

# **DITIDAHT FIRST NATION**

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## **CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2023**

# **DITIDAHT FIRST NATION**

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## **CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2023**

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# DITIDAHT FIRST NATION

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2023

The accompanying consolidated financial statements of Ditidaht First Nation and all the information in this annual report for the year ended March 31, 2023 are the responsibility of management and have been approved by the Chief and Council.

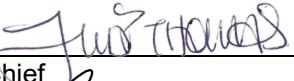
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgement. When alternative accounting methods exist, management has chosen 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

31 Aug 2023  
\_\_\_\_\_  
Date  
31 August 2023  
\_\_\_\_\_  
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, 2023, 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, 2023, 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 Public Sector Accounting Standards (PSAS).

*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.  
August 31, 2023

# DITIDAHT FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2023	2022
<u>As at March 31</u>		(Note 14)
<b>FINANCIAL ASSETS</b>		
Cash	\$ 12,578,487	\$ 9,467,773
Accounts receivable (Note 4)	1,307,917	1,102,634
<u>Long-term investments (Note 5)</u>	<u>18,827,984</u>	<u>18,273,160</u>
	<u>32,714,388</u>	<u>28,843,567</u>
<b>LIABILITIES</b>		
Accounts payable (Note 7)	961,572	533,961
Deferred revenue (Note 8)	3,034,160	2,629,122
<u>Long-term debt (Note 9)</u>	<u>965,282</u>	<u>1,097,689</u>
	<u>4,961,014</u>	<u>4,260,772</u>
<b>NET FINANCIAL ASSETS</b>	<b>27,753,374</b>	<b>24,582,795</b>
<b>NON-FINANCIAL ASSETS</b>		
Capital assets (Note 10)	4,610,933	4,003,207
<u>Prepaid expenses</u>	<u>9,875</u>	-
	<u>4,620,808</u>	<u>4,003,207</u>
<b>ACCUMULATED SURPLUS (Note 11)</b>	<b>\$ 32,374,182</b>	<b>\$ 28,586,002</b>

### APPROVED ON BEHALF OF THE DITIDAHT FIRST NATION

 John Thomas, Chief  
 John Thomas, Band Administrator

# DITIDAHT FIRST NATION

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended March 31	2023 Budget	2023 Actual	2022 Actual
<b>ANNUAL SURPLUS</b>	\$ 1,285,052	\$ 3,788,180	\$ 804,768
Acquisition of tangible capital assets	-	(1,396,823)	(890,599)
Amortization of tangible capital assets	-	789,097	713,851
	-	(607,726)	(176,748)
Acquisition of prepaid asset	-	(9,875)	-
Use of prepaid asset	-	-	606
	-	(9,875)	606
<b>INCREASE IN NET FINANCIAL ASSETS</b>	1,285,052	<b>3,170,579</b>	628,626
<b>NET FINANCIAL ASSETS AT BEGINNING OF YEAR</b>	-	<b>24,582,795</b>	23,954,169
<b>NET FINANCIAL ASSETS AT END OF YEAR</b>	\$ -	<b>\$ 27,753,374</b>	\$ 24,582,795

