

DITIDAHT FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

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DITIDAHT FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2021

The accompanying consolidated financial statements of Ditidaht First Nation and all the information in this annual report for the year ended March 31, 2021 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.

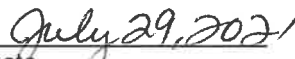
The consolidated financial statements have been audited by Reid Hurst Nagy Inc. in accordance with Canadian generally accepted auditing standards on behalf of their members. Reid Hurst Nagy Inc. has full access to the books and records of the Nation. Reid Hurst Nagy Inc. have full and free access to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




Chief



Band Administrator



Date



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, 2021, 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, 2021, and the results of its consolidated operations, its changes in its consolidated net financial assets, 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, 2021

DITIDAHT FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31	2021	2020
FINANCIAL ASSETS		
Cash	\$ 8,239,175	\$ 5,480,178
Accounts receivable (Note 3)	750,821	696,924
Long-term investments (Note 4)	19,610,106	17,430,510
	28,600,102	23,607,612
LIABILITIES		
Accounts payable (Note 6)	376,122	399,242
Deferred revenue (Note 7)	2,165,821	635,258
Long-term debt (Note 8)	1,070,990	1,176,014
	3,612,933	2,210,514
NET FINANCIAL ASSETS	24,987,169	21,397,098
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	3,826,459	3,559,567
Prepaid expenses	606	606
	3,827,065	3,560,173
ACCUMULATED SURPLUS (Note 10)	\$ 28,814,234	\$ 24,957,271
MEMBERS' EQUITY		
Equity in Band Programs	\$ 9,577,195	\$ 8,209,226
Equity in Capital Fund	3,311,689	2,998,338
Equity in Treaty Negotiation Support Agreement	237,729	237,275
Equity in Enterprise Fund	15,687,621	13,512,432
ACCUMULATED SURPLUS	\$ 28,814,234	\$ 24,957,271

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	2021 Budget	2021 Actual	2020
ANNUAL SURPLUS	\$ 49,496	\$ 3,856,963	\$ 4,854,314
Acquisition of tangible capital assets	-	(819,356)	(683,000)
Amortization of tangible capital assets	-	552,464	538,591
	-	(266,892)	(144,409)
Acquisition of prepaid asset	-	(606)	(606)
Use of prepaid asset	-	606	606
	-	-	-
INCREASE IN NET FINANCIAL ASSETS	49,496	3,590,071	4,709,905
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	-	21,397,098	16,687,193
NET FINANCIAL ASSETS AT END OF YEAR	\$ -	\$ 24,987,169	\$ 21,397,098

DITIDAHT FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31

	2021 Budget	2021 Actual	2020 Actual
REVENUE			
Nuu-Chah-Nulth Tribal Council	\$ 3,354,420	\$ 4,943,510	\$ 4,273,467
BCTC Contribution	-	756,325	841,500
First Nations Education Steering Committee	-	591,423	460,515
Ottawa Trust Fund contribution	-	-	3,042,230
First Nations Health Authority	124,000	155,000	238,700
Aboriginal Head Start	105,855	176,714	143,963
Province of British Columbia	-	445,205	75,530
Rental Income	117,000	126,284	145,222
Forestry Consultation and Revenue Sharing (FCRSA)	-	344,413	323,296
Share of income of First Nation controlled entities	-	2,175,189	3,293,137
Other	1,205,729	2,304,795	2,280,082
	4,907,004	12,018,858	15,117,642
EXPENSES			
Band Programs	1,365,069	1,385,505	975,434
Community Services	403,887	723,127	952,883
Health	190,172	302,176	369,271
Social Development	-	187,782	172,534
Education	1,511,545	1,274,949	1,474,025
Job Creation	410,765	422,470	352,475
Capital Programs	747,041	864,560	682,361
Treaty Related Measures	346,130	162,429	317,142
Capital Fund	-	552,463	538,591
Ottawa Trust Funds	-	-	3,127,230
Treaty Negotiation Support Agreement	-	755,871	666,123
	4,974,609	6,631,332	9,628,069
ANNUAL SURPLUS BEFORE OTHER	49,496	5,387,526	5,489,572
OTHER			
Transfer to deferred revenue	-	(1,530,563)	(635,258)
ANNUAL SURPLUS	49,496	3,856,963	4,854,314
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	-	24,957,271	20,102,957
ACCUMULATED SURPLUS AT END OF YEAR	\$ 49,496	\$ 28,814,234	\$ 24,957,271

