

DITIDAHT FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

DITIDAHT FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2024

The accompanying consolidated financial statements of Ditidaht First Nation and all the information in this annual report for the year ended March 31, 2024 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


Norine Messer

Band Administrator

30 August 2024

Date

30 August, 2024

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, 2024, 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, 2024, 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 for either 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 30, 2022


DITIDAHT FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2024	2023
FINANCIAL ASSETS		
Cash	\$ 21,306,104	\$ 12,578,487
Accounts receivable (Note 4)	2,111,149	1,307,917
Long-term investments (Note 5)	20,909,123	18,827,984
	44,326,376	32,714,388
LIABILITIES		
Accounts payable (Note 7)	876,057	961,572
Deferred revenue (Note 8)	8,301,887	3,034,160
Long-term debt (Note 9)	1,818,124	965,282
	10,996,068	4,961,014
NET FINANCIAL ASSETS	33,330,308	27,753,374
NON-FINANCIAL ASSETS		
Capital assets (Note 10)	6,679,263	4,610,933
Prepaid expenses	1,130	9,875
	6,680,393	4,620,808
ACCUMULATED SURPLUS (Note 11)	\$ 40,010,701	\$ 32,374,182

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	2024 Budget	2024 Actual	2023 Actual
ANNUAL SURPLUS	\$ 2,009,472	\$ 7,636,519	\$ 3,788,180
Acquisition of tangible capital assets	-	(3,030,155)	(1,396,823)
Amortization of tangible capital assets	-	961,825	789,097
	-	(2,068,330)	(607,726)
Acquisition of prepaid asset	-	(1,130)	(9,875)
Use of prepaid asset	-	9,875	-
	-	8,745	(9,875)
INCREASE IN NET FINANCIAL ASSETS	2,009,472	5,576,934	3,170,579
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	-	27,753,374	24,582,795
NET FINANCIAL ASSETS AT END OF YEAR	\$ -	\$ 33,330,308	\$ 27,753,374

DITIDAHT FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31

	2024 Budget	2024 Actual	2023 Actual
REVENUE			
Nuu-Chah-Nulth Tribal Council	\$ 4,128,423	\$ 8,859,389	\$ 5,373,630
Crown Indigenous Relations & Northern Affairs	-	477,601	-
First Nations Education Steering Committee	514,604	581,101	596,071
First Nations Health Authority	153,808	179,022	487,499
Indigenous Service Canada	-	1,219,657	-
Government of Canada	615,000	2,667,526	1,170,427
Province of British Columbia	1,635,977	1,748,378	2,185,010
Rental Income	126,500	200,728	165,448
Share of income of First Nation controlled entities	-	2,073,444	576,398
BCTC Contribution	-	780,000	826,410
Other	1,998,015	3,065,131	1,618,086
	9,172,327	21,851,977	12,998,979
EXPENSES			
Band Programs	3,721,840	3,081,188	2,168,972
Community Services	933,680	391,943	512,243
Health	260,568	352,402	346,728
Social Development	188,000	195,614	177,096
Education	1,727,080	1,617,325	1,550,061
Job Creation	617,231	355,623	388,002
Capital Programs	1,037,117	528,894	811,166
Treaty Related Measures	1,035,485	609,135	1,278,149
Social Housing	62,027	68,331	-
Capital Fund	-	937,225	789,097
Treaty Negotiation Support Agreement	-	810,050	784,247
	9,583,028	8,947,730	8,805,761
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER	(410,702)	12,904,247	4,193,218
OTHER			
Transfer from deferred revenue	2,420,174	3,034,160	2,629,122
Transfer to deferred revenue	-	(8,301,888)	(3,034,160)
	2,420,174	(5,267,728)	(405,038)
ANNUAL SURPLUS	2,009,472	7,636,519	3,788,180
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	-	32,374,182	28,586,002
ACCUMULATED SURPLUS AT END OF YEAR	\$ 2,009,472	\$ 40,010,701	\$ 32,374,182

