

# **DITIDAHT FIRST NATION**

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## **CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2022**

# DITIDAHT FIRST NATION

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## CONSOLIDATED FINANCIAL STATEMENTS March 31, 2022

Page

### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

### INDEPENDENT AUDITORS' REPORT

### FINANCIAL STATEMENTS

Consolidated Statement of Financial Position	1
Consolidated Statement of Change in Net Financial Assets	2
Consolidated Statement of Operations and Accumulated Surplus	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5

# DITIDAHT FIRST NATION

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2022

The accompanying consolidated financial statements of Ditidaht First Nation and all the information in this annual report for the year ended March 31, 2022 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

July 28, 2022  
Date

  
\_\_\_\_\_  
Band Administrator

July 28, 2022  
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, 2022, and the 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, 2022, 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 28, 2022

# DITIDAHT FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash	\$ 9,467,773	\$ 8,239,175
Accounts receivable (Note 3)	1,102,634	750,821
Long-term investments (Note 4)	19,122,507	19,610,106
	<b>29,692,914</b>	<b>28,600,102</b>
<b>LIABILITIES</b>		
Accounts payable (Note 6)	533,961	376,122
Deferred revenue (Note 7)	2,629,122	2,165,821
Long-term debt (Note 8)	1,097,689	1,070,990
	<b>4,260,772</b>	<b>3,612,933</b>
<b>NET FINANCIAL ASSETS</b>	<b>25,432,142</b>	<b>24,987,169</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 9)	4,984,557	3,826,459
Prepaid expenses	-	606
	<b>4,984,557</b>	<b>3,827,065</b>
<b>ACCUMULATED SURPLUS (Note 10)</b>	<b>\$ 30,416,699</b>	<b>\$ 28,814,234</b>
<b>MEMBERS' EQUITY</b>		
Equity in Band Programs	\$ 10,477,210	\$ 9,577,195
Equity in Capital Fund	4,382,134	3,311,689
Equity in Treaty Negotiation Support Agreement	181,489	237,729
Equity in Enterprise Fund	15,375,866	15,687,621
<b>ACCUMULATED SURPLUS</b>	<b>\$ 30,416,699</b>	<b>\$ 28,814,234</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	2022 Budget	2022 Actual	2021
<b>ANNUAL SURPLUS</b>	\$ (840,601)	\$ 1,602,465	\$ 3,856,963
Acquisition of tangible capital assets	-	(1,923,599)	(819,356)
Amortization of tangible capital assets	-	765,501	552,464
	-	(1,158,098)	(266,892)
Acquisition of prepaid asset	606	-	(606)
Use of prepaid asset	-	606	606
	606	606	-
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	(839,995)	444,973	3,590,071
<b>NET FINANCIAL ASSETS AT BEGINNING OF YEAR</b>	-	24,987,169	21,397,098
<b>NET FINANCIAL ASSETS AT END OF YEAR</b>	\$ -	\$ 25,432,142	\$ 24,987,169

# DITIDAHT FIRST NATION

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31

	2022 Budget	2022 Actual	2021 Actual
<b>REVENUE</b>			
Nuu-Chah-Nulth Tribal Council	\$ 3,372,905	\$ 5,126,170	\$ 4,943,510
BCTC Contribution	-	710,038	756,325
First Nations Education Steering Committee	250,000	682,870	591,423
Forestry Consultation and Revenue Sharing (FCRSA)	-	381,625	269,413
First Nations Health Authority	-	-	155,000
Aboriginal Head Start	126,000	166,556	176,714
Province of British Columbia	30,000	539,500	445,205
Rental Income	128,000	167,402	126,284
Share of income of First Nation controlled entities	-	(311,755)	2,175,189
Other	1,061,338	2,550,718	2,379,795
	4,968,243	10,013,124	12,018,858
<b>EXPENSES</b>			
Band Programs	866,656	1,669,821	1,385,505
Community Services	572,098	550,795	723,127
Health	19,172	354,877	302,176
Social Development	-	170,241	187,782
Education	1,637,915	1,547,412	1,274,949
Job Creation	361,602	557,134	422,470
Capital Programs	557,351	774,625	864,560
Treaty Related Measures	846,030	790,674	162,429
Capital Fund	-	765,501	552,463
Treaty Negotiation Support Agreement	947,770	766,278	755,871
	5,808,594	7,947,358	6,631,332
<b>ANNUAL SURPLUS BEFORE OTHER</b>	(840,601)	2,065,766	5,387,526
<b>OTHER</b>			
Transfer from (to) deferred revenue	-	(463,301)	(1,530,563)
<b>ANNUAL SURPLUS</b>	(840,601)	1,602,465	3,856,963
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	-	28,814,234	24,957,271
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	\$ (840,601)	\$ 30,416,699	\$ 28,814,234



