

# **DITIDAHT FIRST NATION**

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## **CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2019**

# **DITIDAHT FIRST NATION**

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## **CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2019**

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# **DITIDAHT FIRST NATION**

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## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

**March 31, 2019**

The accompanying consolidated financial statements of Ditidaht First Nation and all the information in this annual report for the year ended March 31, 2019 are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgement. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated 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 Nation's assets are appropriately accounted for and adequately safeguarded.

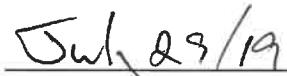
The Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council reviews the Nation's financial statements and recommends their approval. 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 annual report, the consolidated financial statements and the external auditor's report. The Council approves the financial statements for issuance to the Members. The Council also considers, for review and approval by the Members, the engagement of the external auditors.

The consolidated financial statements have been audited by Reid Hurst Nagy Inc. in accordance with Canadian generally accepted auditing standards on behalf of their members. Reid Hurst Nagy Inc. has full access to the books and records of the Nation. Reid Hurst Nagy Inc. have full and free access to the council for information purposes.



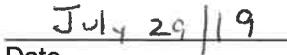
Chief



Date



Band Administrator



Date

## Independent Auditors' Report

To the Members of  
**Ditidaht First Nation**

### *Opinion*

We have audited the consolidated financial statements of Ditidaht First Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations, its changes in its consolidated net debt, and its consolidated cash flows for the year then ended in accordance with PSAB.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ◆ Obtain an understanding of internal control relevant to the audit 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 First Nation's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



REID HURST NAGY INC.  
CHARTERED PROFESSIONAL ACCOUNTANTS

RICHMOND, B.C.  
JULY 29, 2019

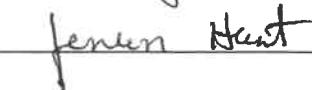
# DITIDAHT FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at March 31, 2019

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,192,022	\$ 3,015,743
Restricted cash (Note 3)	3,101,134	2,162,725
Accounts receivable (Note 4)	200,832	299,952
Long-term investments (Note 5)	14,145,731	8,916,814
Investment in Treaty	<u>10,635,437</u>	10,632,340
	<u>29,275,156</u>	25,027,574
<b>LIABILITIES</b>		
Accounts payable (Note 7)	453,885	698,249
Long-term debt (Note 8)	<u>12,134,077</u>	12,221,512
	<u>12,587,962</u>	12,919,761
<b>NET FINANCIAL ASSETS</b>	<b><u>16,687,194</u></b>	<b>12,107,813</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 9)	2,092,540	2,146,985
Prepaid expenses	<u>606</u>	606
	<u>2,093,146</u>	2,147,591
<b>ACCUMULATED SURPLUS (Note 10)</b>	<b><u>\$ 18,780,340</u></b>	<b>\$ 14,255,404</b>
<b>MEMBERS' EQUITY</b>		
Equity in Band Programs	\$ 3,970,682	\$ 5,693,475
Equity in Capital Fund	1,489,229	1,562,530
Equity in Ottawa Trust Funds	3,101,134	2,162,725
Equity in Enterprise Fund	<u>10,219,295</u>	4,836,674
<b>ACCUMULATED SURPLUS</b>	<b><u>\$ 18,780,340</u></b>	<b>\$ 14,255,404</b>

### APPROVED ON BEHALF OF THE DITIDAHT FIRST NATION

, Chief

, Band Administrator

# DITIDAHT FIRST NATION

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	\$ (61,260)	\$ 4,524,936	\$ 6,631,037
Acquisition of tangible capital assets	-	(531,003)	(243,970)
Amortization of tangible capital assets	-	585,448	537,674
	-	54,445	293,704
Acquisition of prepaid asset	-	(606)	(606)
Use of prepaid asset	-	606	18,756
	-	-	18,150
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	(61,260)	4,579,381	6,942,891
<b>NET FINANCIAL ASSETS AT BEGINNING OF YEAR</b>	-	<b>12,107,813</b>	<b>5,164,922</b>
<b>NET FINANCIAL ASSETS AT END OF YEAR</b>	\$ -	<b>\$ 16,687,194</b>	<b>\$ 12,107,813</b>