DITIDAHT FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2024	2024	2023
OPERATING ACTIVITIES		
ANNUAL SURPLUS	\$ 7,636,519	\$ 3,788,180
Items not affecting cash		
Amortization	961,825	789,097
Share of (income) loss of First Nation controlled entities	(2,073,444)	(576,398)
	6,524,900	4,000,879
Change in non-cash operating working capital	4,387,727	617,489
	10,912,627	4,618,368
CAPITAL ACTIVITIES		
Aquisition of tangible capital assets	(3,030,155)	(1,396,821)
FINANCING ACTIVITIES		
Repayment of long-term debt	(146,625)	(132,407)
Loan advances	999,467	-
	852,842	(132,407)
INVESTING ACTIVITIES		
Advances from First Nation controlled entities	(7,697)	21,574
INCREASE IN CASH AND CASH EQUIVALENTS	8,727,617	3,110,714
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	12,578,487	9,467,773
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 21,306,104	\$ 12,578,487

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

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, 2024

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 and vessels	5 years Straight line
Computer equipment	3years Straight line
Equipment	5 years Straight line
Water system	20years Straight line
Infrastructure	20years 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, 2023 and 2024, no liability for contaminated sites has been recorded.

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

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

4. ACCOUNTS RECEIVABLE

	2024	2023
Accounts receivable - general	\$ 1,249,341	\$ 419,541
Nuu-Chah-Nulth Tribal Council	1,010,481	1,037,049
	2,259,822	1,456,590
Allowance for doubtful accounts	(148,673)	(148,673)
	\$ 2,111,149	\$ 1,307,917

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

5. LONG-TERM INVESTMENTS

	2024	2023
Investment in Nuw-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	(201,856)	(209,552)
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	(23,412)	(22,719)
	(23,412)	(22,719)
Investment in Ditidaht Economic Development Limited Partnership Capital contribution	8,068,717	8,068,717
Advances	178,858	178,858
Accumulated equity in earnings	12,888,101	10,813,965
	21,135,676	19,061,540
	\$ 20,909,123	\$ 18,827,984

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

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	\$ -	\$ 5,173,311
Prepaid expenses	2,454	-
Investments	1,265	10,862,208
Capital assets	-	39,507
Other assets	-	5,016,878
Total assets	\$ 3,719	\$ 21,091,904

Accounts payable	\$ 1,000	\$ 87,211
Other liabilities	26,130	46,611

Total liabilities	27,130	133,822
--------------------------	---------------	----------------

Equity	(23,411)	20,958,082
---------------	-----------------	-------------------

Total liabilities and equity	\$ 3,719	\$ 21,091,904
-------------------------------------	-----------------	----------------------

	Ditidaht Economic Development General Partner Inc.	Ditidaht Economic Development Limited Partnership
Revenue		
Funding	\$ -	\$ 35,550
Income (loss) from limited partnerships	207	-
Income (loss) from investments	-	1,001,275
Interest income	-	256,245
Management fees	-	1,001,474
	207	2,294,544
Expenses		
Interest	-	721
Other operating expenses	900	219,479
	900	220,200
	\$ (693)	\$ 2,074,344

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

7. ACCOUNTS PAYABLE

	2024	2023
Accounts payable - general	\$ 705,857	\$ 823,016
Receiver General - payroll deductions	74,608	37,082
Wages payable	95,592	101,474
	\$ 876,057	\$ 961,572

8. DEFERRED REVENUE

	March 31, 2023	Funding received, 2024	Revenue recognized, 2024	March 31, 2024
Nuu-Chah-Nulth Tribal Council	\$ 256,736	\$ 5,026,135	\$ (227,456)	\$ 5,055,415
Department of Fisheries and Oceans	677,477	1,807,249	(1,159,911)	1,324,815
Province of BC	1,829,817	660,194	(778,984)	1,711,027
First Nations Education Steering Committee	175,952	-	(175,952)	-
New Relationship Trust	-	260,000	(78,170)	181,830
Other	94,178	-	(65,378)	28,800
	\$ 3,034,160	\$ 7,753,578	\$ (2,485,851)	\$ 8,301,887