# DITIDAHT FIRST NATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2022	2022	2021
<b>OPERATING ACTIVITIES</b>		
ANNUAL SURPLUS	\$ 1,602,465	\$ 3,856,963
Items not affecting cash		
Amortization	765,501	552,464
Share of (income) loss of First Nation controlled entities	311,755	(2,175,189)
	2,679,721	2,234,238
Change in non-cash operating working capital	269,933	1,453,546
	2,949,654	3,687,784
<b>CAPITAL ACTIVITIES</b>		
Aquisition of tangible capital assets	(1,923,599)	(819,356)
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(107,067)	(105,024)
Loan advances	133,766	-
	26,699	(105,024)
<b>INVESTING ACTIVITIES</b>		
Advances from (to) First Nation controlled entities	175,844	(4,407)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,228,598</b>	<b>2,758,997</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>8,239,175</b>	<b>5,480,178</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 9,467,773</b>	<b>\$ 8,239,175</b>

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

### 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 the Canadian Institute of Chartered Accountants.

#### (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 Negotiation Support Agreement Fund

Organizations accounted for on a modified equity basis include:

4. Ditidaht Economic Development Limited Partnership
5. Ditidaht Economic Development General Partnership Inc.
6. 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 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, 2022

### 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, 2022

### 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, 2021 and 2022, no liability for contaminated sites has been recorded.

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

### 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." The administration fees have been eliminated upon consolidation.

#### (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.

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

### 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. ACCOUNTS RECEIVABLE

	2022	2021
Accounts receivable - general	\$ 573,442	\$ 397,390
Nuu-Chah-Nulth Tribal Council	677,865	502,104
	1,251,307	899,494
Allowance for doubtful accounts	(148,673)	(148,673)
	\$ 1,102,634	\$ 750,821

### 4. LONG-TERM INVESTMENTS

	2022	2021
Investment in Nuu-Chah-Nulth Seafood Development Corporation Shares	\$ 1	\$ 1
Investment in Nuu-Chah-Nulth Seafood Limited Partnership		
Capital contribution	-	100
Accumulated equity in earnings	-	561,890
	-	561,990
Investment in Ditidaht Cedar Salvage Ltd. Advances	(2,320)	(2,320)
Investment in Ditidaht Development Corporation Advances	(187,978)	(12,134)
	(187,978)	(12,134)
Investment in Ts'aa7ukw Holdings Ltd. Advances	1,034	1,034
Investment in Ditidaht Economic Development General Partner Inc. Shares	100	100
Advances	(100)	(100)
Accumulated equity in earnings	(21,826)	(20,314)
	(21,826)	(20,314)
Investment in Ditidaht Economic Development Limited Partnership		
Capital contribution	8,067,529	7,501,522
Advances	178,858	178,858
Accumulated equity in earnings	11,087,209	11,401,469
	19,333,596	19,081,849
	\$ 19,122,507	\$ 19,610,106

On June 30, 2021, Ditidaht First Nation transferred all of their partnership units in Nuu-Chah-Nulth Seafood Limited Partnership to NCN Holdings Limited Partnership.

