

DOUGLAS INDIAN BAND
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2024

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DOUGLAS INDIAN BAND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2024

The accompanying consolidated financial statements of Douglas Indian Band ("the 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 judgment. 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 Douglas Indian Band 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 First Nation's assets are appropriately accounted for and adequately safeguarded.

The Chief and 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 Chief and Council review the First Nation's financial statements and recommend their approval. The Chief and Council meet 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 Chief and Council take this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider 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 Chief and Council. Reid Hurst Nagy Inc. have full and free access to the council for information purposes.


Chief

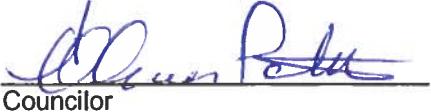
2024-07-26

Date


Councilor

2024-07-26

Date


Councilor

2024-07-26

Date


Councilor

2024-07-26

Date

Independent Auditors' Report

To the Members of
Douglas Indian Band

Qualified Opinion

We have audited the consolidated financial statements of Douglas Indian Band, which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 remeasurement gains and losses, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Qualified Opinion

The First Nation has not accounted for some of the funded tangible capital assets including roads and bridges, buildings, water and other utility systems that were required to be capitalized in prior years. In this respect, the financial statements are not in accordance with Canadian public sector accounting standards. We were not able to determine the adjustments if any that might have been necessary to tangible capital assets and accumulated surplus, at the beginning and end of the year reported in the consolidated statement of financial position as at March 31, 2024; annual surplus reported in the consolidated statement of revenue, expense and accumulated surplus for the year ended March 31, 2024; annual surplus and amortization reported in the consolidated statement of cash flows for the year ended March 31, 2024; and amortization of tangible capital assets reported in the consolidated statement of change in net financial assets as at March 31, 2024.

The financial information for government business enterprises (GBEs) are not available and have not been accounted for in the consolidated financial statements for the current and prior year. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the First Nation's investment in GBEs and the First Nation's share of income (loss) from the GBEs. Consequently, we were unable to determine the adjustments if any adjustments to due from government business enterprises, investment in government business enterprises, due to government business enterprises and liability from government business enterprises reported in the consolidated statement of financial position for the year ended March 31, 2024; net income (loss) from government business partnerships reported in the consolidated statement of revenue, expense and accumulated surplus for the year ended March 31, 2024, and advances to (from) government business enterprises reported in the consolidated statement of cash flows for the year ended March 31, 2024.

The basis for qualification discussed above is consistent with the qualified opinion issued on the Independent Auditor's Report dated December 8, 2023 for the March 31, 2023 consolidated financial statements.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's 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 qualified 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 Canadian public sector accounting standards, 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

VANCOUVER, B.C.
JULY 26, 2024

DOUGLAS INDIAN BAND

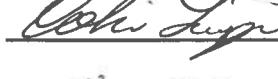
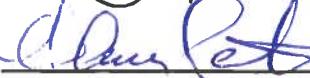
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 4,300,819	\$ 4,157,290
Accounts receivable (Note 3)	3,054,761	1,303,447
Due from government business enterprises (Note 4)	1,365,662	1,359,534
Portfolio investments (Note 5)	4,372,643	3,869,532
Investment in government business enterprises and partnerships (Note 7)	990,576	390,650
Federal trust funds (Note 8)	77,788	74,446
	14,162,249	11,154,899
LIABILITIES		
Accounts payable and accrued liabilities (Note 11)	559,066	386,161
Deferred revenue (Note 12)	5,464,189	3,021,875
Due to government business enterprise (Note 13)	186,581	186,581
Liability from government business enterprises (Note 14)	183,925	183,925
Long-term debt (Note 15)	269,470	349,948
Demand loans (Note 16)	1,532,056	1,675,812
Capital lease obligation (Note 17)	671,683	588,442
CMHC Mortgages (Note 18)	2,000,116	2,118,695
Replacement reserve (Note 19)	321,087	298,814
	11,188,173	8,810,253
NET FINANCIAL ASSETS	2,974,076	2,344,646
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 21)	17,530,666	15,764,479
Prepaid expenses	53,543	21,043
	17,584,209	15,785,522
ACCUMULATED SURPLUS	\$ 20,558,285	\$ 18,130,168

ACCUMULATED SURPLUS CONSISTS OF

Accumulated operating surplus	19,666,200	17,665,409
Accumulated remeasurement gains at end of year	892,085	464,759
ACCUMULATED SURPLUS	\$ 20,558,285	\$ 18,130,168

APPROVED ON BEHALF OF THE DOUGLAS INDIAN BAND

, Chief , Councillor
, Councillor , Councillor

DOUGLAS INDIAN BAND

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the year ended March 31 2024 2023

