

**DITIDAHT FIRST NATION**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

# DITIDAHT FIRST NATION

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## Ditidaht First Nation

March 31, 2015

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Ditidaht First Nation for the year ended March 31, 2015 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., Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Members. Reid Hurst Nagy Inc., Chartered Professional Accountants have full and free access to the books and records of the First Nation.

Chief

Band Administrator (Acting)

Date

## 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, 2015, 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 Ditidaht First Nation as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads "Reid Hurst Nagy Inc." in a cursive script.

REID HURST NAGY INC.  
CHARTERED PROFESSIONAL ACCOUNTANTS

RICHMOND, B.C.  
JULY 29, 2015


# DITIDAHT FIRST NATION

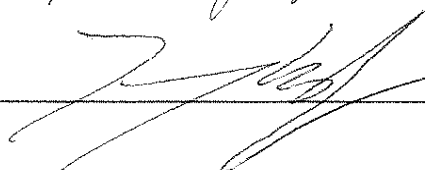
## SUMMARY STATEMENT OF FINANCIAL POSITION March 31, 2015

Statement 1

	2015 \$	2014 \$
<b>FINANCIAL ASSETS</b>		
Cash	1,219,994	1,092,458
Restricted cash	2,070,599	2,020,804
Accounts receivable	833,949	218,902
Rents receivable	103,585	84,468
Investment in First Nation Controlled Entities (Note 3)	1,835,809	1,776,720
	6,063,936	5,193,352
<b>LIABILITIES</b>		
Accounts payable	401,478	397,803
Long-term debt (Note 4)	11,192,218	10,832,728
	11,593,696	11,230,531
<b>NET DEBT</b>	(5,529,760)	(6,037,179)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 1c & 5)	3,223,507	3,769,169
Deferred negotiation expenses	9,058,763	8,426,893
Prepaid expenses	8,254	11,171
	12,290,524	12,207,233
<b>MEMBERS' EQUITY (Note 6)</b>	6,760,764	6,170,054

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, 2015

Statement 2

	2015 \$	2014 \$
<b>REVENUE</b>		
Contributions, Nuu-Chah-Nulth Tribal Council	3,501,720	2,816,067
Contributions from Social Housing fund	-	153,425
First Nations Education Steering Committee	120,557	133,319
First Nation Health Authority	120,197	113,850
Loan proceeds	-	125,529
Miscellaneous	958,302	373,391
Parks Canada	268,558	240,553
Province of BC	12,152	11,223
Rental	130,274	151,169
Sales	217,210	253,552
Social Housing	97,147	122,793
Capital fund	138,113	605,393
First Nation Negotiation Support Agreement Fund	737,200	681,200
Enterprise Fund	63,409	1,038,480
Ottawa Trust Funds	49,516	56,563
	<b>6,414,355</b>	<b>6,876,507</b>
<b>EXPENDITURES</b>		
Operating fund		
Band program	1,359,142	1,120,825
Community services	263,644	230,898
Health	317,120	397,710
Social development	148,058	192,940
Education	982,723	942,253
Job creation	610,662	511,117
Capital program	778,169	890,027
Capital fund	547,160	735,254
First Nation Negotiation Support Agreement fund	737,200	681,200
Social Housing fund	79,767	279,115
	<b>5,823,645</b>	<b>5,981,339</b>
<b>ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES</b>	<b>590,710</b>	<b>895,168</b>

# DITIDAHT FIRST NATION

## SUMMARY STATEMENT OF CHANGE IN NET DEBT March 31, 2015

Statement 3

	2015 \$	2014 \$
Excess of revenue over expenditures	590,710	895,168
Acquisition of tangible capital assets	(45,926)	(499,811)
Depreciation of tangible capital assets	591,588	638,934
Disposal of tangible capital assets	-	25,671
	1,136,372	1,059,962
Acquisition of prepaid asset	(8,254)	(11,171)
Use of prepaid asset	11,171	9,542
Acquisition of deferred negotiation expenses	(9,058,763)	(8,426,893)
Use of deferred negotiation expenses	8,426,893	7,665,706
	(628,953)	(762,816)
<b>CHANGE IN NET DEBT</b>	<b>507,419</b>	<b>297,146</b>
<b>NET DEBT BEGINNING OF YEAR</b>	<b>(6,037,179)</b>	<b>(6,334,325)</b>
<b>NET DEBT AT END OF YEAR</b>	<b>(5,529,760)</b>	<b>(6,037,179)</b>