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

9. LONG-TERM DEBT

	2024	2023
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.	\$ 364,219	\$ 393,101
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.	34,825	46,530
Bank of Montreal - repayable in monthly installments of \$6,880 including interest at BMO prime rate plus 3.00%, maturing March 31, 2024. Secured by a Ministerial Guarantee and a general security agreement. The interest rate in effect at March 31, 2024, is 7.20%. The loan was renewed subsequent to year end.	365,661	431,772
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, 2024 is 7.20%. Secured by a 2018 Outdoors RV Glacier Peak.	54,096	57,734
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.	24,457	36,145
All Nations Trust Company - repayable in blended monthly installments of \$4,792.00 including interest at 3.12% per annum; secured by a Ministerial Guarantee from Indigenous Services Canada; term due April 1, 2028.	974,866	-
	\$ 1,818,124	\$ 965,282
Principal portion of long-term debt due within the next five years:		
2025	\$ 758,357	
2026	28,898	
2027	13,869	
2028	5,004	
2029 and thereafter	1,011,996	
	\$ 1,818,124	

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

10. 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	2024 net book value
Buildings	\$ 9,753,135	\$ 1,515,104	\$ -	\$ 11,268,239	\$ 7,500,572	\$ 420,474	\$ -	\$ 7,921,046	\$ 3,347,193
Automotive equipment	2,345,581	709,468	-	3,055,049	1,599,143	398,192	-	1,997,335	1,057,714
Community infrastructure	1,280,920	786,715	-	2,067,635	1,280,920	39,336	-	1,320,256	747,379
Capital water	344,399	-	-	344,399	342,279	706	-	342,985	1,414
Equipment and furniture	995,446	256,007	-	1,251,453	840,721	103,117	-	943,838	307,615
Land development	101,490	-	-	101,490	-	-	-	-	101,490
Assets under construction	1,353,597	549,576	(786,715)	1,116,458	-	-	-	-	1,116,458
	\$ 16,174,568	\$ 3,816,870	\$ (786,715)	\$ 19,204,723	\$ 11,563,635	\$ 961,825	\$ -	\$ 12,525,460	\$ 6,679,263

	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2023 Net book value
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

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

11. ACCUMULATED SURPLUS

	2024	2023
Unrestricted		
Operating Fund	\$ 17,381,271	\$ 12,955,076
Capital Fund	4,891,658	4,092,537
	22,272,929	17,047,613
Restricted		
Social Housing	367,810	-
Treaty Negotiation Support Agreement	193,601	223,652
Enterprise Fund	17,176,361	15,102,917
	17,737,772	15,326,569
	\$ 40,010,701	\$ 32,374,182

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, 2024

12. SEGMENTED INFORMATION, continued

		2024	Band Programs	2023	2024	Community Services	2023	2024	Health	2023
		Budget	2024	Actual	Budget	2024	Actual	Budget	2024	Actual
			Actual			Actual			Actual	
Revenues										
Nuu-Chah-Nulth Tribal Council	\$	449,551	\$ 842,444	\$ 1,220,556	\$ 721,004	\$ 1,195,451	\$ 581,230	\$ 234,172	\$ 144,121	\$ 216,190
First Nations Education Steering Committee		113,425	96,137	172,122	148,079	144,483	148,079	-	-	-
Ottawa Trust Funds		371,598	957,891	395,811	25,000	113,683	22,960	-	60,108	-
Province of British Columbia		1,085,418	1,428,728	1,736,609	-	170,758	-	-	-	-
Other revenue		1,647,237	2,079,571	1,412,611	9,845	10,457	118,070	-	9,000	256,950
Total revenue		3,667,229	5,404,771	4,937,709	903,928	1,634,832	870,339	234,172	213,229	473,140
Expenses										
Contracted services		211,000	449,693	228,767	267,665	92,264	65,550	20,500	54,934	16,512
Materials and supplies		329,916	133,581	158,002	74,956	49,320	57,498	-	57	924
Professional fees		372,000	561,758	381,630	-	-	-	5,000	-	74,527
Travel		101,288	94,560	49,785	8,436	15,686	18,796	215,500	199,913	226,012
Utilities and telephone		46,600	50,752	51,869	372	4,929	-	-	6,122	133
Wages and benefits		1,034,658	822,606	774,096	331,022	156,088	328,302	15,436	48,370	6,564
Other expenses		1,730,919	968,238	524,823	251,229	73,656	42,097	4,132	43,006	22,056
Total expenses		3,826,381	3,081,188	2,168,972	933,680	391,943	512,243	260,568	352,402	346,728
Other		(159,152)	2,323,583	2,768,737	(29,752)	1,242,889	358,096	(26,396)	(139,173)	126,412
		1,839,573	(62,227)	(107,397)	31,904	(481,662)	(31,904)	27,544	27,544	(27,544)
Annual surplus (deficit)	\$	1,680,421	\$ 2,261,356	\$ 2,661,340	\$ 2,152	\$ 761,227	\$ 326,192	\$ 1,148	\$ (111,629)	\$ 98,868