# DITIDAHT FIRST NATION

## CONSOLIDATED SUMMARY STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual
<b>REVENUE</b>			
Nuu-Chah-Nulth Tribal Council	\$ 2,979,396	\$ 4,348,250	\$ 4,632,796
BCTC Contribution	720,075	720,075	160,829
First Nations Education Steering Committee	35,231	285,247	385,009
Interest income	-	68,070	48,634
Aboriginal Head Start	135,000	141,140	141,140
Province of British Columbia	50,000	30,226	30,570
Rental Income	100,000	175,217	211,023
Revenue Sharing	34,873	323,296	201,618
Share of income of First Nation controlld entities	-	3,382,621	6,661,623
Other	586,282	2,080,189	1,271,456
	4,640,857	11,554,331	13,744,698
<b>EXPENDITURES</b>			
Band Programs	771,105	1,030,245	1,316,391
Community Services	486,439	1,020,871	392,645
Health	230,378	226,868	423,211
Social Development	-	178,149	237,783
Education	1,234,816	1,464,447	1,511,898
Job Creation	300,178	556,167	653,453
Capital Programs	648,800	1,404,377	1,111,340
Treaty Related Measures	254,791	299,495	664,995
Capital Fund	-	585,448	537,674
Ottawa Trust Funds	-	55,400	-
Treaty Negotiation Support Agreement	785,074	723,172	737,511
	4,711,581	7,544,639	7,586,901
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE PROCEEDS FROM LONG-TERM DEBT</b>			
	(61,260)	4,009,692	6,157,795
<b>PROCEEDS FROM LONG-TERM DEBT</b>			
Tangible capital asset additions	-	531,004	243,970
Principal reduction of long-term debt	-	58,198	79,605
Proceeds from long-term debt	-	(77,055)	(427,016)
Investment in Treaty	-	3,097	576,683
	-	515,244	473,242
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>			
	(61,260)	4,524,936	6,631,037
<b>EQUITY AT BEGINNING OF YEAR</b>			
	-	14,255,404	7,624,367
<b>EQUITY AT END OF YEAR</b>			
	\$ (61,260)	\$ 18,780,340	\$ 14,255,404

# DITIDAHT FIRST NATION

## CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended March 31, 2019

	2019	2018
<b>OPERATING ACTIVITIES</b>		
EXCESS OF REVENUE OVER EXPENDITURES	\$ 4,524,936	\$ 6,631,037
Items not affecting cash		
Amortization	585,448	537,674
Share of income of First Nation controlled entities	<u>(3,382,621)</u>	<u>(6,661,623)</u>
	1,727,763	507,088
Change in non-cash operating working capital	<u>(145,244)</u>	<u>6,018</u>
	1,582,519	513,106
<b>FINANCING ACTIVITIES</b>		
Repayment of Capital and Enterprise Funds long-term debt	(58,198)	(79,605)
Repayment of Operating Fund long-term debt	(106,291)	(104,126)
Current year loan advances - Capital and Negotiation Support Agreement Funds	-	427,016
Current year loan advances - Operating Fund	<u>77,055</u>	<u>-</u>
	(87,434)	243,285
<b>INVESTING ACTIVITIES</b>		
Advances to First Nation controlled entities	153,704	(184,872)
Purchase of tangible capital assets	(531,004)	(243,970)
Increase in investment in Treaty	(3,097)	(576,683)
Contribution to Ditidaht Economic Development Limited Partnership	<u>(2,000,000)</u>	<u>-</u>
	(2,380,397)	(1,005,525)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	(885,312)	(249,134)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>5,178,468</b>	<b>5,427,602</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 4,293,156</b>	<b>\$ 5,178,468</b>
<b>CASH AND CASH EQUIVALENTS ARE REPRESENTED BY:</b>		
Cash	\$ 1,192,022	\$ 3,015,743
Cash - Replacement Reserve Fund	<u>3,101,134</u>	<u>2,162,725</u>
	\$ 4,293,156	\$ 5,178,468

# **DITIDAHT FIRST NATION**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2019**

### **1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of CPA Canada.

#### **(a) Reporting Entity**

The Ditidaht First Nation reporting entity includes the Ditidaht First Nation government and all related entities that are controlled by the First Nation.