The accompanying notes are an integral part of the financial statements

DITIDAHT FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2021	2021	2020
OPERATING ACTIVITIES		
ANNUAL SURPLUS	\$ 3,856,963	\$ 4,854,314
Items not affecting cash		
Amortization	552,464	538,591
Share of income of First Nation controlled entities	(2,175,189)	(3,293,137)
Decrease in investment in treaty	-	10,635,437
	2,234,238	12,735,205
Change in non-cash operating working capital	1,453,546	84,521
	3,687,784	12,819,726
FINANCING ACTIVITIES		
Repayment of Capital and Enterprise Funds long-term debt	-	(42,082)
Repayment of Operating Fund long-term debt	(105,024)	(218,646)
Current year loan forgiven - Negotiation Support Agreement Funds	-	(10,697,335)
	(105,024)	(10,958,063)
INVESTING ACTIVITIES		
Advances from (to) First Nation controlled entities	(4,407)	8,359
Purchase of tangible capital assets	(819,356)	(683,000)
	(823,763)	(674,641)
INCREASE IN CASH AND CASH EQUIVALENTS	2,758,997	1,187,022
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,480,178	4,293,156
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 8,239,175	\$ 5,480,178

The accompanying notes are an integral part of the financial statements

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

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) Liability for contaminated sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) Ditidaht First Nation is directly responsible or accepts responsibility
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

As at March 31, 2020 and 2021, no liability for contaminated sites has been recorded.

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Financial Instruments

(i) Measurement of Financial instruments

The First Nation initially measures its financial assets and liabilities at fair value.

The First Nation subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value are not recognized in the statement of operations in the period incurred in accordance with PSAS.

Financial assets measured at amortized cost include cash, accounts receivables, funds held in trust.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The First Nation has not designated any financial asset or financial liability to be measured at fair value.

(ii) Impairment

For financial assets measured at cost or amortized cost, the First Nation Corporation determines whether there are indications of possible impairment. When there is an indication of impairment, and the First Nation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(k) Budget

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Council.

(l) 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.

(m) 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."

(n) 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.

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 Nuuchah-Nulth Tribal Council, its member First Nations and Indigenous Services Canada. It is expected that the agreement will be renewed on an annual basis.

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

3. ACCOUNTS RECEIVABLE

	2021	2020
Accounts receivable - general	\$ 397,390	\$ 281,746
Nuu-Chah-Nulth Tribal Council	502,104	563,851
	899,494	845,597
Allowance for doubtful accounts	(148,673)	(148,673)
	\$ 750,821	\$ 696,924

4. LONG-TERM INVESTMENTS

	2021	2020
Investment in Nuuchah-Nulth Seafood Development Corporation Shares	\$ 1	\$ 1
Investment in Nuuchah-Nulth Seafood Limited Partnership		
Capital contribution	100	100
Accumulated equity in earnings	561,890	657,750
	561,990	657,850
Investment in Ditidaht Cedar Salvage Ltd.		
Advances	(2,320)	(2,320)
Investment in Ditidaht Development Corporation		
Shares	-	(1)
Advances	(12,134)	(16,540)
	(12,134)	(16,541)
Investment in Ts'aa7ukw Holdings Ltd.		
Advances	1,034	1,034
Investment in Ditidaht River Green General Partner Inc.		
Advances	-	(100)
Investment in Ditidaht River Green Limited Partnership		
Advances	-	(10)
Investment in Ditidaht Economic Development General Partner Inc.		
Shares	100	100
Advances	(100)	(100)
Accumulated equity in earnings	(20,314)	(16,305)
	(20,314)	(16,305)
Investment in Ditidaht Economic Development Limited Partnership		
Capital contribution	7,501,522	7,501,522
Advances	178,858	26,859
Accumulated equity in earnings	11,401,469	9,278,519
	19,081,849	16,806,900
	\$ 19,610,106	\$ 17,430,509

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

5. 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	\$ -	\$ 6,275,347
Accounts receivable	-	849,432
Prepaid expenses	2,454	-
Investments	1,115	9,109,687
Other assets	-	2,705,138
Total assets	\$ 3,569	\$ 18,939,604

Accounts payable	\$ 1,000	\$ 12,631
Other liabilities	22,783	22,868

Total liabilities	23,783	35,499
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Equity	(20,214)	18,904,105
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Total liabilities and equity	\$ 3,569	\$ 18,939,604
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	Ditidaht Economic Development General Partner Inc.	Ditidaht Economic Development Limited Partnership
Revenue		
Logging income	\$ -	\$ 1,567,341
Income (loss) from limited partnerships	212	523,388
Income (loss) from investments	-	352,627
Interest income	-	12,951
Gain (loss) on disposal of investments	-	10,713
	212	2,467,020
Expenses		
Other operating expenses	4,222	110,829
Subcontract	-	233,030
	4,222	343,859
	\$ (4,010)	\$ 2,123,161