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

12. SEGMENTED INFORMATION, continued

		2024 Budget	Social Development 2024 Actual	2023 Actual	2024 Budget	Education 2024 Actual	2023 Actual	2024 Budget	Job Creation 2024 Actual	2023 Actual
Revenues										
Nuu-Chah-Nulth Tribal Council	\$	188,000	\$ 277,740	\$ 214,041	\$ 1,420,980	\$ 457,804	\$ 1,461,191	\$ 180,419	\$ 205,974	\$ 184,589
First Nations Education Steering Committee		-	-	-	253,100	340,481	275,870	-	-	-
Other revenue		-	-	-	-	-	-	25,000	-	-
Other revenue		-	-	-	-	1,650,128	18,570	237,713	309,490	347,350
Total revenue		188,000	277,740	214,041	1,674,080	2,448,413	1,755,631	443,132	515,464	531,939
Expenses										
Contracted services		-	-	-	38,100	1,688	1,486	325,000	262,205	173,863
Materials and supplies		-	-	-	153,365	121,848	113,212	43,606	78,414	46,946
Professional fees		-	4,075	-	-	37,892	-	1,961	-	1,952
Travel		-	-	-	15,000	26,689	18,563	2,807	15,392	5,756
Utilities and telephone		-	-	-	46,000	56,429	59,978	2,774	3,392	2,997
Wages and benefits		-	-	-	898,615	877,777	933,621	132,500	82,846	131,233
Other expenses		188,000	191,539	177,096	576,000	495,002	423,201	108,583	(86,626)	25,255
Total expenses		188,000	195,614	177,096	1,727,080	1,617,325	1,550,061	617,231	355,623	388,002
Other		-	82,126	36,945	(53,000)	831,088	205,570	(174,099)	159,841	143,937
Other		-	-	-	53,100	53,100	(53,100)	-	-	-
Annual surplus (deficit)	\$	-	\$ 82,126	\$ 36,945	\$ 100	\$ 884,188	\$ 152,470	\$ (174,099)	\$ 159,841	\$ 143,937

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

12. SEGMENTED INFORMATION, continued

	Capital Programs			Treaty Related Measures				Capital Fund	
	2024 Budget	2024 Actual	2023 Actual	2024 Budget	2024 Actual	2023 Actual	2024 Budget	2024 Actual	2023 Actual
Revenues									
Nuu-Chah-Nulth Tribal Council	\$ 617,614	\$ 5,345,165	\$ 737,637	\$ 316,683	\$ 390,690	\$ 758,196	-	\$ -	\$ -
Other revenue	-	5,829	-	-	-	-	-	-	-
Province of British Columbia	550,559	133,892	448,401	-	15,000	-	-	-	-
Rental Income	86,900	161,128	165,448	-	-	-	-	-	-
Other revenue	49,500	1,777,590	-	350,000	584,260	703,690	-	-	-
Total revenue	1,304,573	7,423,604	1,351,486	666,683	989,950	1,461,886	-	-	-
Expenses									
Amortization	-	-	-	-	-	-	-	937,225	789,097
Contracted services	219,989	(231,831)	102,147	142,700	246,097	117,897	-	-	-
Principal payments on loans	-	6,437	7,255	-	-	-	-	-	-
Materials and supplies	48,200	138,640	68,885	37,145	4,917	24,315	-	-	-
Professional fees	-	-	-	70,000	87,034	200,247	-	-	-
Travel	12,223	12,287	13,287	38,725	12,889	3,192	-	-	-
Utilities and telephone	55,200	52,638	74,880	9,500	2,842	7,576	-	-	-
Wages and benefits	247,044	292,537	303,658	404,073	127,759	112,638	-	-	-
Other expenses	349,920	258,186	241,054	333,343	127,597	812,284	-	-	-
Total expenses	932,576	528,894	811,166	1,035,486	609,135	1,278,149	-	937,225	789,097
	371,997	6,894,710	540,320	(368,803)	380,815	183,737	-	(937,225)	(789,097)
Other	9,138	(4,577,973)	(9,138)	458,915	(226,510)	(175,955)	-	-	-
Annual surplus (deficit)	\$ 381,135	\$ 2,316,737	\$ 531,182	\$ 90,112	\$ 154,305	\$ 7,782	-	\$ (937,225)	\$ (789,097)