# DITIDAHT FIRST NATION

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

	2023 Budget	2023 Actual	2022 Actual (Note 14)
<b>For the year ended March 31</b>			
<b>REVENUE</b>			
Nuu-Chah-Nulth Tribal Council	\$ 4,136,579	\$ 5,373,630	\$ 5,126,170
BCTC Contribution	-	826,410	710,038
First Nations Education Steering Committee	526,912	596,071	682,870
First Nations Health Authority	475,367	487,499	166,556
Government of Canada	868,763	868,763	35,500
Province of British Columbia	1,615,631	2,185,010	1,208,299
Rental Income	144,500	165,448	167,403
Share of income of First Nation controlled entities	-	576,398	(1,161,102)
Other	1,978,082	1,919,750	2,228,043
	9,745,834	<b>12,998,979</b>	9,163,777
<b>EXPENSES</b>			
Band Programs	3,462,710	2,168,972	1,669,821
Community Services	782,083	512,243	550,795
Health	364,122	346,728	354,877
Social Development	133,300	177,096	170,241
Education	1,644,423	1,550,061	1,547,412
Job Creation	413,193	388,002	557,134
Capital Programs	928,917	811,166	774,625
Treaty Related Measures	1,742,717	1,278,149	790,674
Capital Fund	-	789,097	713,851
Treaty Negotiation Support Agreement	-	784,247	766,278
	9,471,465	<b>8,805,761</b>	7,895,708
<b>ANNUAL SURPLUS BEFORE OTHER</b>	531,433	<b>4,193,218</b>	1,268,070
<b>OTHER</b>			
Transfer from deferred revenue	753,619	2,629,122	2,165,821
Transfer to deferred revenue	-	(3,034,160)	(2,629,122)
	753,619	<b>(405,038)</b>	(463,301)
<b>ANNUAL SURPLUS</b>	1,285,052	<b>3,788,180</b>	804,768
<b>ACCUMULATED SURPLUS AT BEGINNING OF YEAR</b>	-	<b>28,586,002</b>	27,781,233
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	\$ 1,285,052	\$ 32,374,182	\$ 28,586,002

# DITIDAHT FIRST NATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2023	2023	2022
<b>OPERATING ACTIVITIES</b>		
ANNUAL SURPLUS	\$ 3,788,180	\$ 804,768
Items not affecting cash		
Amortization	789,097	713,851
Share of (income) loss of First Nation controlled entities	(576,398)	1,161,102
	<b>4,000,879</b>	2,679,721
Change in non-cash operating working capital	<b>617,489</b>	269,934
	<b>4,618,368</b>	2,949,655
<b>CAPITAL ACTIVITIES</b>		
Aquisition of tangible capital assets	(1,396,821)	(1,923,600)
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(132,407)	(107,067)
Loan advances	-	133,766
	<b>(132,407)</b>	26,699
<b>INVESTING ACTIVITIES</b>		
Advances from First Nation controlled entities	<b>21,574</b>	175,844
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,110,714</b>	1,228,598
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>9,467,773</b>	8,239,175
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 12,578,487</b>	\$ 9,467,773

# **DITIDAHT FIRST NATION**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2023**

### **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
4. Ditidaht First Nation Enterprise Fund

Organizations accounted for on a modified equity basis include:

5. Ditidaht Economic Development Limited Partnership
6. Ditidaht Economic Development General Partnership Inc.

#### **(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, 2023

### 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, 2023

### 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	20 years Straight line
Automotive equipment and vessels	5 years Straight line
Computer equipment	3 years Straight line
Equipment	5 years Straight line
Water system	20 years Straight line
Infrastructure	20 years Straight line
Land development	0 years Straight line
Assets under construction	NIL

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.

Tangible capital assets under construction are not depreciated until the asset is available for productive use.

#### (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, 2022 and 2023, no liability for contaminated sites has been recorded.

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

### 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, except for certain related party transactions that are measured at the carrying amount or exchange amount as appropriate.

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.

##### (ii) Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of operations in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized costs are included in the original cost of the asset or liability and recognized in the statement of operations over the life of the instrument using the straight-line method.

#### (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.

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

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

#### (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. RELATED PARTY TRANSACTIONS

Transactions with related parties, if any, are in the normal course of business, and are for fair consideration that is mutually agreed upon by the related parties.