ACCUMULATED REMEASUREMENT GAINS AT BEGINNING OF YEAR	\$ 464,759	\$ -
Unrealized gains attributable to:		
Portfolio Investments	427,326	464,759
NET REMEASUREMENT GAINS	427,326	464,759
ACCUMULATED REMEASUREMENT GAINS AT END OF YEAR (Note 5)	\$ 892,085	\$ 464,759

DOUGLAS INDIAN BAND

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended March 31	2024 Budget	2024 Actual	2023 Actual
ANNUAL SURPLUS	\$ (872,279)	\$ 2,428,117	\$ 717,419
Acquisition of tangible capital assets	-	(2,607,964)	(1,026,499)
Amortization of tangible capital assets	-	804,987	718,592
<u>Disposal of tangible capital asset</u>	<u>-</u>	<u>36,790</u>	<u>-</u>
	-	(1,766,187)	(307,907)
Acquisition of prepaid assets	(32,500)	53,543	83,027
<u>Use of prepaid assets</u>	<u>-</u>	<u>(21,043)</u>	<u>(52,035)</u>
	(32,500)	(32,500)	30,992
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(904,779)	629,430	440,504
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	-	2,344,646	1,904,142
NET FINANCIAL ASSETS AT END OF YEAR	\$ 821,903	\$ 2,974,076	\$ 2,344,646

DOUGLAS INDIAN BAND

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31	2024 Budget	2024 Actual	2023 Actual
REVENUE			
Indigenous Services Canada	\$ 2,820,458	\$ 3,484,026	\$ 3,424,577
Province of BC	988,924	2,029,257	206,331
Harrison Hydro LP	788,872	725,689	585,183
Reimbursement for Energy Consumption	-	687,504	-
BCFN Gaming revenue	637,222	712,108	770,869
Rental	158,902	169,843	158,901
First Nations Education Steering Committee	230,602	190,409	145,464
Canada Mortgage and Housing Corporation	133,135	138,421	202,385
Department of Natural Resources	78,946	107,410	-
Net income (loss) from government business partnership	-	599,926	(359,920)
Investment income	122,561	105,707	144,968
Funding from First Nation organizations	111,024	86,921	106,582
First Nations Health Authority	276,688	1,016,696	250,113
Other	1,083,610	813,500	1,117,993
Sale of capital assets	10,000	18,788	-
New Relationship Trust	-	393,000	-
Vancouver Coastal Health	98,000	79,087	-
BC Aboriginal Child Care Society	-	106,155	-
Deferred revenue, beginning of year	2,319,060	3,021,875	1,286,317
Deferred revenue, end of year	(2,281,604)	(5,464,189)	(3,021,875)
	7,576,400	9,022,133	5,017,888
EXPENSES			
Governance & Administration	2,417,358	1,987,602	1,510,755
Community Infrastructure	1,528,319	1,288,101	308,117
Health	977,850	569,747	365,957
Education	1,087,322	1,149,135	718,727
Social Development	239,843	292,643	202,317
Economic Development	657,081	621,202	659,007
Housing	1,532,389	350,368	379,351
Business Enterprises Fund	35,902	52,460	4,802
Internally Restricted Capital Bylaw Fund	-	28,497	26,145
Capital Fund	-	681,587	590,050
	8,476,064	7,021,342	4,765,228
ANNUAL SURPLUS BEFORE OTHER	(872,279)	2,000,791	252,660
OTHER			
Unrealized gain (loss)	-	427,326	464,759
ANNUAL SURPLUS	(872,279)	2,428,117	717,419
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	-	18,130,168	17,412,749
ACCUMULATED SURPLUS AT END OF YEAR	\$ (872,279)	\$ 20,558,285	\$ 18,130,168

DOUGLAS INDIAN BAND

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2024	2024	2023
OPERATING ACTIVITIES		
ANNUAL SURPLUS	\$ 2,428,117	\$ 717,419
Items not affecting cash		
(Income) / loss from government business partnership	(599,926)	359,920
Unrealized gain	(427,326)	(464,759)
Amortization	804,987	718,592
Gain on disposition of tangible capital assets	(18,788)	(38,990)
	2,187,064	1,292,182
Change in non-cash operating working capital		
Accounts receivable	(1,751,314)	(788,571)
Prepaid expenses	(32,500)	30,992
Accounts payable and accrued liabilities	172,908	(164,401)
Deferred revenue	2,442,314	1,735,558
Federal trust funds	(3,342)	(8,701)
Replacement reserve	22,273	79,975
	3,037,403	2,177,034
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(2,607,964)	(1,093,952)
Proceed from disposition of tangible capital assets	55,751	106,446
	(2,552,213)	(987,506)
FINANCING ACTIVITIES		
Principal repayment on long-term debt	(102,936)	(58,172)
Proceed from long-term debt	22,458	246,481
Principal repayment on CMHC mortgage	(118,755)	(119,868)
Proceed from capital lease obligation	127,251	62,209
Repayment of capital lease obligation	(44,011)	(67,332)
Principal repayment on demand loan	(143,757)	(103,461)
Advances to (from) government business enterprises	(6,126)	(6,259)
	(265,876)	(46,402)
INVESTING ACTIVITIES		
Increase in portfolio Investments	(75,785)	(661,207)
INCREASE IN CASH AND CASH EQUIVALENTS	143,529	481,919
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,157,290	3,675,371
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,300,819	\$ 4,157,290