# DITIDAHT FIRST NATION

## SUMMARY STATEMENT OF CASH FLOWS March 31, 2015

Statement 4

	2015 \$	2014 \$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	590,710	895,168
Non-operating items:		
Share of loss (income) of First Nation Controlled Entities	(63,409)	(1,038,480)
Depreciation	591,588	638,934
Changes in non-cash operating net assets	(627,572)	119,581
	<b>491,317</b>	<b>615,203</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of Social Housing, Capital, and Enterprise Funds long-term debt	(136,615)	(160,465)
Repayment of Operating Fund long-term debt	(84,415)	(407,475)
Current year loan advances - Capital and Negotiaion Support Agreement Funds	580,520	670,489
Current year loan advances - Operating Fund	-	923,540
	<b>359,490</b>	<b>1,026,089</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(45,926)	(499,811)
Proceeds from disposal of capital assets	-	25,671
Investment in First Nation Controlled Entities	4,320	(252,340)
Increase in deferred negotiation expenses	(631,870)	(761,187)
	<b>(673,476)</b>	<b>(1,487,667)</b>
<b>CHANGES IN CASH DURING YEAR</b>	<b>177,331</b>	<b>153,625</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>3,113,262</b>	<b>2,959,637</b>
<b>CASH AT END OF YEAR</b>	<b>3,290,593</b>	<b>3,113,262</b>
<b>REPRESENTED BY:</b>		
Cash	1,219,994	1,092,458
Restricted Cash	2,070,599	2,020,804
	<b>3,290,593</b>	<b>3,113,262</b>

# DITIDAHT FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

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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 CICA 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, 2015

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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
- 0906971 B.C. Ltd.
- 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, 2015

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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, 2015

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

	2015 \$	2014 \$
<b>DITIDAHT DEVELOPMENT CORPORATION (100%)</b>		
Shares	2	2
Advances	(127,443)	(119,288)
Contributed surplus	300,044	300,044
Accumulated equity in earnings	(379,156)	(317,366)
	<b>(206,553)</b>	<b>(136,608)</b>
<b>0906971 B.C. Ltd. (100%)</b>		
Shares	5	5
Advances	4,750,949	4,748,835
Contributed surplus	1,926,000	1,926,000
Accumulated equity in earnings	(4,775,871)	(4,767,473)
	<b>1,901,083</b>	<b>1,907,367</b>
<b>DITIDAHT CEDAR SALVAGE LTD. (100%)</b>		
Shares	100	100
Advances	282,024	280,303
Accumulated equity in earnings	(546,318)	(559,130)
	<b>(264,194)</b>	<b>(278,727)</b>
<b>NON-CONTROLLED ENTITIES:</b>		
<b>NUU-CHAH-NULTH LIMITED PARTNERSHIP (12.5%)</b>		
Capital contribution	100	100
Accumulated equity in earnings	405,372	284,587
	<b>405,472</b>	<b>284,687</b>
<b>NUU-CHAH-NULTH SEAFOOD DEVELOPMENT CORPORATION (16.67%)</b>		
Shares	1	1
<b>TOTAL</b>	<b>1,835,809</b>	<b>1,776,720</b>

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

# DITIDAHT FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

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

Financial information for each of the entities for their respective periods ending in 2015 are as follows:

	ASSETS	LIABILITIES	REVENUE	NET INCOME (LOSS)
	\$	\$	\$	\$
Year ended March 31, 2015 Ditidaht Development Corporation	1,443,136	1,265,350	6,394	(54,873)
Year ended March 31, 2015 0906971 B.C. Ltd.	1,904,578	1,754,444	3,300	(8,398)
Year ended March 31, 2015 Ditidaht Cedar Salvage Ltd.	14,778	560,996	55,138	12,812
Year ended December 31, 2013 Nuu-Chah- Nulth Seafood LP	2,461,075	28,000	744,515	724,778

### NOTE 4: LONG-TERM DEBT

	2015 \$	2014 \$
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.	9,210,468	8,629,948
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.	7,678	52,105
<b>SUB-TOTAL</b>	<b>9,218,146</b>	<b>8,682,053</b>

