230,898	196,979
Health	397,710	312,445
Social development	192,940	272,301
Education	942,253	947,357
Job creation	511,117	558,055
Capital program	890,027	822,050
Capital fund	735,254	601,214
First Nation Negotiation Support Agreement fund	681,200	610,168
Social Housing fund	279,115	114,633
	<b>5,981,339</b>	<b>5,772,825</b>
<b>ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES</b>	<b>895,168</b>	<b>(190,464)</b>

The notes to the financial statements are an integral part thereof.

# **DITIDAHT FIRST NATION**

## **SUMMARY STATEMENT OF CHANGE IN NET DEBT** **March 31, 2014**

**Statement 3**

	2014 \$	2013 \$
Excess of revenue over expenditures	895,168	(190,464)
Acquisition of tangible capital assets	(499,811)	(46,782)
Depreciation of tangible capital assets	638,934	605,512
Disposal of tangible capital assets	25,671	61,000
	1,059,962	429,266
Acquisition of prepaid asset	(11,171)	(9,542)
Use of prepaid asset	9,542	21,552
Acquisition of deferred negotiation expenses	(8,426,893)	(7,665,706)
Use of deferred negotiation expenses	7,665,706	7,209,725
	(762,816)	(443,971)
<b>CHANGE IN NET DEBT</b>	<b>297,146</b>	<b>(14,705)</b>
<b>NET DEBT BEGINNING OF YEAR</b>	<b>(6,334,325)</b>	<b>(6,319,620)</b>
<b>NET DEBT AT END OF YEAR</b>	<b>(6,037,179)</b>	<b>(6,334,325)</b>

The notes to the financial statements are an integral part thereof.

# DITIDAHT FIRST NATION

## SUMMARY STATEMENT OF CASH FLOWS March 31, 2014

Statement 4

	2014 \$	2013 \$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	895,168	(190,464)
Non-operating items:		
Share of loss (income) of First Nation Controlled Entities	(1,038,480)	81,667
Depreciation	638,934	605,513
Changes in non-cash operating net assets	119,581	(212,363)
	615,203	284,353
<b>FINANCING ACTIVITIES</b>		
Repayment of Social Housing, Capital, and Enterprise Funds long-term debt	(160,465)	(156,835)
Repayment of Operating Fund long-term debt	(407,475)	-
Current year loan advances - Capital and Negotiation Support Agreement Funds	670,489	-
Current year loan advances - Operating Fund	923,540	-
	1,026,089	(156,835)
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(499,811)	(46,782)
Proceeds from disposal of capital assets	25,671	61,000
Investment in First Nation Controlled Entities	(252,340)	437,153
Increase in deferred negotiation expenses	(761,187)	(455,981)
	(1,487,667)	(4,610)
<b>CHANGES IN CASH DURING YEAR</b>	153,625	122,908
<b>CASH AT BEGINNING OF YEAR</b>	2,959,637	2,836,729
<b>CASH AT END OF YEAR</b>	3,113,262	2,959,637
<b>REPRESENTED BY:</b>		
Cash	1,092,458	995,704
Restricted Cash	2,020,804	1,963,933
	3,113,262	2,959,637

The notes to the financial statements are an integral part thereof.

## **DITIDAHT FIRST NATION**

### **NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2014**

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#### **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

These Summary Financial Statements have been prepared in accordance with generally accepted accounting principles for government entities, as defined in the CIQA Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

##### **a) Fund Accounting**

The Ditidaht 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 purpose of presentation in the Summary Financial Statements. Details of the operations of each fund are set out in the supplementary schedules. The Ditidaht First Nation maintains the followings funds:

- The Operating Fund which reports the general activities of the First Nation Administration.
- The Capital Fund which reports the capital assets of the First Nation, together with their related financing.
- The Social Housing Fund which reports the social housing assets of the First Nation, together with related activities.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties
- The First Nation Negotiation Support Agreement Fund which reports activity regarding the First Nation's Negotiations Support Agreement.
- The Enterprise Fund which reports the First Nation's investments in related entities.