DOUGLAS INDIAN BAND

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 First Nation reporting entity includes the Douglas Indian Band government and all related entities that are controlled by the First Nation.

(b) Principles of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of entities which are controlled by the First Nation. Controlled entities are consolidated, except for government business enterprises and government business partnerships, which are accounted for by the modified equity method or costs basis. All inter-fund and inter-organization transactions and balances have been eliminated on consolidation.

The First Nation records its investments in government business enterprises (GBE) and government business partnerships (GBP) on a modified equity or cost basis. Under the modified equity basis, the GBE's and GBP's accounting policies are not adjusted to conform with those of the First Nation and inter-entity transactions and balances are not eliminated. The First Nation recognizes its equity interest in the annual earnings or losses of the GBE's and GBP's in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends or other cash distributions that the First Nation may receive from the GBE's and GBP's will be reflected as deductions in the investment asset account.

Entities which the Nation do not have control are accounted by the cost basis.

Entities accounted for on a modified equity basis include:

1. TTQ Economic Development Corporation - 100% interest
2. Takem Ti Qwelsa7 Eco-Resource Corporation - 100% interest
3. Xa'xtsa Gas Station Ltd. - 100% interest
4. Tsetsa7 Forestry Limited Partnership - 19.59%
5. Tsetsa7 Loakam (Logging) Ltd.

Entities accounted for on a cost basis include:

6. 1020376 B.C. Ltd. 33.33% interest

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(d) Portfolio Investments

Portfolio investments consist of equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Remeasurement gains and losses until the financial instrument is derecognized.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Trust Funds

Trust funds held by Federal Government:

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

(f) Loans Receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

(g) Revenue Recognition

Government Transfers:

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as such. In these circumstances, the First Nation recognizes revenue when the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Trust Funds:

The First Nation recognizes revenues of a Trust Fund at the time funds are contributed from the accounts held by the trust. Investment and interest revenue is recognized when earned.

Housing Rental Income:

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Own Source Revenue:

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.

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 being provided is deferred and recognized when the fee is earned or service provided.

DOUGLAS INDIAN BAND

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 assets 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 the First Nation's incremental cost of borrowing.

Amortization is provided on the following basis over the estimated useful life of the tangible capital assets as follows:

Building and infrastructure	4 % Declining balance
Office equipment	20% Declining balance
Machinery and equipment	20% Declining balance
Trailer	20% Declining balance
Truck	20% Declining balance
Telephone poles	5% Declining balance
Asset under capital lease	4%, 20% Declining balance
Gas Bar	15 years Straight line
Childcare Centre	4% Declining balance

Tangible capital assets are written down when conditions indicate that they no longer contribute to the 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 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 tangible 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.

No amortization will be taken for construction in progress until the project is completed and the tangible capital asset is in service.

(i) Deferred Revenue

Under the terms of the contribution agreement between the First Nation, ISC and certain other agencies, the First Nation may be liable to repay any contributed funds either not expended or not expended in accordance with the agreement. On the other hand, any deficit, supported by claims eligible for reimbursement under the terms and conditions of the funding agreements, may be reimbursed by the contributor subject to the program's terms and conditions. The First Nation has recorded all known unexpended contribution funds as deferred revenue and/or accounts payable.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible assets, prepaid expenses and inventory of supplies.

(k) Measurement Uncertainty

In preparing the consolidated financial statements for the First Nation's, 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 allowance for doubtful accounts, accruals and useful lives of tangible capital assets. Actual results could differ from these estimates.

(l) 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. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

(m) 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) Douglas Indian Band 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.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(n) 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, 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 the Statement of Remeasurement gains and losses until the financial instrument is derecognized.