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

12. SEGMENTED INFORMATION, continued

	Treaty Negotiation Support Agreement				Enterprise Fund				Social Housing		
	2024	2024	2023	2024	2024	2023	2024		2024	2023	
	Budget	Actual	Actual	Budget	Actual	Actual	Budget		Actual	Actual	
Revenues											
CMHC subsidies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,930	\$	50,930	\$	-
Rental Income	-	-	-	-	-	-	39,600		39,600		-
Other revenue	-	780,000	826,410	-	2,073,444	576,398	-		-		-
Total revenue	-	780,000	826,410	-	2,073,444	576,398	90,530		90,530		-
Expenses											
Amortization	-	-	-	-	-	-	-		24,601		-
Professional fees	-	145,892	85,287	-	-	-	-		5,000		-
Travel	-	1,765	3,855	-	-	-	-		-		-
Utilities and telephone	-	6,594	8,825	-	-	-	-		1,590		-
Wages and benefits	-	27,792	-	-	-	-	-		-		-
Other expenses	-	628,007	686,280	-	-	-	62,027		37,140		-
Total expenses	-	810,050	784,247	-	-	-	62,027		68,331		-
Other	-	(30,050)	42,163	-	2,073,444	576,398	28,503		22,199		-
Annual surplus (deficit)	\$ -	\$ (30,050)	\$ 42,163	\$ -	\$ 2,073,444	\$ 576,398	\$ 28,503	\$	\$ 22,199	\$	-

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

12. SEGMENTED INFORMATION, continued

	2024 Budget	Consolidated totals 2024 Actual	2023 Actual
Revenues			
Nuu-Chah-Nulth Tribal Council	\$ 4,128,423	\$ 8,859,389	\$ 5,373,630
First Nations Education Steering Committee	514,604	581,101	596,071
Other revenue	421,598	1,137,511	418,771
CMHC subsidies	50,930	50,930	-
Province of British Columbia	1,635,977	1,748,378	2,185,010
Rental Income	126,500	200,728	165,448
Other revenue	2,294,295	9,273,940	4,260,049
Total revenue	9,172,327	21,851,977	12,998,979
Expenses			
Amortization	-	961,826	789,097
Contracted services	1,224,954	875,050	706,222
Principal payments on loans	-	6,437	7,255
Materials and supplies	687,188	526,777	469,782
Professional fees	448,961	841,651	743,643
Travel	393,979	379,181	339,246
Utilities and telephone	160,446	185,288	206,258
Wages and benefits	3,063,348	2,435,775	2,590,112
Other expenses	3,604,153	2,735,745	2,954,146
Total expenses	9,583,029	8,947,730	8,805,761
Other	(410,702)	12,904,247	4,193,218
	2,420,174	(5,267,728)	(405,038)
Annual surplus (deficit)	\$ 2,009,472	\$ 7,636,519	\$ 3,788,180

DITIDAHT FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

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) 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.

c) 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.

14. 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 \$876,059 (2023 - \$961,572). 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 \$2,111,149 (2023 - \$1,307,917). Credit risk is the risk that one party to a transaction with 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.

15. COMPARATIVE AMOUNTS

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