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

### 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	\$ -	\$ 6,128,493
Accounts receivable	-	849,432
Prepaid expenses	2,454	-
Investments	1,084	9,481,471
Other assets	-	2,708,056
<b>Total assets</b>	<b>\$ 3,538</b>	<b>\$ 19,167,452</b>

Accounts payable	\$ 1,000	\$ 11,631
Other liabilities	24,264	-

<b>Total liabilities</b>	<b>25,264</b>	<b>11,631</b>
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<b>Equity</b>	<b>(21,726)</b>	<b>19,155,821</b>
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<b>Total liabilities and equity</b>	<b>\$ 3,538</b>	<b>\$ 19,167,452</b>
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	Ditidaht Economic Development General Partner Inc.	Ditidaht Economic Development Limited Partnership
Revenue		
Income (loss) from limited partnerships	\$ (31)	\$ -
Income (loss) from investments	-	(194,222)
Interest income	-	13,645
	(31)	(180,577)
Expenses	1,481	133,713
	\$ (1,512)	\$ (314,290)

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

### 6. ACCOUNTS PAYABLE

	2022	2021
Accounts payable - general	\$ 395,858	\$ 281,201
Receiver General - payroll deductions	62,692	31,071
Wages payable	75,411	63,850
	<b>\$ 533,961</b>	<b>\$ 376,122</b>

### 7. DEFERRED REVENUE

	March 31, 2021	Funding received, 2022	Revenue recognized, 2022	March 31, 2022
Nuu-Chah-Nulth Tribal Council	\$ 65,755	\$ -	\$ (17,979)	\$ 47,776
Ministry of Fisheries, Oceans and the Canadian Coast Guard	-	282,960	-	282,960
Province of BC - Marine Access Revitalization	409,871	-	(4,781)	405,090
Province of BC	922,980	1,055,650	(366,915)	1,611,715
First Nations Education Steering Committee	28,415	114,750	(384)	142,781
The Annual Foundation	600,000	-	(600,000)	-
Other	138,800	-	-	138,800
	<b>\$ 2,165,821</b>	<b>\$ 1,453,360</b>	<b>\$ (990,059)</b>	<b>\$ 2,629,122</b>



# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

### 8. LONG-TERM DEBT

	2022	2021
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.	\$ 421,165	\$ 448,414
Ford Credit - vehicle loan repayable in monthly installments of \$1,178 including interest at 5.87%, maturing November 26, 2026. Secured by the 2021 Ford F150.	67,346	-
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.	495,266	556,219
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.	61,767	66,357
Ford Credit - vehicle loan repayable in monthly installments of \$1,051 including interest at 2.99%, maturing March 12, 2026. Secured by the 2021 Ford F150.	52,145	-
	<b>\$ 1,097,689</b>	<b>\$ 1,070,990</b>
Principal portion of long-term debt due within the next five years:		
2023	\$ 118,073	
2024	122,578	
2025	127,262	
2026	441,483	
2027 and thereafter	288,293	
	<b>\$ 1,097,689</b>	

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

### 9. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2022 net book value
Buildings	\$ 8,699,398	\$ 1,939,585	\$ -	\$ 10,638,983	\$ 6,681,235	\$ 464,753	\$ -	\$ 7,145,988	\$ 3,492,995
Automotive equipment	1,398,456	641,123	(46,520)	1,993,059	1,122,697	234,117	(46,520)	1,310,294	682,765
Community infrastructure	1,280,920	-	-	1,280,920	1,280,920	-	-	1,280,920	-
Capital water	344,399	-	-	344,399	338,745	707	-	339,452	4,947
Equipment and furniture	812,970	23,915	-	836,885	695,577	65,924	-	761,501	75,384
Land development	101,490	-	-	101,490	-	-	-	-	101,490
Assets under construction	1,308,000	626,976	(1,308,000)	626,976	-	-	-	-	626,976
	\$ 13,945,633	\$ 3,231,599	\$ (1,354,520)	\$ 15,822,712	\$ 10,119,174	\$ 765,501	\$ (46,520)	\$ 10,838,155	\$ 4,984,557

	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	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	66,012	-	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

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

### 10. ACCUMULATED SURPLUS

	2022	2021
Unrestricted		
Operating Fund	\$ 10,477,210	\$ 9,577,195
Capital Fund	4,382,134	3,311,689
	<b>14,859,344</b>	<b>12,888,884</b>
Restricted		
Treaty Negotiation Support Agreement	181,489	237,729
Enterprise Fund	15,375,866	15,687,621
	<b>15,557,355</b>	<b>15,925,350</b>
	<b>\$ 30,416,699</b>	<b>\$ 28,814,234</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, 2022