#### **(b) Principles of Consolidation**

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Ditidaht First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Ditidaht First Nation.

Organizations consolidated in Ditidaht First Nation's financial statements include:

1. Ditidaht First Nation Operating Fund
2. Ditidaht First Nation Capital Fund
3. Ditidaht First Nation Trust Fund
4. Ditidaht First Nation Negotiation Support Agreement Fund

Organizations accounted for on a modified equity basis include:

5. Ditidaht Economic Development Limited Partnership
6. Ditidaht Economic Development General Partnership Inc.
7. Nuu-Chah-Nulth Seafood Limited Partnership
8. Nuu-Chah-Nulth Seafood Development Corporation

#### **(c) Fund Accounting**

The Ditidaht First Nation maintains the following funds and reserves as part of its operations:

- The Operating Fund which reports the general activities of the First Nation administration.
- The Capital Fund which reports the tangible capital assets of the First Nation not included in other funds, together with their 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 Negotiation Support Agreement.
- The Enterprise Fund which reports the First Nation's investment in self-supporting commercial entities.

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

#### (d) 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 an 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.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

#### (e) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

#### (f) Cash

Cash and cash equivalents include cash on hand and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

#### (g) Long-term Debt

Proceeds from long-term debt are recorded as program revenue. Payments of principal and interest are treated as program expenditures. Long-term debt is recorded as a liability on the balance sheet. Reductions of long-term debt are offset with an increase to Equity in Tangible Capital Assets.

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

#### (h) 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. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Ditidaht First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings*	20years Straight line
Automotive equipment	5 years Straight line
Computer equipment	3years Straight line
Equipment	5 years Straight line
Capital water	20years Straight line
Infrastructure	20years Straight line
Land development	0years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Ditidaht First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

#### (i) Budget

The budget reported in the financial statements was provided by management and is unaudited.

#### (j) Surplus Recoveries and Deficit Funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

#### (k) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

#### (l) Measurement Uncertainty

In preparing the consolidated financial statements for the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include collectability of accounts receivable, useful life of tangible assets and accounts payable and accruals. Actual results could differ from these estimates.

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 2. ECONOMIC DEPENDENCE

Ditidaht First Nation receives a significant portion of its revenue pursuant to an agreement referred to as "The Comprehensive Funding Arrangement". This agreement has been entered into by the Nuu-Chah-Nulth Tribal Council, its member First Nations and Indigenous Services Canada. It is expected that the agreement will be renewed on an annual basis.

### 3. RESTRICTED CASH

Ottawa Trust Funds:

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.

	2019	2018
Ottawa Trust Funds - restricted cash	<u>\$ 3,101,134</u>	<u>\$ 2,162,725</u>

### 4. ACCOUNTS RECEIVABLE

	2019	2018
Accounts receivable - general Nuu-Chah-Nulth Tribal Council	<u>\$ 244,210</u> <u>113,805</u>	<u>\$ 233,466</u> <u>170,435</u>
Allowance for doubtful accounts	<u>358,015</u> <u>(157,183)</u>	<u>403,901</u> <u>(103,949)</u>
	<u><u>\$ 200,832</u></u>	<u><u>\$ 299,952</u></u>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 5. LONG-TERM INVESTMENTS

