XAAY DAGA DLAANG SOCIETY

FINANCIAL STATEMENTS

March 31, 2025

ACCOUNTANTS AND BUSINESS ADVISORS

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CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditors' Report

To the Members of
Xaay daga Dlaang Society

Opinion
We have audited the financial statements of Xaay daga Dlaang Society, which comprise the statement of financial position as at March 31, 2025, and the statements of operations, accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2025, and the results of its operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

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 Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the 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.

Other Matter
Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Society taken as a whole. The supplementary information included on the schedules on pages 11 - 44 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations., and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 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 Society'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 Society'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 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 Society to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements
As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting principles used in preparing and presenting the society's financial statements are in accordance with Canadian accounting standards for not-for-profit organizations and have been applied on a consistent basis.

REID HURST NAGY INC.
CHARTERED PROFESSIONAL ACCOUNTANTS

RICHMOND, B.C.
SEPTEMBER 3, 2025

XAAY DAGA DLAANG SOCIETY

STATEMENT OF FINANCIAL POSITION

As at March 31	2025	2024
ASSETS		
Current		
Cash (Note 10)	$ 1,812,893	$ 2,581,824
Accounts receivable	485,683	209,859
Prepaid expenses	3,629	15,629
GST receivable	94,251	83,708
Term deposits	21,749	21,165
	2,418,205	2,912,185
Tangible capital assets (Note 4)	1,212,172	730,946
	$ 3,630,377	$ 3,643,131
LIABILITIES		
Current		
Accounts payable & accrued liabilities	$ 289,241	$ 468,061
Wages payable (Note 8)	244,309	201,995
	533,550	670,056
NET ASSETS		
Equity in Restricted Fund (Set Funding)	960,166	1,131,187
Equity in Unrestricted Fund (Block Funding)	924,489	1,110,942
Equity in Tangible Capital Asset Fund	1,212,172	730,946
	3,096,827	2,973,075
	$ 3,630,377	$ 3,643,131

APPROVED ON BEHALF OF THE XAAY DAGA DLAANG SOCIETY

Director

, Director

The accompanying notes are an integral part of the financial statements

XAAY DAGA DLAANG SOCIETY

STATEMENT OF OPERATIONS

For the year ended March 31	2025 Budget	2025 Actual	2024 Actual
REVENUE			
First Nations Health Authority	$ 4,546,212	**$ 4,793,054**	$ 4,607,462
Miscellaneous	250,423	**452,337**	232,396
Gwaii Trust Society	-	**142,510**	61,584
Northern Health Authority	63,799	**133,789**	71,789
Skidegate Band Council	91,000	**118,005**	352,877
Third party dental revenue	175,000	**99,914**	194,808
Right to Play	-	**24,167**	17,611
Donation revenue	-	**2,380**	13,250
Training and travel reimbursement grants	-	**888**	8,543
Haida Child and Family Services Society	350,000	**500**	256,708
	5,476,434	**5,767,544**	5,817,028
EXPENSES			
Bursary	-	-	1,000
Capital acquisition	19,000	**645,471**	49,360
Community events	95,750	**101,380**	181,108
Depreciation	-	**164,245**	121,566
Donations	500	-	500
Equipment leases	3,800	**4,525**	5,974
Haida Language	30,800	**26,650**	22,210
Honoraria	47,000	**47,075**	41,020
Insurance	123,640	**157,239**	106,614
Interest and bank charges	4,600	**13,374**	5,420
Materials and supplies	159,532	**180,676**	164,037
Meeting expenses	12,500	**5,945**	6,208
Miscellaneous	6,000	**3,910**	4,057
Office and administrative	54,478	**56,158**	56,081
Patient transportation	1,228,940	**1,443,682**	1,366,098
Professional fees	557,000	**715,540**	692,151
Promotion	1,000	**1,844**	2,129
Rent	12,175	**12,000**	13,235
Repairs and maintenance	42,350	**68,434**	58,949
Training	102,550	**55,959**	104,364
Transfer to Skidegate Band Council	197,755	**197,755**	197,755
Travel	109,250	**83,881**	107,697
Utilities	184,568	**222,670**	137,567
Vehicle expenses	11,700	**12,001**	23,178
Wages and benefits	2,609,953	**2,068,849**	2,246,196
	5,614,841	**6,289,263**	5,714,474
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES BEFORE OTHER	(138,407)	**(521,719)**	102,554
OTHER			
Tangible capital asset additions	-	**645,471**	49,360
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES	$ (138,407)	**$ 123,752**	$ 151,914