Financial assets measured at amortized cost on a straight line basis include cash, accounts receivable, and due from related entities.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities, deferred revenue, long-term debt, capital lease obligation and due to related entities.

ii) Impairment

For financial assets measured at cost or amortized cost, the First Nation 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 Operation. 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 net income.

iii) Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the Statement of Operation in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the carrying value of the item upon initial recognition.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents is comprised of the following:

	2024	2023
Externally restricted		
Operating reserve fund	\$ 228,135	\$ 651,590
Replacement reserve fund	321,087	144,286
	<hr/> 549,222	<hr/> 795,876
Unrestricted		
Operating funds	3,751,597	3,361,414
Total Cash and Cash Equivalents	\$ 4,300,819	\$ 4,157,290

Externally restricted - Operating Reserve:

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the First Nation is to set aside any surplus revenue to an operating reserve for the purpose of meeting future requirements of income-listed occupants over and above the maximum federal assistance. The fund may be replenished to its original limit from subsequent operating surpluses.

At the year end, the reserve was over funded by \$76,054 (2023: over funded by \$463,486).

Externally restricted - Replacement Reserve:

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the replacement reserve.

At year end, the reserve was fully funded (2023: under funded by \$154,527).

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

3. ACCOUNTS RECEIVABLE

	2024	2023
Due from government organizations:		
GST Public Service Bodies Rebate	\$ 70,941	\$ 4,428
Canada Mortgage and Housing Corporation	11,623	80,095
Province of BC	986,477	-
Indigenous Services Canada	165,491	388,056
First Nations Health Authority	392,302	-
Ministry of Agriculture	10,471	14,000
	<hr/> 1,637,305	<hr/> 486,579
Due from members:		
Rent receivable	360,376	594,178
Due from others:		
BC FN Gaming Revenue Sharing LP	-	198,242
First Nations Education Steering Committee	5,875	32,663
Harrison Hydro	106,206	51,702
Big Silver	23,251	11,184
Northwest Stave River	12,060	-
Other	800,893	92,799
SASET	-	24,203
Southern Stl'atl'imx Health Society	52,205	85,808
St'at'lmc (PC) 2011 Trust	364,650	319,737
Tretheway	29,264	17,833
	<hr/> 1,394,404	<hr/> 834,171
Allowance for doubtful accounts	<hr/> 3,392,085	<hr/> 1,914,928
	<hr/> (337,324)	<hr/> (611,481)
	<hr/> \$ 3,054,761	<hr/> \$ 1,303,447

4. DUE FROM GOVERNMENT BUSINESS ENTERPRISES

	2024	2023
TTQ Economic Development Corporation	\$ 1,041,466	\$ 1,041,467
Xa'xtsa Gas Station Ltd.	324,196	318,067
	<hr/> \$ 1,365,662	<hr/> \$ 1,359,534

Advances due from government business enterprises are unsecured, non-interest bearing with no specific terms of repayment.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

5. PORTFOLIO INVESTMENTS

The First Nation through the bylaw process established three internally restricted capital funds to ensure that the principal portions of qualifying Own Source Revenues (OSR) are held in perpetuity for future generations of the First Nation's members and that such funds be allocated in accordance with the bylaw as follows:

	Infrastructure Fund	Capital Fund	Economic Development Fund	2024 Total	2023 Total
Investment at cost	\$ 668,748	\$ 1,728,427	\$ 1,083,383	\$ 3,480,558	\$ 3,404,773
Unrealized gain/(loss)	142,285	470,439	279,361	892,085	464,759
Market value	\$ 811,033	\$ 2,198,866	\$ 1,362,744	\$ 4,372,643	\$ 3,869,532

The portfolio investments consist of cash, money market fund, fixed income securities, Canadian, United States, and other non North American equities traded on an active market.

6. LEASE COMMITMENTS

The First Nation entered into a lease agreement for office space in Pemberton, and a Sublease agreement for office space in Mount Currie. Total commitment from lease and sublease for the First Nation is \$2,650 per month.

7. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES AND PARTNERSHIPS

	2024	2023
Takem Ti Qwelsa7 Eco-Resource Corporation - 100%	\$ 129,421	\$ 129,421
1020376 B.C Ltd. - 33.33%	500	500
Tsetspa7 Forestry Limited Partnership - 19.59%	860,655	260,729
	\$ 990,576	\$ 390,650

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

7. investment in government business enterprises and partnerships, continued

	Tsetspa7 LP	2024 Total	2023 Total
Cash	\$ 26,961	\$ 26,961	\$ 67,233
Accounts and holdback receivable	2,650,202	2,650,202	1,371,932
Inventory	2,352,010	2,352,010	1,315,898
Due from Tsetpa7 Loakam Logging Ltd.	107,742	107,742	4,105
Investment in Gravity Towing Ltd.	1,832,327	1,832,327	1,800,000
Due from In-Shuck-Ch Resource Management Ltd.	81,440	81,440	81,440
Forestry License	1,067,463	1,067,463	1,067,463
Other assets	39,999	39,999	21,498
Total assets	\$ 8,158,144	\$ 8,158,144	\$ 5,729,569