### 3. 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.

### 4. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable - general Nuu-Chah-Nulth Tribal Council	\$ 419,541 1,037,049	\$ 573,442 677,865
Allowance for doubtful accounts	1,456,590 (148,673)	1,251,307 (148,673)
	<hr/> \$ 1,307,917	<hr/> \$ 1,102,634

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023

### 5. LONG-TERM INVESTMENTS

	<b>2023</b>	<b>2022</b>
Investment in Nuu-Chah-Nulth Seafood Development Corporation Shares	\$ 1	\$ 1
Investment in Ditidaht Cedar Salvage Ltd. Advances	(2,320)	(2,320)
Investment in Ditidaht Development Corporation Advances	(209,552)	(187,978)
	(209,552)	(187,978)
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	(22,719)	(21,826)
	(22,719)	(21,826)
Investment in Ditidaht Economic Development Limited Partnership Capital contribution	8,068,717	8,067,529
Advances	178,858	178,858
Accumulated equity in earnings	10,813,965	10,237,862
	19,061,540	18,484,249
	<b>\$ 18,827,984</b>	<b>\$ 18,273,160</b>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

### 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	\$ -	\$ 5,308,976
Prepaid expenses	2,454	-
Investments	1,057	9,960,932
Other assets	-	3,654,664
<b>Total assets</b>	<b>\$ 3,511</b>	<b>\$ 18,924,572</b>

Accounts payable	\$ 1,000	\$ 30,020
Other liabilities	25,130	10,814
<b>Total liabilities</b>	<b>26,130</b>	<b>40,834</b>
<b>Equity</b>	<b>(22,619)</b>	<b>18,883,738</b>
<b>Total liabilities and equity</b>	<b>\$ 3,511</b>	<b>\$ 18,924,572</b>

	Ditidaht Economic Development General Partner Inc.	Ditidaht Economic Development Limited Partnership
Revenue		
Funding	\$ -	\$ 2,024,752
Income (loss) from limited partnerships	58	-
Income (loss) from investments	-	479,461
Interest income	-	162,635
Management fees	-	419,723
	58	3,086,571
Expenses		
Other operating expenses	866	724,175
Subcontract	-	1,785,047
	866	2,509,222
	\$ (808)	\$ 577,349

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

### 7. ACCOUNTS PAYABLE

	2023	2022
Accounts payable - general	\$ 823,016	\$ 395,858
Receiver General - payroll deductions	37,082	62,692
Wages payable	101,474	75,411
	<hr/> <b>\$ 961,572</b>	<hr/> <b>\$ 533,961</b>

### 8. DEFERRED REVENUE

	March 31, 2022	Funding received, 2023	Revenue recognized, 2023	March 31, 2023
Nuu-Chah-Nulth Tribal Council	\$ 47,776	\$ 208,960	\$ -	\$ 256,736
Ministry of Fisheries, Oceans and the Canadian Coast Guard	282,960	453,461	(58,944)	677,477
Province of BC - Marine Access Revitalization	405,090	-	(405,090)	-
Province of BC	1,611,715	547,390	(329,288)	1,829,817
First Nations Education Steering Committee	142,781	150,952	(117,781)	175,952
Other	138,800	65,378	(110,000)	94,178
	<hr/> <b>\$ 2,629,122</b>	<hr/> <b>\$ 1,426,141</b>	<hr/> <b>\$ (1,021,103)</b>	<hr/> <b>\$ 3,034,160</b>

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023

### 9. LONG-TERM DEBT

	<b>2023</b>	<b>2022</b>
Bank of Montreal - repayable in monthly installments of \$3,342 including interest at 2.95%, maturing July 31, 2025. Secured by a Ministerial Guarantee and a first mortgage on 5 housing units.	\$ 393,101	\$ 421,165
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.	46,530	67,346
Bank of Montreal - repayable in monthly installments of \$6,880 including interest at 4.09%, maturing March 31, 2024. Secured by a Ministerial Guarantee and a general security agreement.	431,772	495,266
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, 2023 is 7.20%. Secured by a 2018 Outdoors RV Glacier Peak.	57,734	61,767
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.	36,145	52,145
	<hr/> <b>\$ 965,282</b>	<hr/> <b>\$ 1,097,689</b>

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

2024	\$ 488,997
2025	59,335
2026	365,385
2027	14,721
2028 and thereafter	36,844
	<hr/> <b>\$ 965,282</b>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