	2019	2018
Investment in Nuu-Chah-Nulth Seafood Development Corporation		
Shares	\$ 1	\$ 1
	1	1
Investment in Nuu-Chah-Nulth Seafood Limited Partnership		
Capital contribution	100	100
Accumulated equity in earnings	503,177	414,391
	503,277	414,491
Investment in Ditidaht Cedar Salvage Ltd.		
Advances	(2,320)	(100)
	(2,320)	(100)
Investment in Ditidaht Development Corporation		
Advances	(8,182)	147,617
	(8,182)	147,617
Investment in Ts'aa7ukw Holdings Ltd.		
Advances	1,034	1,034
	1,034	1,034
Investment in Ditidaht River Green General Partner Inc.		
Advances	(100)	(100)
	(100)	(100)
Investment in Ditidaht River Green Limited Partnership		
Advances	(10)	(10)
	(10)	(10)
Investment in Ditidaht Economic Development General Partner Inc.		
Shares	100	100
Advances	(100)	(100)
Accumulated equity in earnings	(14,837)	(13,530)
	(14,837)	(13,530)
Investment in Ditidaht Economic Development Limited Partnership		
Capital contribution	7,501,522	5,501,522
Advances	(2,141)	(6,457)
Accumulated equity in earnings	6,167,487	2,872,346
	13,666,868	8,367,411
	<b>\$ 14,145,731</b>	<b>\$ 8,916,814</b>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 6. GOVERNMENT BUSINESS ENTERPRISES

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board of CPA Canada. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

- ◆ Ditidaht Economic Development General Partner Inc.
- ◆ Ditidaht Economic Development Limited Partnership

	Ditidaht Economic Development General Partner Inc.	Ditidaht Economic Development Limited Partnership
Cash	\$ -	\$ 3,727,668
Accounts receivable	-	2,726
Investments	576	8,289,163
Other assets	-	1,947,836
<b>Total assets</b>	<b>\$ 576</b>	<b>\$ 13,967,393</b>
Accounts payable	\$ 1,000	\$ 3,515
Other liabilities	14,313	294,292
<b>Total liabilities</b>	<b>15,313</b>	<b>297,807</b>
<b>Equity</b>	<b>(14,737)</b>	<b>13,669,586</b>
<b>Total liabilities and equity</b>	<b>\$ 576</b>	<b>\$ 13,967,393</b>
	Ditidaht Economic Development General Partner Inc.	Ditidaht Economic Development Limited Partnership
Revenue		
Management fees	\$ -	\$ 806,642
Logging income	-	2,656,570
Income from limited partnerships	330	13,320
Income from investments	-	(43,653)
Interest income	-	44,006
	330	3,476,885
<b>Expenses</b>	<b>1,637</b>	<b>181,413</b>
	<b>\$ (1,307)</b>	<b>\$ 3,295,472</b>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

### 6. GOVERNMENT BUSINESS ENTERPRISES, continued

### 7. ACCOUNTS PAYABLE

	2019	2018
Accounts payable - general	\$ 355,212	\$ 609,788
Receiver General - payroll deductions	62,443	55,370
Wages payable	36,230	33,091
	<b>\$ 453,885</b>	<b>\$ 698,249</b>

### 8. LONG-TERM DEBT

	2019	2018
Bank of Montreal - repayable in monthly installments of \$2,704 interest at prime plus .5% per annum due upon demand, secured by a Ministerial Guarantee from Indigenous and Northern Affairs Canada and a first mortgage on the property.	\$ -	\$ 1,089
Bank of Montreal - repayable in monthly installments of \$3,507 including interest at 3.92%, maturing Oct 31, 2019. Secured by a Ministerial Guarantee and a first mortgage on 5 housing units.	480,699	501,814
Royal Bank of Canada - repayable in monthly installments of \$393 including interest at 3.59% per annum, maturing November 27, 2019.	2,966	7,480
Nuu-Chan-Nulth Economic Development Corporation - monthly payments of \$4,967 including interest at 6% per annum, secured by a General Security Agreement.	166,119	214,455
Nuu-Chan-Nulth Economic Development Corporation - Loan #2 with monthly payments of \$290 including interest at 8% per annum, secured by a General Security Agreement.	-	1,756
Nuu-Chan-Nulth Economic Development Corporation - Loan #1 with no interest and forgiven one dollar for every one dollar of principal repaid on Loan #2, secured by a General Security Agreement.	-	1,744
Finance agreement - Ford Credit Canada Ltd. - monthly payments of \$587 including interest at 6.09% per annum maturing July 2018, secured by a 2013 Ford F350.	-	5,221
Finance agreement - Ford Credit Canada Ltd. - monthly payments of \$534 including interest at 6.09% per annum, secured by a 2013 Ford Super Duty. The loan was paid in full	-	4,753
Promissory notes and First Nation Negotiation Support Agreements representing advances made by Canada for negotiations. Repayment provisions for these loans were outlined in Sections 13.0 and 14.0 of the First Nation Negotiation Support Agreement from 2017/2018 and earlier.	10,697,335	10,697,335
Equipment lease agreement - Lease Link Canada Corp. - monthly lease payments of \$2,176 maturing September 2020, leased for the 2015 Ford Goshen Coach Tour Bus	45,008	64,098