The accompanying notes are an integral part of the financial statements

XAAY DAGA DLAANG SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31	Unrestricted Fund (Block Funding)	Restricted Fund (Set Funding)	Tangible Capital Asset Fund	2025 Total	2024 Total
NET ASSETS AT BEGINNING OF YEAR	$ 1,110,942	$ 1,131,187	$ 730,946	**$ 2,973,075**	$ 2,821,161
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES	(186,453)	(171,021)	481,226	**123,752**	151,914
NET ASSETS AT END OF YEAR	$ 924,489	$ 960,166	$ 1,212,172	**$ 3,096,827**	$ 2,973,075

The accompanying notes are an integral part of the financial statements

XAAY DAGA DLAANG SOCIETY

STATEMENT OF CASH FLOWS

For the year ended March 31, 2025	2025	2024
OPERATING ACTIVITIES		
SURPLUS (DEFICIT) OF REVENUE OVER EXPENSES	**$ 123,752**	$ 151,914
Adjustments for:		
Depreciation	**164,245**	121,566
	287,997	273,480
Change in non-cash operating working capital		
Accounts receivable	**(275,824)**	87,914
GST receivable	**(10,543)**	19,933
Prepaid expenses	**12,000**	(14,410)
Accounts payable & accrued liabilities	**(178,821)**	122,569
Wages payable	**42,314**	(30,793)
	(122,877)	458,693
INVESTING ACTIVITIES		
Short term investments acquired	**(583)**	(374)
Tangible capital assets acquired	**(645,471)**	(49,359)
	(646,054)	(49,733)
INCREASE (DECREASE) IN CASH	**(768,931)**	408,960
CASH, BEGINNING OF YEAR	**2,581,824**	2,172,864
CASH, END OF YEAR	**$ 1,812,893**	$ 2,581,824

The accompanying notes are an integral part of the financial statements

XAAY DAGA DLAANG SOCIETY

NOTES TO FINANCIAL STATEMENTS
March 31, 2025

1. ORGANIZATION, AIMS AND OBJECTIVES

Xaay daGa Dlaang Society ("The Society") was incorporated under the Societies Act of British Columbia on March 7, 2016. The Society delivers a variety of health services to the communities of Skidegate, Daajing Giids, Tlell, and Sandspit.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are:

(a) Revenue recognition

The Society follows the restricted fund method of accounting for contributions. Contributions are recognized as revenue of the appropriate fund in the year for which the revenue is intended when the amount to be received can be reasonably estimated and collection is reasonably assured. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund has its own schedule of program operations which presents the results of operations for the fund. The financial position of the organization is shown on the statement of financial position which includes the assets, liabilities and fund balances of all funds presented in the financial statements. The Society has designated the following funds:

- The Unrestricted Fund accounts for the Society's program delivery and administrative activities. The fund reports block funding resources.
- The Restricted Fund accounts for the Society's program delivery activities relating to set funding activities.
- The Tangible Capital Assets Fund reports the assets, liabilities, revenue and expenses related to the tangible capital assets.

(b) Investments

Investments comprise of term deposits which are held at amortized cost with the adjustments for interest income accruals recognized in the Fund in which the investments are held.

(c) Tangible Capital Assets

Tangible capital assets are recorded as capital outlays in the appropriate fund and are also reported on the statement of financial position as tangible capital assets and investment in tangible capital assets balance. Individual tangible capital assets with a cost of $1,000 or more are capitalized in the investment in tangible capital assets at cost. Depreciation is charged to the investment in tangible capital assets balance on a straight-line basis over the expected useful life of the assets at the following rates:

Artwork	5 years
Building	25 years
Computer equipment	5 years
Dental equipment	10 years
Furniture and equipment	5 years
Vehicles	5 years

(d) Income Tax Status

For income tax purposes, the Society is a non-profit organization exempt from income taxes under Section 149(1)(l) of the Canadian Income Tax Act.