### 10. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				2023 net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	
Buildings	\$ 9,605,982	\$ 147,153	\$ -	\$ 9,753,135	\$ 7,094,338	\$ 406,234	\$ -	\$ 7,500,572	\$ 2,252,563
Automotive equipment	1,993,059	381,596	(29,074)	2,345,581	1,310,294	300,816	(11,967)	1,599,143	746,438
Community infrastructure	1,280,920	-	-	1,280,920	1,280,920	-	-	1,280,920	-
Capital water	344,399	-	-	344,399	339,452	2,827	-	342,279	2,120
Equipment and furniture	836,885	158,561	-	995,446	761,501	79,220	-	840,721	154,725
Land development	101,490	-	-	101,490	-	-	-	-	101,490
Assets under construction	626,976	828,921	(102,300)	1,353,597	-	-	-	-	1,353,597
	\$ 14,789,711	\$ 1,516,231	\$ (131,374)	\$ 16,174,568	\$ 10,786,505	\$ 789,097	\$ (11,967)	\$ 11,563,635	\$ 4,610,933
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	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
	\$ 8,699,398	\$ 906,585	\$ -	\$ 9,605,983	\$ 6,681,235	\$ 413,103	\$ -	\$ 7,094,338	\$ 2,511,645
Buildings	\$ 1,398,456	641,123	(46,520)	\$ 1,993,059	1,122,697	234,117	(46,520)	1,310,294	682,765
Automotive equipment	1,280,920	-	-	1,280,920	1,280,920	-	-	1,280,920	-
Community infrastructure	344,399	-	-	344,399	338,745	707	-	339,452	4,947
Capital water	812,970	23,915	-	836,885	695,577	65,924	-	761,501	75,384
Equipment and furniture	101,490	-	-	101,490	-	-	-	-	101,490
Land development	1,308,000	626,976	(1,308,000)	626,976	-	-	-	-	626,976
	\$ 13,945,633	\$ 2,198,599	\$ (1,354,520)	\$ 14,789,712	\$ 10,119,174	\$ 713,851	\$ (46,520)	\$ 10,786,505	\$ 4,003,207
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

### 11. ACCUMULATED SURPLUS

	<b>2023</b>	<b>2022</b>
Unrestricted		
Operating Fund	\$ 12,955,076	\$ 10,477,210
Capital Fund	4,092,537	3,400,784
	<hr/> <b>17,047,613</b>	<hr/> <b>13,877,994</b>
Restricted		
Treaty Negotiation Support Agreement	223,652	181,489
Enterprise Fund	15,102,917	14,526,519
	<hr/> <b>15,326,569</b>	<hr/> <b>14,708,008</b>
	<hr/> <b>\$ 32,374,182</b>	<hr/> <b>\$ 28,586,002</b>

### 12. 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, 2023

### 12. SEGMENTED INFORMATION, continued

	Band Programs		Community Services		Health		2023 Budget	2023 Actual	2022 Actual
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual			
<b>Revenues</b>									
Nuu-Chah-Nulth Tribal Council	\$ 512,010	\$ 1,220,556	\$ 894,620	\$ 574,199	\$ 581,230	\$ 581,049	\$ 58,469	\$ 216,190	\$ 283,350
First Nations Education Steering Committee	113,425	172,122	109,750	148,079	148,079	100,031	-	-	-
Ottawa Trust Funds	622,859	697,475	1,214,505	25,000	22,960	-	-	-	-
Province of British Columbia	1,167,230	1,736,609	1,167,275	-	-	-	-	-	-
Other revenue	1,277,949	1,110,947	278,331	43,454	118,070	212,297	287,950	256,950	10,000
<b>Total revenue</b>	<b>3,693,473</b>	<b>4,937,709</b>	<b>3,664,481</b>	<b>790,732</b>	<b>870,339</b>	<b>893,377</b>	<b>346,419</b>	<b>473,140</b>	<b>293,350</b>
<b>Expenses</b>									
Contracted services	616,090	228,767	265,449	130,986	65,550	55,663	13,600	16,512	11,637
Materials and supplies	282,258	158,002	86,634	71,035	57,498	67,784	1,000	924	1,564
Professional fees	274,000	381,630	393,781	-	-	-	110,000	74,527	117,020
Travel	55,588	49,785	34,384	6,286	18,796	5,899	197,150	226,012	199,708
Utilities and telephone	46,600	51,869	44,981	-	-	116	372	133	272
Wages and benefits	1,017,769	774,096	636,746	459,142	328,302	381,821	22,000	6,564	16,228
Other expenses	1,094,782	524,823	207,846	111,234	42,097	39,512	20,000	22,056	8,448
<b>Total expenses</b>	<b>3,387,087</b>	<b>2,168,972</b>	<b>1,669,821</b>	<b>778,683</b>	<b>512,243</b>	<b>550,795</b>	<b>364,122</b>	<b>346,728</b>	<b>354,877</b>
Other	306,386	2,768,737	1,994,660	12,049	358,096	342,582	(17,703)	126,412	(61,527)
	570,659	(107,397)	(243,850)	-	(31,904)	-	-	(27,544)	-
<b>Annual surplus (deficit)</b>	<b>\$ 877,045</b>	<b>\$ 2,661,340</b>	<b>\$ 1,750,810</b>	<b>\$ 12,049</b>	<b>\$ 326,192</b>	<b>\$ 342,582</b>	<b>\$ (17,703)</b>	<b>\$ 98,868</b>	<b>\$ (61,527)</b>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