Accounts payable	\$ 3,220,373	\$ 3,220,373	\$ 3,839,454
Due to Lizzie Bay Logging Ltd.	110,626	110,626	144,208
Long-term debt	900,184	900,184	827,355
Other liabilities	-	-	54,660
Total liabilities	4,231,183	4,231,183	4,865,677
Equity	3,926,961	3,926,961	863,892
Total liabilities and equity	\$ 8,158,144	\$ 8,158,144	\$ 5,729,569

	Tsetspa7 LP	2024 Total	2023 Total
Revenue	\$ 17,472,060	\$ 17,472,060	\$ 12,458,545
Direct Costs	(14,319,046)	(14,319,046)	(14,244,316)
Gross Profit	3,153,014	3,153,014	(1,785,771)
General Expenses	\$ 89,945	\$ 89,945	\$ 51,885

The financial information for Takem Ti Qwelsa7 Eco-Resource Corporation for the year ended March 31, 2024 is not available.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

8. FEDERAL TRUST FUNDS

	2024 Revenue Funds	2024 Capital Funds	2024 Total	2023 Total
Balance, beginning of year	\$ 60,310	\$ 14,136	\$ 74,446	\$ 65,745
Distributions	780	-	780	779
Interest earnings	2,562	-	2,562	2,119
Timber dues	-	-	-	5,803
Balance, end of year	\$ 63,652	\$ 14,136	\$ 77,788	\$ 74,446

9. TRUST FUNDS HELD BY ST'AT'IMC (PC) 2011 TRUST

The St'at'imc Communities reached a settlement agreement with the Province of British Columbia and BC Hydro on May 10, 2011 to compensate for impacts to St'at'imc lands and people in respect of past, present and future hydro development in the St'at'imc territory. As a result, the St'at'imc (PC) 2011 Trust was established to receive the settlement funds and flows funds to the participating communities.

The First Nation is a beneficiary of these funds and have no control over the assets or liabilities of the trust. Accordingly, assets has been excluded in these consolidated financial statements.

10. LOANS RECEIVABLE

	2024	2023
Homeowner repayment - Lot 7: The loan receivable is interest free with a monthly installment of \$450 commencing December 2013 until it is paid in full.	\$ 60,931	\$ 60,931
Allowance for doubtful loan	(60,931)	(60,931)
	\$ -	\$ -

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accounts payable and accrued liabilities	\$ 416,012	\$ 275,217
Wages payable	48,984	35,825
Government remittances	25,945	19,613
Vacation and overtime payable	55,493	47,739
Pension payable	12,632	7,767
	<hr/> \$ 559,066	<hr/> \$ 386,161

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

The First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5% of their salary and the First Nation is required to match their contribution of 5%. The amount of the retirement benefit to be received by the employees will be the amount of the retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. During the year, the First Nation contributed \$44,475 (2023: \$37,347) for retirement benefits. The First Nation does not have any other obligations with regards to the pension plan as at March 31, 2024.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

12. DEFERRED REVENUE

The following table represents changes in the deferred revenue balance attributable to each funding source:

	March 31, 2023	Revenue recognized, 2024	Funding received, 2024	March 31, 2024
Federal Government				
Indigenous Services Canada - FIXED Contribution	\$ 480,684	\$ (607,184)	\$ 499,196	\$ 372,696
Indigenous Services Canada - FLEX Contribution	913,738	(1,815,530)	1,854,358	952,566
Indigenous Services Canada - GRANT	1,109,107	(742,209)	1,130,471	1,497,369
First nation Health Authority	229,329	(288,319)	938,496	879,506
	2,732,858	(3,453,242)	4,422,521	3,702,137
Provincial Government				
Province of British Columbia	79,320	(883,880)	2,042,257	1,237,697
Other				
First Nations Education Steering Committee	162,586	(180,204)	190,409	172,791
Other	47,111	(226,106)	530,559	351,564
	209,697	(406,310)	720,968	524,355
	\$ 3,021,875	\$ (4,743,432)	\$ 7,185,746	\$ 5,464,189

13. DUE TO GOVERNMENT BUSINESS ENTERPRISE

	2024	2023
Takem Ti Qwelsa7 Eco-Resource Corporation	\$ 186,581	\$ 186,581

Advances due to the government business enterprise are unsecured, non-interest bearing with no specific terms of repayment.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

14. LIABILITY FROM GOVERNMENT BUSINESS ENTERPRISES

The following represents the accumulated deficit from the investment in government business enterprises:

	2024	2023
TTQ Economic Development Corporation - 100%	\$ 110,437	\$ 110,437
Xa'xtsa Gas Station Ltd. - 100%	73,488	73,488
	<hr/> \$ 183,925	<hr/> \$ 183,925