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

### 8. LONG-TERM DEBT, continued

	2019	2018
Bank of Montreal - repayable in monthly installments of \$6,795 including interest at 4.30%, maturing Feb 28, 2024. Secured by a Ministerial Guarantee and a general security agreement.	<b>667,312</b>	721,767
Bank of Montreal - repayable in monthly installments of \$278 including interest at BMO prime rate plus 0.50%, maturing December 2032. The interest rate in effect at March 31, 2019 is 4.45%. Secured by a 2018 Outdoors RV Glacier Peak.	<b>74,638</b>	-
	<b>\$ 12,134,077</b>	<b>\$ 12,221,512</b>

Principal portion of long-term debt due within the next five years:

2020	\$ 10,851,519
2021	159,270
2022	143,023
2023	92,277
2024 and thereafter	887,988
	<b>\$ 12,134,077</b>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 9. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated amortization				2019 net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year		
Buildings	\$ 8,971,426	\$ 68,683	\$ 9,040,109	\$ 7,289,070	\$ 431,035	\$ 7,720,105		\$ 1,320,004
Automotive equipment	1,392,967	413,749	1,806,716	1,262,153	90,795	1,352,948		453,768
Community infrastructure	1,280,920	-	1,280,920	1,280,920	-	1,280,920		-
Capital water	344,399	-	344,399	331,678	1,414	333,092		11,307
Equipment and furniture	1,351,206	48,572	1,399,778	1,131,602	62,205	1,193,807		205,971
Land development	101,490	-	101,490	-	-	-		101,490
	<b>\$ 13,442,408</b>	<b>\$ 531,004</b>	<b>\$ 13,973,412</b>	<b>\$ 11,295,423</b>	<b>\$ 585,449</b>	<b>\$ 11,880,872</b>		<b>\$ 2,092,540</b>

	Cost			Accumulated amortization				2018 Net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year		
Buildings	\$ 8,971,426	\$ -	\$ 8,971,426	\$ 6,861,469	\$ 427,601	\$ 7,289,070		\$ 1,682,356
Automotive equipment	1,362,291	30,676	1,392,967	1,200,180	61,973	1,262,153		130,814
Community infrastructure	1,280,920	-	1,280,920	1,280,920	-	1,280,920		-
Capital water	330,264	14,134	344,399	329,802	1,876	331,678		12,721
Equipment and furniture	1,152,047	199,159	1,351,206	1,085,378	46,224	1,131,602		219,604
Land development	101,490	-	101,490	-	-	-		101,490
	<b>\$ 13,198,438</b>	<b>\$ 243,970</b>	<b>\$ 13,442,408</b>	<b>\$ 10,757,749</b>	<b>\$ 537,674</b>	<b>\$ 11,295,423</b>		<b>\$ 2,146,985</b>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 10. ACCUMULATED SURPLUS