### 11. SEGMENTED INFORMATION, continued

		Band Programs			Community Services				Health	
		2022	2022	2021	2022	2022	2021	2022	2022	2021
		Budget	Actual	Actual	Budget	Actual	Actual	Budget	Actual	Actual
Revenues										
Nuu-Chah-Nulth Tribal Council	\$	544,087	\$ 894,620	\$ 1,309,364	\$ 572,348	\$ 581,049	\$ 392,070	\$ 19,172	\$ 283,350	\$ 273,103
First Nations Education Steering Committee		-	109,750	66,440	-	100,031	163,535	-	-	-
Ottawa Trust Funds		57,000	1,214,506	943,235	-	-	-	-	-	-
Province of British Columbia		30,000	530,000	445,205	-	-	-	-	-	-
Forestry Consultation and Revenue Sharing (FCRSA)		-	381,625	269,413	-	-	-	-	-	-
Other revenue		235,569	533,980	787,954	-	212,297	206,240	-	10,000	157,400
Total revenue		866,656	3,664,481	3,821,611	572,348	893,377	761,845	19,172	293,350	430,503
Expenses										
Contracted services		93,569	265,450	131,584	84,966	55,662	203,895	5,000	11,637	1,858
Materials and supplies		78,000	86,635	194,674	35,966	67,785	32,443	-	1,564	2,273
Professional fees		75,000	393,781	149,815	-	-	-	-	117,020	105,375
Travel		35,000	34,384	35,850	7,555	5,898	7,655	2,000	199,708	165,587
Utilities and telephone		33,400	44,980	33,081	-	116	219	-	272	6,692
Wages and benefits		408,510	636,746	609,767	334,290	381,821	420,198	-	16,228	11,514
Other expenses		143,177	207,845	230,734	109,571	39,513	58,717	12,172	8,448	8,877
Total expenses		866,656	1,669,821	1,385,505	572,348	550,795	723,127	19,172	354,877	302,176
Other		-	1,994,660	2,436,106	-	342,582	38,718	-	(61,527)	128,327
		-	(243,850)	(1,600,614)	-	-	(28,800)	-	-	-
Annual surplus (deficit)	\$	-	\$ 1,750,810	\$ 835,492	-	\$ 342,582	\$ 9,918	-	\$ (61,527)	\$ 128,327

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

### 11. SEGMENTED INFORMATION, continued

	2022 Budget	Social Development 2022 Actual	2021 Actual	2022 Budget	Education 2022 Actual	2021 Actual	2022 Budget	Job Creation 2022 Actual	2021 Actual
Revenues									
Nuu-Chah-Nulth Tribal Council	\$ -	\$ 190,342	\$ 180,584	\$ 1,332,915	\$ 1,448,986	\$ 1,515,843	\$ 81,602	\$ 169,497	\$ 96,898
First Nations Education Steering Committee	-	-	-	250,000	473,089	361,448	-	-	-
Other revenue	-	-	-	-	111,670	39,945	280,000	402,278	378,259
Total revenue	-	190,342	180,584	1,582,915	2,033,745	1,917,236	361,602	571,775	475,157
Expenses									
Contracted services	-	-	-	-	114	-	183,846	320,360	222,640
Materials and supplies	-	-	-	165,800	193,826	157,834	39,000	36,038	60,270
Professional fees	-	-	-	-	-	-	1,961	-	-
Travel	-	-	-	20,000	17,587	6,246	4,500	8,126	373
Utilities and telephone	-	-	-	44,000	55,832	33,780	11,500	2,104	1,938
Wages and benefits	-	-	-	898,615	812,401	776,073	103,200	117,850	121,541
Other expenses	-	170,241	187,782	509,500	467,652	301,016	17,595	72,656	15,708
Total expenses	-	170,241	187,782	1,637,915	1,547,412	1,274,949	361,602	557,134	422,470
Other	-	20,101	(7,198)	(55,000)	486,333	642,287	-	14,641	52,687
Annual surplus (deficit)	\$ -	\$ 20,101	\$ (7,198)	\$ (55,000)	\$ 486,333	\$ 642,287	\$ -	\$ 14,641	\$ 52,687