##### **b) Reporting Entity and Principles of Financial Reporting**

The Ditidaht First Nation reporting entity includes the Ditidaht First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Ditidaht First Nation Operating Fund
- Ditidaht First Nation Social Housing Fund
- Ditidaht First Nation Capital Fund
- Ditidaht First Nation Trust Fund
- Ditidaht First Nation Negotiation Support Agreement Fund
- Ditidaht First Nation Enterprise Fund

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

## DITIDAHT FIRST NATION

### NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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#### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

##### b) Reporting Entity and Principles of Financial Reporting (Continued)

Incorporated business entities, which are owned or controlled by the Ditidaht First Nation Council and which are not dependent on the First Nation for their continuing operations, are included in the summary financial statements using the modified equity method. These include:

- Ditidaht Cedar Salvage Limited
- T'saa7kuw Forestry Limited
- Ditidaht Development Corporation
- Nuu-Chah-Nulth Seafood Limited Partnership

##### c) Tangible Capital Assets

Tangible capital assets are expensed at the time of purchase and since April 1, 1986, they are also capitalized at cost on the statement of operations

The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenditures are also recorded as an addition to assets of the Capital Fund with a corresponding increase in Equity and Tangible Capital Assets.

Tangible capital assets are depreciated annually with a resulting reduction of equity in tangible capital assets.

Tangible capital assets acquired as part of the Social Housing Fund and Enterprise Fund are recorded as assets of those funds.

##### d) Depreciation

Tangible capital assets are recorded and depreciated annually with a corresponding reduction in Equity in Stable Capital Assets. Assets are depreciated over their expected useful life using the straight line method at the following rates:

Buildings and improvements	20 years straight-line
Computer equipment	3 years straight-line
General equipment	5 years straight-line
Infrastructure	20 years straight-line
Automobile	5 years straight-line

Social Housing assets acquired under C.M.H.C. sponsored housing programs are being depreciated in an amount equal to the principal reduction of the mortgages.

## DITIDAHT FIRST NATION

### NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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#### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

##### e) Comparative Figures

Prior year's comparative amounts have been reclassified where necessary to conform to the current year's presentation.

##### f) Revenue Recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Statement of Operations.

##### g) Budget Figures

Budget amounts have been derived from the official budget adopted by Council at the beginning of the current year. The budget figures have not been subject to any audit verification.

##### h) Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing operations and are not for resale. Non-financial assets include capital assets, prepaid expenses and inventories of supplies.

#### NOTE 2: ALTERNATIVE FUNDING ARRANGEMENTS

The First Nation receives a major portion of its revenues pursuant to an agreement referred to as "The Alternative Funding Arrangements". This agreement has been entered into by the Nuu-Chah-Nulth Tribal Council, its member First Nations and Aboriginal Affairs and Northern Development Canada.

## DITIDAHT FIRST NATION

### NOTES TO THE FINANCIAL STATEMENTS March 31, 2014

#### NOTE 3: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES

	2014 \$	2013 \$
<b>DITIDAHT DEVELOPMENT CORPORATION (100%)</b>		
Shares	2	2
Advances	(119,288)	(89,866)
Contributed surplus	300,044	256,894
Accumulated equity in earnings	(317,366)	(3,555)
	(136,608)	163,475
<b>TS'AA7UKW FORESTRY LTD. (100%)</b>		
Shares	5	5
Advances	4,748,835	4,529,802
Contributed surplus	1,926,000	726,000
Accumulated equity in earnings	(4,767,473)	(4,765,831)
	1,907,367	489,976
<b>DITIDAHT CEDAR SALVAGE LTD. (100%)</b>		
Shares	100	100
Advances	280,303	217,576
Accumulated equity in earnings	(559,130)	(547,891)
	(278,727)	(330,215)
<b>NON-CONTROLLED ENTITIES:</b>		
<b>NUU-CHAH-NULTH LIMITED PARTNERSHIP (12.5%)</b>		
Capital contribution	100	100
Accumulated equity in earnings	284,587	162,563
	284,687	162,663
<b>NUU-CHAH-NULTH SEAFOOD DEVELOPMENT CORPORATION (16.67%)</b>		
Shares	1	1
<b>TOTAL</b>	<b>1,776,720</b>	<b>485,900</b>

Shares are held in trust by specified Band members under trust agreements.