### 12. SEGMENTED INFORMATION, continued

	Social Development		Education		Job Creation				
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
<b>Revenues</b>									
Nuu-Chah-Nulth Tribal Council	\$ 84,693	\$ 214,041	\$ 190,342	\$ 1,459,684	\$ 1,461,191	\$ 1,448,986	\$ 108,193	\$ 184,589	\$ 169,497
First Nations Education Steering Committee	-	-	-	265,408	275,870	473,089	-	-	-
Other revenue	-	-	-	(30,000)	18,570	111,670	280,000	347,350	402,278
<b>Total revenue</b>	<b>84,693</b>	<b>214,041</b>	<b>190,342</b>	<b>1,695,092</b>	<b>1,755,631</b>	<b>2,033,745</b>	<b>388,193</b>	<b>531,939</b>	<b>571,775</b>
<b>Expenses</b>									
Contracted services	-	-	-	-	1,486	114	185,000	173,863	320,360
Materials and supplies	-	-	-	133,773	113,212	193,826	42,606	46,946	36,038
Professional fees	-	-	-	-	-	-	1,961	1,952	-
Travel	-	-	-	15,000	18,563	17,587	4,000	5,756	8,126
Utilities and telephone	-	-	-	46,000	59,978	55,831	2,774	2,997	2,104
Wages and benefits	-	-	-	909,964	933,621	812,401	132,500	131,233	117,850
Other expenses	133,300	177,096	170,241	456,586	423,201	467,653	44,352	25,255	72,656
<b>Total expenses</b>	<b>133,300</b>	<b>177,096</b>	<b>170,241</b>	<b>1,561,323</b>	<b>1,550,061</b>	<b>1,547,412</b>	<b>413,193</b>	<b>388,002</b>	<b>557,134</b>
Other	(48,607)	36,945	20,101	133,769	205,570	486,333	(25,000)	143,937	14,641
<b>Annual surplus (deficit)</b>	<b>\$ (48,607)</b>	<b>\$ 36,945</b>	<b>\$ 20,101</b>	<b>\$ 133,769</b>	<b>\$ 152,470</b>	<b>\$ 486,333</b>	<b>\$ (25,000)</b>	<b>\$ 143,937</b>	<b>\$ 14,641</b>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