	<b>2019</b>	<b>2018</b>
Unrestricted		
Operating Fund	\$ 3,970,682	\$ 5,693,475
Capital Fund	1,489,229	1,562,530
	<hr/> <b>5,459,911</b>	<hr/> <b>7,256,005</b>
Restricted		
Ottawa Trust Funds	3,101,134	2,162,725
Enterprise Fund	10,219,295	4,836,674
	<hr/> <b>13,320,429</b>	<hr/> <b>6,999,399</b>
	<hr/> <b>\$ 18,780,340</b>	<hr/> <b>\$ 14,255,404</b>

### 11. SEGMENTED INFORMATION

As previously discussed in note 1 (e) the First Nation conducts its business through reportable segments as follows:

The Band Programs department is responsible for administering projects the Band is involved in annually and on an on-going basis relating to the overall objectives of the First Nation and the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs, it also provides services for students at the elementary/secondary and post secondary level, including; instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

Social Development provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

The Health department oversees the delivery of health programs and initiatives for the betterment of the lives of the members of the First Nation.

Job Creation supports the development of employment opportunities for members of the First Nation.

Capital Projects manages capital projects within the community undertaken to support the growth and/or maintenance of the First Nation's infrastructure.

Other operations include Capital Fund, Ottawa Trust Fund, First Nation Negotiation Support Agreement Fund and Enterprise Fund transactions.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 11. SEGMENTED INFORMATION, continued

	Band Programs		Community Services		Health		2019 Budget	2019 Actual	2018 Actual
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual			
<b>Revenues</b>									
Nuu-Chah-Nulth Tribal Council	\$ 636,105	\$ 700,259	\$ 895,962	\$ 320,061	\$ 935,485	\$ 262,193	\$ 257,250	\$ 216,242	\$ 436,219
Province of British Columbia	-	30,226	30,570	-	-	-	-	-	-
Revenue Sharing	-	323,296	201,618	-	-	-	-	-	-
Rental Income	-	21,055	28,305	-	-	-	-	-	-
Other revenue	135,000	294,405	517,731	164,500	340,095	24,041	-	-	-
<b>Total revenue</b>	<b>771,105</b>	<b>1,369,241</b>	<b>1,674,186</b>	<b>484,561</b>	<b>1,275,580</b>	<b>286,234</b>	<b>257,250</b>	<b>216,242</b>	<b>436,219</b>
<b>Expenses</b>									
Contracted services	42,856	156,576	204,814	126,860	267,491	173,079	21,004	16,384	27,883
Materials and supplies	64,000	78,791	101,204	3,500	77,738	10,906	18,510	12,131	20,045
Professional fees	50,000	79,876	113,298	12,190	4,950	-	-	-	-
Travel	73,000	87,786	77,589	24,790	64,519	2,977	9,597	170,108	183,998
Utilities and telephone	30,000	37,609	48,531	-	911	-	14,967	2,484	18,055
Wages and benefits	360,391	319,405	335,737	169,100	402,073	101,547	149,800	11,355	159,369
Other expenses	150,858	270,202	435,218	149,999	203,189	104,136	16,500	14,406	13,861
<b>Total expenses</b>	<b>771,105</b>	<b>1,030,245</b>	<b>1,316,391</b>	<b>486,439</b>	<b>1,020,871</b>	<b>392,645</b>	<b>230,378</b>	<b>226,868</b>	<b>423,211</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 338,996</b>	<b>\$ 357,795</b>	<b>\$ (1,878)</b>	<b>\$ 254,709</b>	<b>\$ (106,411)</b>	<b>\$ 26,872</b>	<b>\$ (10,626)</b>	<b>\$ 13,008</b>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 11. SEGMENTED INFORMATION, continued