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

6. ACCOUNTS PAYABLE

	2021	2020
Accounts payable - general	\$ 281,201	\$ 320,800
Receiver General - payroll deductions	31,071	26,795
Wages payable	63,850	51,647
	\$ 376,122	\$ 399,242

7. DEFERRED REVENUE

	March 31, 2020	Funding received, 2021	Revenue recognized, 2021	March 31, 2021
Nuu-Chah-Nulth Tribal Council	\$ 69,015	\$ -	\$ (3,260)	\$ 65,755
Ministry of Fisheries, Oceans and the Canadian Coast Guard	95,591	118,167	(213,758)	-
Province of BC - Marine Access Revitalization	-	409,871	-	409,871
Province of BC	470,652	452,328	-	922,980
First Nations Education Steering Committee	-	28,415	-	28,415
The Annual Foundation	-	600,000	-	600,000
Other	-	138,800	-	138,800
	\$ 635,258	\$ 1,747,581	\$ (217,018)	\$ 2,165,821

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

8. LONG-TERM DEBT

	2021	2020
Bank of Montreal - repayable in monthly installments of \$3,507 including interest at 3.92%, maturing July 1, 2020. Secured by a Ministerial Guarantee and a first mortgage on 5 housing units.	\$ 448,414	\$ 466,115
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	-	23,360
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.	556,219	614,785
Bank of Montreal - repayable in monthly installments of \$578 including interest at BMO prime rate plus 0.50%, maturing December 2032. The interest rate in effect at March 31, 2020 is 3.45%. Secured by a 2018 Outdoors RV Glacier Peak.	66,357	71,754
	\$ 1,070,990	\$ 1,176,014
Principal portion of long-term debt due within the next five years:		
2022	\$ 92,994	
2023	96,401	
2024	99,935	
2025	103,600	
2026 and thereafter	678,060	
	\$ 1,070,990	

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

9. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2021 net book value
Buildings	\$ 8,620,698	\$ 78,700	\$ 8,699,398	\$ 6,327,689	\$ 353,546	\$ 6,681,235	\$ 2,018,163
Automotive equipment	1,332,444	66,011	1,398,456	1,000,632	122,065	1,122,697	275,759
Community infrastructure	1,280,920	-	1,280,920	1,280,920	-	1,280,920	-
Capital water	344,399	-	344,399	335,919	2,826	338,745	5,654
Equipment and furniture	763,326	49,644	812,970	621,550	74,027	695,577	117,393
Land development	101,490	-	101,490	-	-	-	101,490
Assets under construction	683,000	625,000	1,308,000	-	-	-	1,308,000
	\$ 13,126,277	\$ 819,356	\$ 13,945,633	\$ 9,566,710	\$ 552,464	\$ 10,119,174	\$ 3,826,459

	Cost			Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2020 Net book value
Buildings	\$ 8,620,698	\$ -	\$ 8,620,698	\$ 5,978,076	\$ 349,613	\$ 6,327,689	\$ 2,293,009
Automotive equipment	1,332,444	-	1,332,444	878,676	121,956	1,000,632	331,812
Community infrastructure	1,280,920	-	1,280,920	1,280,920	-	1,280,920	-
Capital water	344,399	-	344,399	333,092	2,827	335,919	8,480
Equipment and furniture	763,326	-	763,326	557,355	64,195	621,550	141,776
Land development	101,490	-	101,490	-	-	-	101,490
Assets under construction	-	683,000	683,000	-	-	-	683,000
	\$ 12,443,277	\$ 683,000	\$ 13,126,277	\$ 9,028,119	\$ 538,591	\$ 9,566,710	\$ 3,559,567

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

10. ACCUMULATED SURPLUS

	2021	2020
Unrestricted		
Operating Fund	\$ 9,577,195	\$ 8,209,226
Capital Fund	3,311,689	2,998,338
	12,888,884	11,207,564
Restricted		
Treaty Negotiation Support Agreement	237,729	237,275
Enterprise Fund	15,687,621	13,512,432
	15,925,350	13,749,707
	\$ 28,814,234	\$ 24,957,271