### 12. SEGMENTED INFORMATION, continued

	Capital Programs			Treaty Related Measures			Capital Fund		
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
<b>Revenues</b>									
Nuu-Chah-Nulth Tribal Council	\$ 581,135	\$ 737,637	\$ 962,052	\$ 758,196	\$ 758,196	\$ 596,274	-	\$ -	\$ -
Other revenue	-	-	-	-	-	93,010	-	-	-
Province of British Columbia	448,401	448,401	31,524	-	-	9,500	-	-	-
Rental Income	144,500	165,448	167,403	-	-	-	-	-	-
Other revenue	40,000	-	5,544	775,000	703,690	102,464	-	-	-
<b>Total revenue</b>	<b>1,214,036</b>	<b>1,351,486</b>	<b>1,166,523</b>	<b>1,533,196</b>	<b>1,461,886</b>	<b>801,248</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>									
Amortization	-	-	-	-	-	-	-	789,097	713,851
Contracted services	330,500	102,147	259,464	97,700	117,897	164,647	-	-	-
Principal payments on loans	30,000	7,255	(141,409)	-	-	-	-	-	-
Materials and supplies	48,200	68,885	74,722	58,220	24,315	72,906	-	-	-
Professional fees	-	-	-	70,000	200,247	290,273	-	-	-
Travel	10,864	13,287	10,874	32,725	3,192	7,228	-	-	-
Utilities and telephone	60,200	74,880	75,598	11,500	7,576	11,277	-	-	-
Wages and benefits	234,600	303,658	277,606	440,005	112,638	216,231	-	-	-
Other expenses	144,612	241,054	217,770	1,007,567	812,284	28,112	-	-	-
<b>Total expenses</b>	<b>858,976</b>	<b>811,166</b>	<b>774,625</b>	<b>1,717,717</b>	<b>1,278,149</b>	<b>790,674</b>	<b>-</b>	<b>789,097</b>	<b>713,851</b>
Other	355,060	540,320	391,898	(184,521)	183,737	10,574	-	(789,097)	(713,851)
<b>Annual surplus (deficit)</b>	<b>\$ 355,060</b>	<b>\$ 531,182</b>	<b>\$ 391,898</b>	<b>\$ (1,561)</b>	<b>\$ 7,782</b>	<b>\$ (208,877)</b>	<b>-</b>	<b>\$ (789,097)</b>	<b>\$ (713,851)</b>

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

### 12. SEGMENTED INFORMATION, continued

	Treaty Negotiation Support Agreement			Enterprise Fund			Consolidated totals		
	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual	2023 Budget	2023 Actual	2022 Actual
<b>Revenues</b>									
Nuu-Chah-Nulth Tribal Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,136,579	\$ 5,373,630	\$ 5,126,170
First Nations Education Steering Committee	-	-	-	-	-	-	526,912	596,071	682,870
Other revenue	-	-	-	-	-	-	647,859	720,435	1,307,515
Province of British Columbia	-	-	-	-	-	-	1,615,631	2,185,010	1,208,299
Rental Income	-	-	-	-	-	-	144,500	165,448	167,403
Other revenue	-	826,410	710,038	-	576,398	(1,161,102)	2,674,353	3,958,385	671,520
<b>Total revenue</b>	<b>-</b>	<b>826,410</b>	<b>710,038</b>	<b>-</b>	<b>576,398</b>	<b>(1,161,102)</b>	<b>9,745,834</b>	<b>12,998,979</b>	<b>9,163,777</b>
<b>Expenses</b>									
Amortization	-	-	-	-	-	-	-	789,097	713,851
Contracted services	-	-	-	-	-	-	1,373,876	706,222	1,077,334
Principal payments on loans	-	-	-	-	-	-	30,000	7,255	(141,409)
Materials and supplies	-	-	-	-	-	-	637,092	469,782	533,474
Professional fees	-	85,287	41,872	-	-	-	455,961	743,643	842,946
Travel	-	3,855	13,771	-	-	-	321,613	339,246	297,577
Utilities and telephone	-	8,825	9,430	-	-	-	167,446	206,258	199,609
Wages and benefits	-	-	-	-	-	-	3,215,980	2,590,112	2,458,883
Other expenses	-	686,280	701,205	-	-	-	3,012,433	2,954,146	1,913,443
<b>Total expenses</b>	<b>-</b>	<b>784,247</b>	<b>766,278</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,214,401</b>	<b>8,805,761</b>	<b>7,895,708</b>
<b>Other</b>	<b>-</b>	<b>42,163</b>	<b>(56,240)</b>	<b>-</b>	<b>576,398</b>	<b>(1,161,102)</b>	<b>531,433</b>	<b>4,193,218</b>	<b>1,268,069</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 42,163</b>	<b>\$ (56,240)</b>	<b>-</b>	<b>\$ 576,398</b>	<b>\$ (1,161,102)</b>	<b>\$ 1,285,052</b>	<b>\$ 3,788,180</b>	<b>\$ 804,768</b>