15. LONG-TERM DEBT

	2024	2023
Coastal Ford Sales Limited: The loan is repayable in monthly installments of \$1,385, including interest at 6.99% per annum. The loan matures on February 2024.	\$ -	\$ 14,683
Coastal Ford Sales Limited: The loan is repayable in monthly installments of \$1,211, including interest at 6.99% per annum. The loan matures on August 2025.	20,661	33,256
Toyota Financial Services: The loan is repayable in monthly installments of \$1,809, including interest at 3.49% per annum. The loan matures on January 2025.	38,506	58,495
Toyota Financial Services: The loan is repayable in monthly installments of \$1,783, including interest at 4.79% per annum. The loan matures on Oct 2025.	32,569	51,904
Scotia: The loan is repayable in monthly installments of \$1,256, including interest at 9.69% per annum. The loan matures on April 2028.	50,638	59,534
Scotia: The loan is repayable in monthly installments of \$1,272, including interest at 4.99% per annum. The loan matures on March 2030.	79,029	90,054
Downtown Centre Motors Ltd.: The loan is repayable in monthly installments of \$605, including interest at 7.99% per annum. The loan matures on September 2025.	-	16,413
Promissory Notes - Indigenous Specific Claims: The promissory note is interest free. Note matures on March 2027	25,609	25,609
Promissory Notes - Indigenous Specific Claims: The promissory note is interest free. Note matures on March 2028	22,458	-
	<hr/> \$ 269,470	<hr/> \$ 349,948

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

15. LONG-TERM DEBT, continued

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

2025	\$ 76,699
2026	61,136
2027	51,301
2028	51,330
2029 and thereafter	29,004
	<hr/>
	\$ 269,470
	<hr/>
	2024
Interest expense for the year on long-term debt	\$ 13,761
	<hr/>
	2023
	\$ 8,636

16. DEMAND LOANS

	2024	2023
Bank of Montreal: The non-revolving demand loan is due on demand and bears interest at prime plus 0.75% with a monthly payment of \$2,611 including interest. The loan will be due in May 2034.	\$ 37,164	\$ 60,626
Bank of Montreal: The non-revolving demand loan is due on demand and bears interest at prime plus 0.75% with a monthly payment of \$5,720 including interest. The loan will be due in May 2034.	469,901	485,849
Bank of Montreal: The non-revolving demand loan is due on demand and bears interest at prime plus 0.75% with a fix monthly principal payment of \$8,432 and interest. The loan will be due in May 2034.	1,024,991	1,129,337
	<hr/>	<hr/>
	\$ 1,532,056	\$ 1,675,812
	<hr/>	<hr/>

Total interest paid in the year is \$126,008 (2023: \$102,018).

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

2025	\$ 153,552
2026	134,288
2027	129,570
2028	132,683
2029 and thereafter	981,963
	<hr/>
	\$ 1,532,056

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

17. CAPITAL LEASE OBLIGATION

	2024	2023
Toyota 4Runner Truck Lease - repayable at \$1,148 monthly payments bearing interest of 6.99% annually. The loan will mature in July 2025 with the last payment representing the purchase option of \$30,632. It is secured by the underlining truck.	\$ 45,587	\$ 55,791
Toyota Tacoma Truck Lease - repayable at \$873 monthly payments bearing interest of 7.39% annually. The loan will mature in July 2026 with the last payment representing the purchase option of \$33,796. It is secured by the underlining truck.	51,055	-
Toyota Sequoia TRD Off Road Truck Lease - repayable at \$1142 monthly payments bearing interest of 8.59% annually. The loan will mature in October 2028 with the last payment representing the purchase option of \$26,584. It is secured by the underlining truck.	68,801	-
RBC Greenhouse equipment Lease - repayable at \$5,065 monthly payments bearing interest at RBC Prime rate + .05% annually. The loan will mature in April 2032 with the last payment representing the purchase option of \$214,741. It is secured by the underlining asset. The lease was recorded as a demand loan in prior years until it was converted to a capital lease in the year.	506,240	532,651
	\$ 671,683	\$ 588,442

Total interest paid in the year is \$43,107 (2023: \$39,310).