	Social Development			Education			Job Creation		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
<b>Revenues</b>									
Nuu-Chah-Nulth Tribal Council	\$ -	\$ 152,861	\$ 178,828	\$ 1,151,185	\$ 35,231	\$ 1,151,185	\$ 1,168,715	\$ 82,417	\$ 82,417
First Nations Education Steering Committee	-	-	-	35,231	285,247	385,009	-	-	-
Other revenue	-	-	-	55,400	82,760	15,000	250,000	409,895	682,886
<b>Total revenue</b>	<b>-</b>	<b>152,861</b>	<b>178,828</b>	<b>1,241,816</b>	<b>1,519,192</b>	<b>1,568,724</b>	<b>332,417</b>	<b>492,312</b>	<b>765,866</b>
<b>Expenses</b>									
Contracted services	-	-	-	-	-	-	17,000	205,898	257,948
Materials and supplies	-	-	-	70,500	191,044	201,179	39,000	54,112	51,756
Professional fees	-	-	-	-	-	-	1,572	578	1,291
Travel	-	-	-	10,000	25,776	33,102	9,000	12,335	11,368
Utilities and telephone	-	-	-	43,000	43,327	45,767	900	3,975	2,348
Wages and benefits	-	-	-	763,806	732,032	743,866	184,870	101,905	121,221
Other expenses	-	178,149	237,783	347,510	472,268	487,984	47,836	177,364	207,521
<b>Total expenses</b>	<b>-</b>	<b>178,149</b>	<b>237,783</b>	<b>1,234,816</b>	<b>1,464,447</b>	<b>1,511,898</b>	<b>300,178</b>	<b>556,167</b>	<b>653,453</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ (25,288)</b>	<b>\$ (58,955)</b>	<b>\$ 7,000</b>	<b>\$ 54,745</b>	<b>\$ 56,826</b>	<b>\$ 32,239</b>	<b>\$ (63,855)</b>	<b>\$ 112,413</b>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 11. SEGMENTED INFORMATION, continued

	2019 Budget	Capital Programs		2018 Actual	Treaty Related Measures		
		2019 Actual	2018 Actual		2019 Budget	2019 Actual	2018 Actual
<b>Revenues</b>							
Nuu-Chah-Nulth Tribal Council	\$ 400,545	\$ 977,968	\$ 1,023,111	\$ 131,833	\$ 131,833	\$ 131,833	\$ 584,788
Province of British Columbia	-	-	-	50,000	-	-	-
Revenue Sharing	34,873	-	-	-	-	-	-
Rental Income	100,000	154,162	182,718	-	-	-	-
Other revenue	91,382	72,980	(291,578)	25,000	95,455	37,500	
<b>Total revenue</b>	<b>626,800</b>	<b>1,205,110</b>	<b>914,251</b>	<b>206,833</b>	<b>227,288</b>	<b>622,288</b>	
<b>Expenses</b>							
Contracted services	39,000	277,679	341,899	66,200	36,007	342,296	
Principal payments on loans	33,000	42,224	40,938	-	-	-	
Materials and supplies	45,500	84,627	102,766	15,000	11,122	16,028	
Professional fees	-	52,735	-	-	70,397	100,099	
Travel	13,000	36,124	27,080	20,470	15,773	31,577	
Utilities and telephone	30,000	61,447	44,287	1,200	5,227	3,694	
Wages and benefits	288,562	344,693	397,757	105,200	82,413	101,463	
Other expenses	199,738	504,848	156,613	46,721	78,556	69,838	
<b>Total expenses</b>	<b>648,800</b>	<b>1,404,377</b>	<b>1,111,340</b>	<b>254,791</b>	<b>299,495</b>	<b>664,995</b>	
<b>Annual surplus (deficit)</b>	<b>\$ (22,000)</b>	<b>\$ (199,267)</b>	<b>\$ (197,089)</b>	<b>\$ (47,958)</b>	<b>\$ (72,207)</b>	<b>\$ (42,707)</b>	

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 11. SEGMENTED INFORMATION, continued