# DITIDAHT FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

### 13. 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 Nuu-chah-nulth Economic Development Corporation ("NEDC") loan in the amount of \$355,000 was issued to Ditidaht Forestry Limited to assist with the expansion of Ditidaht First Nation forestry operations. The loan has been guaranteed by Ditidaht First Nation. The loan is repayable in 60 monthly payments of \$3,785 including interest at 5% per annum and will mature on April 30, 2026. The principal loan balance outstanding at March 31, 2023 is \$282,788 ( 2022 - \$316,429)

#### 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.

During the year, Ditidaht First Nation repaid On-Reserve Housing Loan arrears balances owing of \$10,532 (2022 - \$NIL). The most recent listing of guaranteed on-reserve housing loans from May 8th, 2023 showed a guaranteed total balance of \$91,588 at March 31, 2023.

#### d) Visa Account Loan

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

# DITIDAHT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

### 14. PRIOR PERIOD RESTATEMENT

During the year, it was discovered that the share of loss from the First Nation Controlled entity had been overstated in prior year due to the changes to their accounts receivable and bad debts provision. It was also discovered that tangible capital assets had been overstated in prior years due to the improper capitalization of a CMHC funded housing project.

As a result, the financial statements have been restated as follows:

	As previously stated	Adjustments Increase (Decrease)	As restated
<b>Consolidated Statement of Financial Position</b>			
Financial assets			
Long-term investments	\$ 19,122,507	\$ (849,347)	\$ 18,273,160
Tangible capital assets	4,984,557	(981,350)	4,003,207
<b>Consolidated Statement of Operations and Accumulated Surplus</b>			
Accumulated surplus at beginning of year	28,814,234	(1,033,001)	27,781,233
Current year surplus	1,602,465	(797,697)	804,768
Accumulated surplus at end of year	30,416,699	(1,830,697)	28,586,002
<b>Consolidated Statement of Net Debt</b>			
Net financial assets at beginning of year	\$ 24,987,169	\$ (1,033,000)	\$ 23,954,169

### 15. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

#### a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the First nation is a going concern and thus expects to fully repay the outstanding amounts.

#### b) Liquidity risk

The First Nation does have liquidity risk in accounts payable and accruals of \$961,572 (2022 - \$533,961). Liquidity risk is the risk that the First Nation cannot repay its obligations when they become due to creditors. The First Nation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure of the First Nation is low and is not material.

#### c) Credit risk

The First Nation does have credit risk in accounts receivable of \$1,307,917 (2022 - \$1,102,634). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The First Nation reduces its exposure to credit risk by performing credit valuations on a regular basis, granting credit upon review of the credit history of the applicant and creating an allowance for bad debts when applicable. The First Nation maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the First Nation is low and is not material.

#### d) Interest rate risk

The First Nation is exposed to interest rate risk due to the variable rate interest on their loans payable. Changes in the lending rates may cause fluctuations in cash flows and interest expense.

# **DITIDAHT FIRST NATION**

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## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2023**

### **16. COMPARATIVE AMOUNTS**

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

### **17. SUBSEQUENT EVENTS**

Subsequent to year end, the Ditidaht First Nation received loan proceeds from Canada Mortgage Housing Corporation ("CMHC") in the amount of \$999,467 with an interest rate of 3.12% and an interest adjustment date of April 1, 2023 as a result of signing an Operating Agreement dated March 12, 2019, in accordance with Section 95 of the National Housing Act.