Principal portion of capital lease obligation due within the next five years:

2025	\$ 53,857
2026	80,711
2027	77,812
2028	44,657
2029 and thereafter	414,646
	<hr/>
	\$ 671,683

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

18. CMHC MORTGAGES

	2024	2023
All Nations Trust Company - Phase 001: The mortgage is repayable in monthly installments of \$2,181, including interest at 0.76% per annum. The mortgage matures and renews on September 1, 2025 and is guaranteed by Indigenous Services Canada.	\$ 39,026	\$ 64,797
All Nations Trust Company - Phase 003: The mortgage is repayable in monthly installments of \$3,615, including interest at 1.91% per annum. The mortgage matures Jun 1, 2039 and renews on June 1, 2024, and is guaranteed by Indigenous Services Canada.	573,768	605,868
All Nations Trust Company - Phase 004: The mortgage is repayable in monthly installments of \$2,914, including interest at 0.79% per annum. The mortgage matures on January 1, 2041 with the next renewal date on January 1, 2026 and is guaranteed by Indigenous Services Canada.	551,099	581,582
All Nations Trust Company - Phase 005: The mortgage is repayable in monthly installments of \$5,071, including interest at 3.74% per annum. The mortgage matures on June 1, 2043 and renews on June 1, 2028. The loan is guaranteed by Indigenous Services Canada.	<u>836,223</u>	<u>866,448</u>
	<u><u>\$ 2,000,116</u></u>	<u><u>\$ 2,118,695</u></u>

Principal portion of CMHC mortgages due within the next five years:

2025	\$ 116,401
2026	104,615
2027	70,715
2028 and thereafter	1,708,385
	<u><u>\$ 2,000,116</u></u>

	2024	2023
Interest expense for the year on CMHC mortgages	<u><u>\$ 46,090</u></u>	<u><u>\$ 39,004</u></u>

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

19. REPLACEMENT RESERVE

The Replacement Reserve is established in accordance with the Operating Agreements with CMHC for on-reserve housing. Funds are required to be set aside annually and held for future replacements of capital items related to the housing units.

	2024	2023
Balance, beginning of year	\$ 298,814	\$ 218,839
Special contributions	-	69,000
Current year appropriations	27,440	27,440
Interest income	7,462	4,234
Current year expenditures	(12,629)	(20,699)
 Balance, end of the year	 \$ 321,087	 \$ 298,814

20. CONTINGENT LIABILITIES

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In the normal course of its operations, the First Nation occasionally becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's financial statements.

As at March 31, 2024, the total ministerial housing loan guarantees provided to financial institutions for outstanding loans to the First Nation is \$2,000,116.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

21. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				2024 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	
Band Housing	\$ 2,089,149	\$ -	\$ -	\$ 2,089,149	\$ 498,336	\$ 63,633	\$ -	\$ 561,969	\$ 1,527,180
CMHC social housing	4,423,674	-	-	4,423,674	1,338,665	123,401	-	1,462,066	2,961,608
Office equipment	357,756	6,649	-	364,405	171,550	38,499	-	210,049	154,356
Machinery and equipment	308,971	48,847	-	357,818	270,000	14,359	-	284,359	73,459
Construction in progress	1,807,062	1,880,793	(1,805,558)	1,882,297	-	-	-	-	1,882,297
Boat	-	250,525	-	250,525	-	5,339	-	5,339	245,186
Trailer	28,500	3,310	(18,500)	13,310	28,500	284	(18,500)	10,284	3,026
Truck	974,190	85,395	(74,127)	985,458	346,442	120,040	(20,929)	445,553	539,905
Telephone poles	5,469	-	-	5,469	4,244	61	-	4,305	1,164
Asset under capital lease	594,860	142,381	-	737,241	28,669	46,393	-	75,062	662,179
Gas Bar	491,222	-	-	491,222	294,733	32,748	-	327,481	163,741
Infrastructure	7,895,978	-	-	7,895,978	766,494	285,179	-	1,051,673	6,844,305
Childcare Centre	658,873	2,012,045	-	2,670,918	123,592	75,066	-	198,658	2,472,260
	\$ 19,635,704	\$ 4,429,945	\$ (1,898,185)	\$ 22,167,464	\$ 3,871,225	\$ 805,002	\$ (39,429)	\$ 4,636,798	\$ 17,530,666

	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	
Band Housing	\$ 2,089,149	\$ -	\$ -	\$ 2,089,149	\$ 432,052	\$ 66,284	\$ -	\$ 498,336	\$ 1,590,813
CMHC social housing	4,423,674	-	-	4,423,674	1,210,123	128,542	-	1,338,665	3,085,009
Office equipment	281,987	75,769	-	357,756	136,929	34,621	-	171,550	186,206
Machinery and equipment	308,971	-	-	308,971	260,257	9,743	-	270,000	38,971
Construction in progress	1,195,977	628,522	(17,437)	1,807,062	-	-	-	-	1,807,062
Trailer	28,500	-	-	28,500	28,500	-	-	28,500	-
Truck	772,910	320,272	(118,992)	974,190	339,569	94,414	(87,541)	346,442	627,748
Telephone poles	5,469	-	-	5,469	4,180	64	-	4,244	1,225
Asset under capital lease	69,968	594,860	(69,968)	594,860	30,145	32,488	(33,964)	28,669	566,191
Gas Bar	491,222	-	-	491,222	261,985	32,748	-	294,733	196,489
Infrastructure	8,404,010	24,618	(532,650)	7,895,978	469,110	297,384	-	766,494	7,129,484
Childcare Centre	658,873	-	-	658,873	101,289	22,303	-	123,592	535,281
	\$ 18,730,710	\$ 1,644,041	\$ (739,047)	\$ 19,635,704	\$ 3,274,139	\$ 718,591	\$ (121,505)	\$ 3,871,225	\$ 15,764,479