# DITIDAHT FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

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

	2015 \$	2014 \$
SUB-TOTAL BROUGHT FORWARD	9,218,146	8,682,053
Royal Bank of Canada - repayable in monthly installments of \$384.68 including interest at 3.59% per annum, maturing November 3, 2015.	20,255	24,165
Bank of Montreal - repayable in monthly installments of \$951.32 including interest at 3.38% per annum, maturing September 30, 2016.	16,936	27,226
Bank of Montreal - repayable in monthly installments of \$4,090.92 including interest at 3.92%, maturing Oct 31, 2019. Secured by a Ministerial Guarantee and a first mortgage on 5 housing units.	559,429	571,979
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.	73,823	103,152
Finance agreement - Ford Credit Canada Ltd. - monthly payments of \$346.10 including interest at 9.89% per annum, secured by a 2008 Ford F150. - retired during the year.	-	2,990
Finance agreement - Ford Credit Canada Ltd. - monthly payments of \$522.21 including interest at 9.89% per annum, secured by a 2008 Ford F350. - retired during the year.	-	4,512
Finance agreement - Ford Credit Canada Ltd. - monthly payments of \$591.40 including interest at 9.89% per annum, secured by a 2008 Ford F350. - retired during the year.	-	5,110
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.	46,148	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.	42,006	52,988
SUB-TOTAL	9,976,743	10,451,466

# DITIDAHT FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

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

	2015 \$	2014 \$
SUB-TOTAL BROUGHT FORWARD	9,976,743	10,451,466
Nuu-Chah-Nulth Economic Development Corporation - repayable in monthly installments of \$4,967 including interest at 6% per annum.	343,213	381,262
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.	872,262	918,629
	<b>11,192,218</b>	10,832,728

As collateral for the long-term debt to Nuuchah-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 0906971 B.C. Ltd.
- 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 Nuuchah-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	178,914
2016	9,382,721
2017	153,851
2018	129,168
2019	122,934
And beyond	1,224,630
	<b>11,192,218</b>



# DITIDAHT FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

### 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, 2016.

	<u><b>COST</b></u>	<u><b>ACCUMULATED DEPRECIATION</b></u>	<u><b>2015 NET</b></u>	<u><b>2014 NET</b></u>
	\$	\$	\$	\$
Social Housing	1,096,513	767,741	<b>328,772</b>	373,200
Automobiles	1,210,073	1,105,549	<b>104,524</b>	146,333
Buildings	8,197,953	5,584,758	<b>2,613,195</b>	3,023,093
Community infrastructure	1,280,920	1,280,920	-	11,350
Capital water	330,264	303,027	<b>27,237</b>	43,750
Computer equipment	239,236	230,396	<b>8,840</b>	-
Equipment and furniture	872,032	832,583	<b>39,449</b>	69,953
Land development	101,490	-	<b>101,490</b>	101,490
	<b>13,328,481</b>	<b>10,104,974</b>	<b>3,223,507</b>	<b>3,769,169</b>

# DITIDAHT FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

### NOTE 6: MEMBERS' EQUITY

	2015 \$	2014 \$
<b>Restricted</b>		
Social Housing Fund	458,643	441,263
Trust Fund	2,029,146	1,979,630
Enterprise Fund	(3,069,621)	(3,133,030)
	(581,832)	(712,137)
<b>Unrestricted</b>		
Operating Fund	5,206,458	4,337,006
Capital Fund	2,136,138	2,545,185
	7,342,596	6,882,191
<b>TOTAL EQUITY</b>	<b>6,760,764</b>	<b>6,170,054</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 \$9,612 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 \$96,056 (2014 - \$88,859).

### 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, 2015

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### NOTE 10: CHANGE IN ACCOUNTING POLICIES

#### Liability for Contaminated Site

Effective April 1, 2014 the First Nation adopted new Public Sector Accounting Handbook Standard PS 3260, Liability for Contaminated Sites. The standard requires the recognition of a liability for the remediation of contamination sites in the financial statements when the recognition criteria outlined in the standard is met. This change in accounting policy has been applied prospectively. There was no impact on adoption of this standard to the financial statements of the First Nation as no sites meeting the criteria were recognized by the First Nation.