## DITIDAHT FIRST NATION

### NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

#### NOTE 3: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES (Continued)

Financial information for each of the entities for their respective periods ending in 2014 are as follows:

	ASSETS	LIABILITIES	REVENUE	NET INCOME (LOSS)
	\$	\$	\$	\$
Year ended March 31, 2014				
Ditidaht Development Corporation	411,455	428,775	774,285	(313,811)
Year ended March 31, 2014				
T'saa'ukw Forestry Limited	1,912,370	4,753,838	-	(1,642)
Year ended March 31, 2014				
Ditidaht Cedar Salvage Ltd.	668	559,698	-	(11,239)
Year ended December 31, 2013				
Nuu-Chah- Nulth Seafood LP	1,711,297	3,000	762,649	732,820

#### NOTE 4: LONG-TERM DEBT

2014	2013
\$	\$

Promissory notes and First Nation Negotiation Support Agreements representing advances made by Canada for negotiations. Repayment provisions for these loans are outlined in Section 13.0 and 14.0 of the Ditidaht First Nation's Negotiation Support Agreement. An extension Agreement dated March 3, 2006 outlines updated repayment provisions of the Ditidaht First Nation's Negotiation Support Agreement. Repayment was due and payable at the earlier of the date a treaty signed by the parties takes effect unless otherwise agreed to or the twelfth anniversary of the date of the first loan advance which was September 2, 1994. The Extension Agreement now extends the date that the Cumulative Liabilities are due and payable under section 13(b) or 13.1(c) of the First Nation Negotiation Support Agreement or section 4.6.1(a) or 4.6.1(b) of the First Nation Loan Agreement to September 2, 2016.

8,629,948	8,084,988
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Royal Bank of Canada - retired during the year.

-	12,417
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Royal Bank of Canada - repayable in monthly installments of \$3,794.99 including interest at 3.87% per annum, maturing May 2, 2015, secured by a Ministerial Guarantee from Aboriginal Affairs and Northern Development Canada and a first Mortgage on nine housing units.

52,105	94,572
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SUB-TOTAL	8,682,053	8,191,977
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## DITIDAHT FIRST NATION

### NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

NOTE 4: LONG-TERM DEBT (continued)	2014	2013
	\$	\$
SUB-TOTAL BROUGHT FORWARD	8,682,053	8,191,977
Royal Bank of Canada - repayable in monthly installments of \$392.87 including interest at 3.59% per annum, maturing November 3, 2014.	24,165	27,933
Bank of Montreal - repayable in monthly installments of \$970.04 including interest at 4.76% per annum, maturing September 30, 2014.	27,226	37,194
Bank of Montreal - repayable in monthly installments of \$4,090.92 including interest at 6.15%, maturing Oct 31, 2014. Secured by a Ministerial Guarantee and a first mortgage on 5 housing units.	571,979	585,448
Bank of Montreal - repayable in monthly installments of \$2,704.07 interest at prime plus .5% per annum due upon demand, secured by a Ministerial Guarantee from Aboriginal Affairs & Northern Development Canada and a first mortgage on the property.	103,152	131,454
Nuu-Chah-Nulth Economic Development Corporation - retired during the year.	-	8,353
Finance agreement - Ford Credit Canada Ltd. - monthly payments of \$346.10 including interest at 9.89% per annum maturing November 1, 2014, secured by a 2008 Ford F150.	2,990	6,649
Finance agreement - Ford Credit Canada Ltd. - monthly payments of \$522.21 including interest at 9.89% per annum maturing November 1, 2014, secured by a 2008 Ford F350.	4,512	10,032
Finance agreement - Ford Credit Canada Ltd. - monthly payments of \$591.40 including interest at 9.89% per annum maturing November 1, 2014, secured by a 2008 Ford F350.	5,110	11,361
Finance agreement - Ford Credit Canada Ltd. - retired during the year.	-	12,408
Finance agreement - Ford Credit Canada Ltd. - monthly payments of \$586.94 including interest at 6.09% per annum maturing July 2018, secured by a 2013 Ford F350.	58,662	-
Finance agreement - Ford Credit Canada Ltd. - monthly payments of \$534.25 including interest at 6.09% per annum maturing July 2018, secured by a 2013 Ford Super Duty.	52,988	-
SUB-TOTAL	9,532,837	9,022,809