(e) Use of Estimates

Preparation of these financial statements requires management to make certain estimates and assumptions that affect amounts reported and disclosed in the financial statements and related notes. Significant estimates are made for the useful life and salvage value of tangible capital assets (depreciation), collectability of accounts receivable and liability accruals. Actual amounts could differ from those estimates.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Financial Instruments

(i) Measurement of financial instruments

The Society 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 Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenses in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable, and term deposits.

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

(ii) Impairment

For financial assets measured at cost or amortized cost, the Society determines whether there are indications of possible impairment. When there is an indication of impairment, and the Society 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 excess of revenues over expenses. 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 excess of revenues over expenses.

3. 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 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 Society is a going concern and thus expects to fully repay the outstanding amounts.

(b) Credit risk

The Society does have credit risk in accounts receivable $485,683 (2024-$272,890). Credit risk is the risk that one or more party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.. In the opinion of management the credit risk exposure to the organization is low and is not material as primarily, receivables are from reputable government agencies.

(c) Liquidity risk

The Society does have a liquidity risk in the accounts payable and accruals of $289,244 (2024-$506,510). Liquidity risk is the risk that the Society cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due. In the opinion of management the liquidity risk exposure to the organization is low and is not material.

4. TANGIBLE CAPITAL ASSETS

	Cost	Additions	Accumulated amortization	2025 Net book value
Artwork	**$ 309,100**	**$ -**	**$ -**	**$ 309,100**
Building	**-**	**184,275**	**5,154**	**179,121**
Computer equipment	**127,016**	**49,135**	**90,480**	**85,671**
Dental equipment	**259,526**	**101,461**	**133,081**	**227,906**
Furniture and equipment	**312,294**	**30,571**	**174,013**	**168,852**
Vehicles	**137,078**	**280,030**	**175,586**	**241,522**
	$ 1,145,014	**$ 645,472**	**$ 578,314**	**$ 1,212,172**

	Cost	Additions	Accumulated amortization	2024 Net book value
Artwork	$ 309,100	$ -	$ -	$ 309,100
Computer equipment	105,208	21,805	66,105	60,908
Dental equipment	240,701	18,826	106,387	153,140
Furniture and equipment	303,567	8,728	114,552	197,743
Vehicles	137,078	-	127,024	10,054
	$ 1,095,654	$ 49,359	$ 414,068	$ 730,945

5. ECONOMIC DEPENDENCE

Xaay daga Dlaang Society receives a significant portion of its revenue pursuant to a funding agreement with First Nations Health Authority which approximates 83% (2024: 78%) of its total revenue.

6. RELATED PARTY TRANSACTIONS

The Society is related to the Board of Directors by virtue of the Board of Directors' ability to exercise management decisions and significant influence over the Society.

Transactions with the Board of Directors and its immediate family are as follows:

	2025	2024
Haida language instructor for administration - immediate family of a director	**$ 26,650**	$ 22,210

These transactions were in the normal course of operations and had been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

7. FIRST NATIONS HEALTH AUTHORITY REIMBURSEMENTS

First Nations Health Authority undertakes a review of the financial statements of the Society annually. During this review, prior year deficits may be determined to be fundable with funding coming through in the subsequent year. Amounts represented are for reimbursement of patient travel costs from the previous fiscal year.

8. WAGES PAYABLE

Wages payable is comprised of the following:

	2025	2024
Payroll payable	**$ 87,240**	$ 44,664
Vacation and sick time	**147,612**	133,274
Government remittances payable	**9,457**	24,057
	$ 244,309	$ 201,995

9. REMUNERATION

The following is a list of Board members who have received honoraria during the fiscal period:

	2025
Chair	**$ 4,600**
Director	**1,600**
Director	**7,900**
Director	**6,150**
Director	**10,950**
Director	**350**
	$ 31,550

Six employees and one contractor have received remuneration in excess of $75,000 during the fiscal period. The payments to these employees and the contractor are $645,059 in aggregate.

10. LINE OF CREDIT

The Society has an authorized line of credit of $75,000, bearing interest at 9.95% including prime rate and is unsecured.