### NOTE 11: 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, refinance 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 12: 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, 2015**

**NOTE 12: SEGMENTED INFORMATION (Continued)**

	Band Programs	Community Services	Health	Social Dev't	Education	Job Creation	Capital Projects	Other	Housing	Total 2015
<b>REVENUE</b>										
Contributions, Nuu-Chah-Nulth Tribal Council	1,087,451	134,127	338,408	196,045	996,525	85,022	664,142	-	-	3,501,720
First Nations Education Steering Committee	4,474	-	-	-	116,083	-	-	-	-	120,557
Health Canada	120,197	-	-	-	-	-	-	-	-	120,197
Miscellaneous	623,756	53,556	-	-	1,751	259,557	19,682	-	-	958,302
Parks Canada	-	-	-	-	-	268,558	-	-	-	268,558
Province of BC	12,152	-	-	-	-	-	-	-	-	12,152
Rental	23,288	-	-	-	-	-	106,986	-	-	130,274
Sales	217,210	-	-	-	-	-	-	-	-	217,210
Social Housing	-	-	-	-	-	-	-	-	97,147	97,147
Capital fund	-	-	-	-	-	-	-	138,113	-	138,113
First Nation Negotiation Support Agreement Fund	-	-	-	-	-	-	-	737,200	-	737,200
Enterprise Fund	-	-	-	-	-	-	-	63,409	-	63,409
Ottawa Trust Funds	-	-	-	-	-	-	-	49,516	-	49,516
	2,088,528	187,683	338,408	196,045	1,114,359	613,137	790,810	988,238	97,147	6,414,355
<b>EXPENSES</b>										
Amortization	-	-	-	-	-	-	-	547,160	44,428	591,588
Other	841,720	134,872	190,107	141,307	385,993	341,835	451,914	737,200	35,339	3,260,287
Salaries and benefits	517,422	128,772	127,013	6,751	596,730	268,827	326,255	-	-	1,971,770
	1,359,142	263,644	317,120	148,058	982,723	610,662	778,169	1,284,360	79,767	5,823,645
	729,386	(75,961)	21,288	47,987	131,636	2,475	12,641	(296,122)	17,380	590,710

**DITIDAHT FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2015**

**NOTE 12: SEGMENTED INFORMATION (Continued)**

	Band Programs	Community Services	Health	Social Dev't	Education	Job Creation	Capital Projects	Other	Housing	Total 2014
<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
Health Canada	113,850	-	-	-	-	-	-	-	-	113,850
Loan proceeds	-	-	-	-	-	-	125,529	-	-	125,529
Parks Canada	-	-	-	-	-	240,553	-	-	-	240,553
Province of BC	11,223	-	-	-	-	-	-	-	-	11,223
First Nations Education Steering Committee	4,379	-	-	-	128,940	-	-	-	-	133,319
Sales	253,552	-	-	-	-	-	-	-	-	253,552
Miscellaneous	114,930	27,562	-	-	7,500	209,717	13,682	-	-	373,391
Rental	25,950	-	-	-	-	-	125,219	-	-	151,169
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
	1,122,635	170,399	344,131	238,998	1,085,577	572,360	837,978	2,381,636	122,793	6,876,507
<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
	1,120,825	230,898	397,710	192,940	942,253	511,117	890,027	1,416,454	279,115	5,981,339
	1,810	(60,499)	(53,579)	46,058	143,324	61,243	(52,049)	965,182	(156,322)	895,168

**DITIDAHT FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2015**

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**NOTE 13: EXPENDITURES BY OBJECT**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Amortization	<b>591,588</b>	638,937
Automotive	<b>102,644</b>	69,668
Contracted services	<b>360,221</b>	418,721
Equipment	<b>50,461</b>	173,303
Honoraria	<b>46,766</b>	81,000
Insurance	<b>119,470</b>	110,757
Office and general	<b>202,854</b>	190,363
Professional fees	<b>345,291</b>	184,332
Program expenditures	<b>1,329,884</b>	1,527,088
Rent and utilities	<b>187,960</b>	222,497
Repairs and maintenance	<b>105,736</b>	65,235
Supplies	<b>223,079</b>	250,756
Travel	<b>211,516</b>	159,979
Salaries and benefits	<b>1,946,175</b>	1,888,703
<b>Total</b>	<b>5,823,645</b>	5,981,339