# DITIDAHT FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

### NOTE 4: LONG-TERM DEBT (continued)

	2014 \$	2013 \$
<b>SUB-TOTAL BROUGHT FORWARD</b>	<b>9,532,837</b>	<b>9,022,809</b>
Bank of Montreal demand loan payable - retired during the year.	-	366,729
Nuu-Chah-Nulth Economic Development Corporation - repayable in monthly installments of \$4,967 including interest at 6% per annum.	<b>381,262</b>	417,098
Bank of Montreal - repayable in monthly installments of \$6,795 including interest at 3.92% per annum, secured by a Ministerial Guarantee from Aboriginal Affairs & Northern Development Canada and a first mortgage on the property, maturing February 28, 2019.	<b>918,629</b>	-
	<b>10,832,728</b>	<b>9,806,636</b>

As collateral for the long-term debt to Nuu-Chah-Nulth Economic Development Corporation, the band has provided the following:

- a) Promissory Note in the amount of \$501,000 on the obligation of Ditidaht First Nation and Ts'aawukw Forestry Limited.
- b) Assignment of book debt.
- c) Assignment of funds in the amount of \$501,000 due to the Ditidaht First Nation from the alternate funding agreement, and successor agreements, between the Nuu-Chah-Nulth Tribal Council and Aboriginal Affairs and Northern Development Canada.

### FUTURE PRINCIPAL REPAYMENTS

The estimated principal payments for the next five years are as follows:

	\$
2015	<b>240,995</b>
2016	<b>174,978</b>
2017	<b>8,797,789</b>
2018	<b>149,026</b>
2019	<b>124,654</b>
And beyond	<b>1,345,286</b>
	<b>10,832,728</b>

# DITIDAHT FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS March 31, 2014

### NOTE 5: TANGIBLE CAPITAL ASSETS

In September 2006, the CICA issued amendments to the recommendation in Section 3150 Tangible Capital Assets. PS 3150 established standards on how to account for and report tangible capital assets in government financial statements. The amendments to this Section consisted of expanding its scope to include local governments thereby requiring such governments to capitalize and amortize their tangible capital assets. Revised PS 3150 is effective for interim and annual financial statements of local governments with fiscal year beginning on or after January 31, 2009.

In February 2007, the CICA revised PSG-7 Tangible Capital Assets of Local Governments to provide local governments with transitional guidance on reporting tangible capital asset information in their financial statements prior to adoption of PS 3150. This guideline requires local governments to disclose the cost, additions, disposals, impairment, amortization, and accumulated amortization for each major category of tangible capital assets.

Ditidaht First Nation has not yet begun the process of accumulating all of the relevant information required for identifying and reporting tangible capital assets in accordance with the guidance in PS 3150. Therefore, the First Nation cannot provide the disclosure requirements under PSG-7 related to the amortization for some of its categories of tangible capital assets. The First Nation is planning to implement the new requirements for the year ending March 31, 2015.

	<u>COST</u>	<u>ACCUMULATED</u>	<u>2014</u>	<u>2013</u>
	\$	\$	NET	NET
			\$	\$
Social Housing	1,096,513	723,313	373,200	428,083
Automobiles	1,202,796	1,056,463	146,333	88,180
Buildings	8,197,953	5,174,860	3,023,093	3,049,347
Community infrastructure	1,280,920	1,269,570	11,350	75,396
Capital water	330,264	286,514	43,750	60,264
Computer equipment	228,628	228,628	-	2,707
Equipment and furniture	843,994	774,041	69,953	128,496
Land development	101,490	-	101,490	101,490
	13,282,558	9,513,389	3,769,169	3,933,963

# **DITIDAHT FIRST NATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2014**

### **NOTE 6: MEMBERS' EQUITY**

	2014 \$	2013 \$
<b>Restricted</b>		
Social Housing Fund	441,263	597,585
Trust Fund	1,979,630	1,923,067
Enterprise Fund	(3,133,030)	(4,171,510)
	(712,137)	(1,650,858)
<b>Unrestricted</b>		
Operating Fund	4,337,006	4,250,698
Capital Fund	2,545,185	2,675,046
	6,882,191	6,925,744
<b>TOTAL EQUITY</b>	<b>6,170,054</b>	<b>5,274,886</b>

### **NOTE 7: TRUST FUNDS**

The Ottawa Trust accounts 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.