	Capital Fund		Ottawa Trust Funds		Treaty Negotiation Support Agreement				
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
<b>Revenues</b>									
Other revenue	\$ -	\$ -	\$ -	\$ -	\$ 993,809	\$ 48,634	\$ 720,075	\$ 720,075	\$ 587,845
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>993,809</b>	<b>48,634</b>	<b>720,075</b>	<b>720,075</b>	<b>587,845</b>
<b>Expenses</b>									
Amortization	-	585,448	537,674	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	55,175	47,680	54,645
Travel	-	-	-	-	-	-	26,000	10,095	10,163
Utilities and telephone	-	-	-	-	-	-	4,500	10,368	11,742
Other expenses	-	-	-	-	55,400	-	699,399	655,029	660,961
<b>Total expenses</b>	<b>-</b>	<b>585,448</b>	<b>537,674</b>	<b>-</b>	<b>55,400</b>	<b>-</b>	<b>785,074</b>	<b>723,172</b>	<b>737,511</b>
Other income	-	(585,448)	(537,674)	-	938,409	48,634	(64,999)	(3,097)	(149,666)
Other income	-	512,147	323,574	-	-	-	-	3,097	149,666
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ (73,301)</b>	<b>\$ (214,100)</b>	<b>-</b>	<b>\$ 938,409</b>	<b>\$ 48,634</b>	<b>\$ (64,999)</b>	<b>-</b>	<b>\$ -</b>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

### 11. SEGMENTED INFORMATION, continued

	Enterprise Fund			Consolidated totals		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
<b>Revenues</b>						
Nuu-Chah-Nulth Tribal Council	\$ -	\$ -	\$ -	\$ 2,979,396	\$ 4,348,250	\$ 4,632,796
First Nations Education Steering Committee	-	-	-	35,231	285,247	385,009
Province of British Columbia	-	-	-	50,000	30,226	30,570
Revenue Sharing	-	-	-	34,873	323,296	201,618
Rental Income	-	-	-	100,000	175,217	211,023
Other revenue	-	3,382,621	6,661,623	1,441,357	6,392,095	8,283,682
<b>Total revenue</b>	<b>-</b>	<b>3,382,621</b>	<b>6,661,623</b>	<b>4,640,857</b>	<b>11,554,331</b>	<b>13,744,698</b>
<b>Expenses</b>						
Amortization	-	-	-	-	585,448	537,674
Contracted services	-	-	-	312,920	960,035	1,347,919
Principal payments on loans	-	-	-	33,000	42,224	40,938
Materials and supplies	-	-	-	256,010	509,565	503,884
Professional fees	-	-	-	118,937	256,216	269,333
Travel	-	-	-	185,857	422,516	377,854
Utilities and telephone	-	-	-	124,567	165,348	174,424
Wages and benefits	-	-	-	2,021,729	1,993,876	1,960,960
Other expenses	-	-	-	1,658,561	2,609,411	2,373,915
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,711,581</b>	<b>7,544,639</b>	<b>7,586,901</b>
<b>Other income</b>	<b>-</b>	<b>3,382,621</b>	<b>6,661,623</b>	<b>(70,724)</b>	<b>4,009,692</b>	<b>6,157,797</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 3,382,621</b>	<b>\$ 6,661,623</b>	<b>\$ (70,724)</b>	<b>\$ 4,524,936</b>	<b>\$ 6,631,037</b>

# **DITIDAHT FIRST NATION**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2019**

### **12. CONTINGENT LIABILITIES**

#### **a) Indigeneous Services Canada**

Under the terms of the contribution agreements with Indigeneous Services Canada and other governmental departments, certain surpluses may be repayable to the government and certain deficits may be reimbursable to the Band.

#### **b) Loan Guarantee**

A Government of Canada Ministerial Guarantee has been obtained for loans to certain band members. If these loans default, the Minister may recover the outstanding amounts from the Ditidaht Indian Band.

The band has guaranteed loans totalling \$20,456.

#### **c) On-Reserve Housing Loan**

The Ditidaht First Nation is contingently liable for up to \$2,000,000 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) Visa Account Loan**

The Ditidaht First Nation is contingently liable for a Royal Bank Visa account equalling \$35,000. These accounts are in the names of the Chief and Band Manager.

### **13. COMPARATIVE AMOUNTS**

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current period.