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

### 11. SEGMENTED INFORMATION, continued

	Capital Programs			Treaty Related Measures				Capital Fund	
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Nuu-Chah-Nulth Tribal Council	\$ 542,273	\$ 962,052	\$ 716,159	\$ 280,508	\$ 596,274	\$ 459,488	-	\$ -	\$ -
Other revenue	-	-	-	-	93,010	118,167	-	-	-
Province of British Columbia	-	-	-	-	9,500	-	-	-	-
Rental Income	128,000	167,402	126,284	-	-	-	-	-	-
Other revenue	90,000	37,069	37,753	524,769	102,464	42,557	-	-	-
Total revenue	760,273	1,166,523	880,196	805,277	801,248	620,212	-	-	-
Expenses									
Amortization	-	-	-	-	-	-	-	765,501	552,463
Contracted services	60,000	259,463	220,952	5,000	164,647	6,469	-	-	-
Principal payments on loans	9,000	(141,410)	20,257	-	-	-	-	-	-
Materials and supplies	51,464	74,722	90,297	62,000	72,907	55,011	-	-	-
Professional fees	-	-	-	320,000	290,273	3,254	-	-	-
Travel	19,000	10,873	7,426	7,500	7,228	242	-	-	-
Utilities and telephone	62,000	75,598	70,066	6,200	11,277	7,115	-	-	-
Wages and benefits	232,800	277,605	248,551	228,800	216,231	64,222	-	-	-
Other expenses	123,087	217,774	207,011	216,530	28,111	26,116	-	-	-
Total expenses	557,351	774,625	864,560	846,030	790,674	162,429	-	765,501	552,463
Other	202,922	391,898	15,636	(40,753)	10,574	457,783	-	(765,501)	(552,463)
Annual surplus (deficit)	\$ 202,922	\$ 391,898	\$ 15,636	\$(40,753)	\$(208,877)	\$ 556,634	-	\$(765,501)	\$(552,463)

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

### 11. SEGMENTED INFORMATION, continued

	Treaty Negotiation Support Agreement				Enterprise Fund			Consolidated totals		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual		2022 Budget	2022 Actual	2021 Actual
Revenues										
Nuu-Chah-Nulth Tribal Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	3,372,905	\$ 5,126,170	\$ 4,943,509
First Nations Education Steering Committee	-	-	-	-	-	-		250,000	682,870	591,423
Other revenue	-	-	-	-	-	-		57,000	1,307,516	1,061,402
Province of British Columbia	-	-	-	-	-	-		30,000	539,500	445,205
Forestry Consultation and Revenue Sharing (FCRSA)	-	-	-	-	-	-		-	381,625	269,413
Rental Income	-	-	-	-	-	-		128,000	167,402	126,284
Other revenue	-	710,038	756,325	-	(311,755)	2,175,189		1,130,338	1,808,041	4,581,622
Total revenue	-	710,038	756,325	-	(311,755)	2,175,189		4,968,243	10,013,124	12,018,858
Expenses										
Amortization	-	-	-	-	-	-		-	765,501	552,463
Contracted services	-	-	-	-	-	-		432,381	1,077,333	787,398
Principal payments on loans	-	-	-	-	-	-		9,000	(141,410)	20,257
Materials and supplies	-	-	-	-	-	-		432,230	533,477	592,802
Professional fees	86,600	41,872	73,540	-	-	-		483,561	842,946	331,984
Travel	38,000	13,771	1,024	-	-	-		133,555	297,575	224,403
Utilities and telephone	8,000	9,430	11,220	-	-	-		165,100	199,609	164,111
Wages and benefits	-	-	-	-	-	-		2,206,215	2,458,882	2,251,866
Other expenses	815,170	701,205	670,087	-	-	-		1,946,802	1,913,445	1,706,048
Total expenses	947,770	766,278	755,871	-	-	-		5,808,844	7,947,358	6,631,332
Other	(947,770)	(56,240)	454	-	(311,755)	2,175,189		(840,601)	2,065,766	5,387,526
Annual surplus (deficit)	\$ (947,770)	\$ (56,240)	\$ 454	\$ -	\$ (311,755)	\$ 2,175,189		\$ (840,601)	\$ 1,602,465	\$ 3,856,963

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

### 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 \$NIL (2021 - \$8,739).

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 and Band Manager.

### 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.