### **NOTE 8: REPLACEMENT RESERVE FUND**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$10,279 annually. These funds, along with accumulated interest, must be held in 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 the account may only be used as approved by CMHC. At year end the it is underfunded by \$88,859 (2013 - \$268,698).

### **NOTE 9: SUBSIDY SURPLUS FUND**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, 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 in a separate bank account and/or invested only in accounts by CMHC from time to time. Withdrawals are credited to interest first and then principal. At year-end, there are no Subsidy Surplus Reserve funds.

## DITIDAHT FIRST NATION

### NOTES TO THE FINANCIAL STATEMENTS March 31, 2014

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#### NOTE 10: CONTINGENT LIABILITIES

- a) The First Nation is contingently liable for a Royal Bank Visa account equalling \$10,000. These accounts are in the names of the Chief and Band Manager.
- b) The First Nation is contingently liable for a 'On Reserve Individual Housing Loans' in the amount of \$85,000. A Government of Canada Ministerial Guarantee has been obtained for this loan, however, if the loan is in default, the Minister may recover this amount from First Nation funds.
- c) The First Nation is contingently liable for up to \$2,000,000 for an 'On-Reserve Housing Loan Program' available to qualified borrowers for the construction, renovation, refinancing or purchase of a single family home on Ditidaht First Nation Reserve to a maximum of \$175,000 per borrower.
- d) The First Nation is contingently liable for up to \$250,000 for an 'On-Reserve housing Renovation Loan Program' available to members of Ditidaht First Nation with access to Personal Loan Plan to make minor renovations to existing homes on-reserve to a maximum of \$25,000 per borrower.

#### NOTE 11: SEGMENTED INFORMATION

The Ditidaht First Nation is a government institution that provides a range of programs and services to its members, including band programs, community services, health, social development, education job creation, and capital projects. For management reporting purposes the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide.

**DITIDAHT FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2014**

**NOTE 11: SEGMENTED INFORMATION (Continued)**

	<b>Band Programs</b>	<b>Community Services</b>	<b>Health</b>	<b>Social Dev't</b>	<b>Education</b>	<b>Job Creation</b>	<b>Capital Projects</b>	<b>Other</b>	<b>Housing</b>	<b>Total 2014</b>
<b>REVENUE</b>										
Contributions, Nuu-Chah-Nulth Tribal Council	598,751	142,837	344,131	238,998	949,137	122,090	420,123	-	-	2,816,067
Contributions from Social Housing fund	-	-	-	-	-	-	153,425	-	-	153,425
First Nations Education Steering Committee	4,379	-	-	-	128,940	-	-	-	-	133,319
Health Canada	113,850	-	-	-	-	-	-	-	-	113,850
Loan proceeds	-	-	-	-	-	-	125,529	-	-	125,529
Miscellaneous	114,930	27,562	-	-	7,500	209,717	13,682	-	-	373,391
Parks Canada	-	-	-	-	-	240,553	-	-	-	240,553
Province of BC	11,223	-	-	-	-	-	-	-	-	11,223
Rental	25,950	-	-	-	-	-	125,219	-	-	151,169
Sales	253,552	-	-	-	-	-	-	-	-	253,552
Social Housing	-	-	-	-	-	-	-	-	122,793	122,793
Capital fund	-	-	-	-	-	-	-	605,393	-	605,393
First Nation Negotiation Support Agreement Fund	-	-	-	-	-	-	-	681,200	-	681,200
Enterprise Fund	-	-	-	-	-	-	-	1,038,480	-	1,038,480
Ottawa Trust Funds	-	-	-	-	-	-	-	56,563	-	56,563
	<b>1,122,635</b>	<b>170,399</b>	<b>344,131</b>	<b>238,998</b>	<b>1,085,577</b>	<b>572,360</b>	<b>837,978</b>	<b>2,381,636</b>	<b>122,793</b>	<b>6,876,507</b>
<b>EXPENSES</b>										
Amortization	-	-	-	-	-	-	-	584,054	54,883	638,937
Other	603,201	130,505	243,731	192,940	339,071	248,370	555,155	832,400	224,232	3,369,605
Salaries and benefits	517,624	100,393	153,979	-	603,182	262,747	334,872	-	-	1,972,797
	<b>1,120,825</b>	<b>230,898</b>	<b>397,710</b>	<b>192,940</b>	<b>942,253</b>	<b>511,117</b>	<b>890,027</b>	<b>1,416,454</b>	<b>279,115</b>	<b>5,981,339</b>
	<b>1,810</b>	<b>(60,499)</b>	<b>(53,579)</b>	<b>46,058</b>	<b>143,324</b>	<b>61,243</b>	<b>(52,049)</b>	<b>965,182</b>	<b>(156,322)</b>	<b>895,168</b>