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, 2021

11. SEGMENTED INFORMATION, continued

	Band Programs			Community Services			Health		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues									
Nuu-Chah-Nulth Tribal Council	\$ 620,953	\$ 1,309,364	\$ 798,149	\$ 390,441	\$ 392,070	\$ 609,938	\$ 19,172	\$ 273,103	\$ 263,910
First Nations Education Steering Committee	-	66,440	-	-	163,535	154,166	-	-	-
Ottawa Trust Funds	261,325	943,235	140,055	-	-	-	-	-	-
Province of British Columbia	-	445,205	30,000	-	-	-	-	-	-
Forestry Consultation and Revenue Sharing (FCRSA)	-	269,413	323,296	-	-	-	-	-	-
Rental Income	-	-	24,276	-	-	-	-	-	-
Other revenue	606,579	787,954	3,972,694	-	206,240	341,315	124,000	157,400	155,000
Total revenue	1,488,857	3,821,611	5,288,470	390,441	761,845	1,105,419	143,172	430,503	418,910
Expenses									
Contracted services	110,000	131,584	116,276	88,217	203,895	286,374	20,000	1,859	9,172
Materials and supplies	177,200	194,674	70,944	29,169	32,443	41,989	13,997	2,273	4,004
Professional fees	65,000	149,815	81,131	-	-	39,286	112,175	105,375	142,370
Travel	94,505	35,850	101,556	10,962	7,655	57,391	32,000	165,587	203,833
Utilities and telephone	27,900	33,081	42,180	-	219	-	-	6,692	-
Wages and benefits	421,011	609,767	391,041	196,803	420,198	427,620	-	11,513	79
Other expenses	589,337	230,734	172,307	78,736	58,717	100,223	12,000	8,877	9,813
Total expenses	1,484,953	1,385,505	975,435	403,887	723,127	952,883	190,172	302,176	369,271
Other	3,904	2,436,106	4,313,035	(13,446)	38,718	152,536	(47,000)	128,327	49,639
	-	(1,600,614)	(425,122)	-	(28,800)	-	-	-	-
Annual surplus (deficit)	\$ 3,904	\$ 835,492	\$ 3,887,913	\$(13,446)	\$ 9,918	\$ 152,536	\$(47,000)	\$ 128,327	\$ 49,639

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

11. SEGMENTED INFORMATION, continued

	2021 Budget	Social Development 2021 Actual	2020 Actual	2021 Budget	Education 2021 Actual	2020 Actual	2021 Budget	Job Creation 2021 Actual	2020 Actual
Revenues									
Nuu-Chah-Nulth Tribal Council	\$ -	\$ 180,584	\$ 337,783	\$ 1,332,915	\$ 1,515,843	\$ 1,327,726	\$ 87,765	\$ 96,898	\$ 121,764
First Nations Education Steering Committee	-	-	-	-	361,448	306,349	-	-	-
Other revenue	-	-	-	50,500	-	504	-	-	-
Other revenue	-	-	-	-	39,945	263,344	316,798	378,259	206,654
Total revenue	-	180,584	337,783	1,383,415	1,917,236	1,897,923	404,563	475,157	328,418
Expenses									
Contracted services	-	-	-	-	-	-	174,210	222,640	126,977
Materials and supplies	-	-	-	123,565	157,834	89,659	44,000	60,270	26,317
Professional fees	-	-	-	-	-	-	1,961	-	-
Travel	-	-	-	20,000	6,246	10,349	11,500	373	11,787
Utilities and telephone	-	-	-	44,000	33,780	46,983	4,000	1,938	3,017
Wages and benefits	-	-	-	820,380	776,073	746,956	133,788	121,541	129,343
Other expenses	-	187,782	172,534	373,600	301,016	580,078	41,306	15,708	55,034
Total expenses	-	187,782	172,534	1,381,545	1,274,949	1,474,025	410,765	422,470	352,475
Other	-	(7,198)	165,249	1,870	642,287	423,898	(6,202)	52,687	(24,057)
Annual surplus (deficit)	\$ -	\$ (7,198)	\$ 165,249	\$ 1,870	\$ 642,287	\$ 423,898	\$ (6,202)	\$ 52,687	\$ (24,057)