**DITIDAHT FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2014**

**NOTE 11: SEGMENTED INFORMATION (Continued)**

	<b>Band Programs</b>	<b>Community Services</b>	<b>Health</b>	<b>Social Dev't</b>	<b>Education</b>	<b>Job Creation</b>	<b>Capital Projects</b>	<b>Other</b>	<b>Housing</b>	<b>Total 2013</b>
<b>REVENUE</b>										
Contributions, Nuu-Chah-Nulth Tribal Council	423,401	127,091	320,942	296,336	950,669	90,353	530,033	-	-	2,738,825
Health Canada	113,850	-	-	-	-	-	-	-	-	113,850
Parks Canada	-	-	-	-	-	248,327	-	-	-	248,327
Province of BC	13,885	-	-	-	-	-	-	-	-	13,885
First Nations Education Steering Committee	4,057	-	-	-	109,426	-	-	-	-	113,483
Sales	698,207	-	-	-	-	891	-	-	-	699,098
Miscellaneous	66,901	5,000	-	-	489	237,528	2,680	-	-	312,598
Rental	26,944	-	-	-	-	-	133,445	-	-	160,389
Social Housing	-	-	-	-	-	-	-	-	109,516	109,516
Capital fund	-	-	-	-	-	-	-	138,318	-	138,318
First Nation Negotiation Support Agreement Fund	-	-	-	-	-	-	-	610,168	-	610,168
Enterprise Fund	-	-	-	-	-	-	-	275,821	-	275,821
Ottawa Trust Funds	-	-	-	-	-	-	-	48,083	-	48,083
	<b>1,347,245</b>	<b>132,091</b>	<b>320,942</b>	<b>296,336</b>	<b>1,060,584</b>	<b>577,099</b>	<b>666,158</b>	<b>1,072,390</b>	<b>109,516</b>	<b>5,582,361</b>
<b>EXPENSES</b>										
Amortization	-	-	-	-	-	-	-	540,214	65,299	605,513
Other	877,870	133,931	201,646	272,301	300,906	304,300	490,169	671,168	49,334	3,301,625
Salaries and benefits	459,753	63,048	110,799	-	646,451	253,755	331,881	-	-	1,865,687
	<b>1,337,623</b>	<b>196,979</b>	<b>312,445</b>	<b>272,301</b>	<b>947,357</b>	<b>558,055</b>	<b>822,050</b>	<b>1,211,382</b>	<b>114,633</b>	<b>5,772,825</b>
	<b>9,622</b>	<b>(64,888)</b>	<b>8,497</b>	<b>24,035</b>	<b>113,227</b>	<b>19,044</b>	<b>(155,892)</b>	<b>(138,992)</b>	<b>(5,117)</b>	<b>(190,464)</b>

**DITIDAHT FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2014**

**NOTE 12: EXPENDITURES BY OBJECT**

	2014	2013
	\$	\$
Amortization	638,937	605,513
Automotive	69,668	63,212
Contracted services	418,721	509,469
Equipment	173,303	100,317
Honoraria	81,000	80,300
Insurance	110,757	101,686
Office and general	190,359	202,952
Professional fees	184,332	61,603
Program expenditures	1,523,998	1,556,086
Rent and utilities	222,497	185,625
Repairs and maintenance	65,235	70,228
Supplies	250,756	252,770
Travel	159,979	197,677
Salaries and benefits	1,891,797	1,785,387
<b>Total</b>	<b>5,981,339</b>	<b>5,772,825</b>