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

11. SEGMENTED INFORMATION, continued

	Capital Programs			Treaty Related Measures		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues						
Nuu-Chah-Nulth Tribal Council	\$ 550,444	\$ 716,159	\$ 541,802	\$ 352,730	\$ 459,488	\$ 272,395
Other revenue	-	-	71,366	-	118,167	100,000
Province of British Columbia	-	-	-	-	-	45,530
Forestry Consultation and Revenue Sharing (FCRSA)	-	-	-	-	75,000	-
Rental Income	117,000	126,284	120,946	-	-	-
Other revenue	76,382	37,753	143,098	-	(32,443)	222,951
Total revenue	743,826	880,196	877,212	352,730	620,212	640,876
Expenses						
Contracted services	37,500	220,952	128,279	100,000	6,469	77,185
Principal payments on loans	35,000	20,257	32,184	-	-	-
Materials and supplies	66,926	90,297	57,295	30,530	55,011	22,027
Professional fees	-	-	3,550	35,000	3,254	62,848
Travel	12,000	7,426	10,710	10,000	242	16,241
Utilities and telephone	69,500	70,066	75,254	10,900	7,115	5,670
Wages and benefits	260,150	248,551	183,711	154,700	64,222	37,831
Other expenses	152,380	207,011	191,378	11,600	26,116	95,340
Total expenses	633,456	864,560	682,361	352,730	162,429	317,142
Other	110,370	15,636	194,851	-	457,783	323,734
Annual surplus (deficit)	\$ 110,370	\$ 15,636	\$ 194,851	\$ -	\$ 556,634	\$ 113,598

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

11. SEGMENTED INFORMATION, continued

	2021 Budget	Capital Fund 2021 Actual	2020 Actual	2021 Budget	Ottawa Trust Funds 2021 Actual	2020 Actual	Treaty Negotiation Support Agreement 2021 Budget	2021 Actual	2020 Actual
Revenues									
Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,096	\$ -	\$ 756,325	\$ 903,398
Total revenue	-	-	-	-	-	26,096	-	756,325	903,398
Expenses									
Amortization	-	552,463	538,591	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	73,540	42,562
Travel	-	-	-	-	-	-	-	1,024	7,593
Utilities and telephone	-	-	-	-	-	-	-	11,220	8,868
Other expenses	-	-	-	-	-	3,127,230	-	670,087	607,100
Total expenses	-	552,463	538,591	-	-	3,127,230	-	755,871	666,123
Other	-	(552,463)	(538,591)	-	-	(3,101,134)	-	454	237,275
Annual surplus (deficit)	\$ -	\$ (552,463)	\$ (538,591)	\$ -	\$ -	\$ (3,101,134)	\$ -	\$ 454	\$ 237,275

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

11. SEGMENTED INFORMATION, continued

	2021 Budget	Enterprise Fund 2021 Actual	2020 Actual	2021 Budget	Consolidated totals 2021 Actual	2020 Actual
Revenues						
Nuu-Chah-Nulth Tribal Council	\$ -	\$ -	\$ -	\$ 3,354,420	\$ 4,943,509	\$ 4,273,467
First Nations Education Steering Committee	-	-	-	-	591,423	460,515
Other revenue	-	-	-	311,825	1,061,402	311,925
Province of British Columbia	-	-	-	-	445,205	75,530
Forestry Consultation and Revenue Sharing (FCRSA)	-	-	-	-	344,413	323,296
Rental Income	-	-	-	117,000	126,284	145,222
Other revenue	-	2,175,189	3,293,137	1,123,759	4,506,622	9,527,687
Total revenue	-	2,175,189	3,293,137	4,907,004	12,018,858	15,117,642
Expenses						
Amortization	-	-	-	-	552,463	538,591
Contracted services	-	-	-	529,927	787,399	744,263
Principal payments on loans	-	-	-	35,000	20,257	32,184
Materials and supplies	-	-	-	485,387	592,802	312,235
Professional fees	-	-	-	214,136	331,984	371,747
Travel	-	-	-	190,967	224,403	419,460
Utilities and telephone	-	-	-	156,300	164,111	181,972
Wages and benefits	-	-	-	1,986,832	2,251,865	1,916,581
Other expenses	-	-	-	1,258,959	1,706,048	5,111,037
Total expenses	-	-	-	4,857,508	6,631,332	9,628,070
Other	-	2,175,189	3,293,137	49,496	5,387,526	5,489,572
	-	-	-	-	(1,530,563)	(635,258)
Annual surplus (deficit)	\$ -	\$ 2,175,189	\$ 3,293,137	\$ 49,496	\$ 3,856,963	\$ 4,854,314

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

12. CONTINGENT LIABILITIES

a) Indigenous Services Canada

Under the terms of the contribution agreements with Indigenous 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 \$8,739 (2020 - \$11,656).

c) On-Reserve Housing Loan

The Ditidaht First Nation is contingently liable for up to \$2,250,000 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 Negotiator and Band Administrator.

13. COMPARATIVE AMOUNTS

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

14. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential effects on Ditidaht First Nation due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on Ditidaht First Nation's operations.

The extent of the impact of this outbreak and related containment measures on Ditidaht First Nation's operations cannot be reliably estimated at this time.