The construction in progress for current fiscal year represent construction of a triplex housing. Projects are funded through ISC currently.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

22. INTERNALLY RESTRICTED CAPITAL BYLAW FUNDS

The capital bylaw funds were established on December 13, 2014 by the First Nation to ensure a portion of own source revenues are invested in long-term growth with the goal of developing a substantial financial reserve for the future benefit of the Douglas First Nation and its member. Three funds were established for the following purpose:

Infrastructure:

To invest in approved capital projects in accordance with the First Nation's Investment Policy Statement.

Capital Fund:

To invest in approved infrastructure projects in accordance with the First Nation's Investment Policy Statement.

Economic Development:

Money's held in this fund will be used for investment in share capital, secured mortgage loans, joint ventures, secured business loans, and other business ventures that the Council deems to be economically beneficial.

	Infrastructure Fund	Capital Fund	Economic Development Fund	2024	2023
Portfolio Investments at fair market value (Note 5)	\$ 811,033	\$ 2,198,866	\$ 1,362,744	\$ 4,372,643	\$ 3,869,532
Accounts Receivable	37,172	31,862	37,172	106,206	51,702
Loans Receivable - Internal	95,291	97,033	96,540	288,864	288,865
Underfunded amount	686,655	599,594	755,987	2,042,236	2,105,174
	\$ 1,630,151	\$ 2,927,355	\$ 2,252,443	\$ 6,809,949	\$ 6,315,273

During the year, no withdrawals were made from these funds.

23. BUDGETED FIGURES

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

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

24. EXPENSES BY OBJECT

For the year ended March 31	2024 Budget	2024 Actual	2023 Actual
Aboriginal title, rights, or responsibilities	\$ 400	\$ 222	\$ -
Acquisition of tangible capital assets	1,360,760	-	-
Administration and governance	77,824	21,584	49,593
Advertising (reimbursement)	46,820	44,981	46,821
Amortization	712,385	804,987	718,592
Bad debts	-	26,634	50,529
Consulting	587,279	617,030	305,184
Donation	36,750	24,000	35,250
Economic and business development	-	12,964	-
Education	132,097	142,100	133,306
Equipment lease	-	3,743	-
Flowthrough to TTQ	731,837	731,837	-
Fuel and propane	200	16,107	4,997
Health	59,241	65,501	103,761
Honorariums	93,110	133,887	110,847
Infrastructure and programming	60,705	96,903	11,423
Insurance	189,711	158,831	124,103
Interest and bank charges	10,283	35,961	36,610
Interest on long-term debt	196,975	224,421	188,968
Materials and supplies	228,897	248,133	129,399
Members distribution	118,000	116,994	115,096
Office	573,246	72,338	83,540
Professional fees	465,089	631,688	208,879
Repairs and maintenance	194,943	233,092	251,939
Social and spiritual well being	1,860	16,003	860
Social assistance	194,866	230,160	190,606
Specialists' costs recovered from SSHS	-	52,205	-
Training	38,434	27,064	38,434
Travel and workshop	417,902	455,193	300,981
Utilities and telephone	164,218	160,078	164,273
Wages and benefits	1,782,232	1,616,701	1,361,237
	\$ 8,476,064	\$ 7,021,342	\$ 4,765,228

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

25. 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. It is the opinion of management that the Nation is not exposed to currency risk, other price risk, and concentrations of risk.

Credit risk

The First Nation does have credit risk in notes and accounts receivable of \$3,028,714 (2023 - \$1,303,447). 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 maintaining a list of outstanding contracts and performing regular reviews to ensure collection status. In the opinion of management the credit risk exposure to the First Nation is low and is not material.

Liquidity risk

The Nation does have a liquidity risk in long-term debt, promissory notes, capital lease obligations and accounts payable and accrued liabilities of \$559,067 (2023 - \$386,161). Liquidity risk is the risk that the First Nation cannot repay its obligations when they become due to its 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 monitors cashflow on a monthly basis. In the opinion of management the liquidity risk exposure to the First Nation is low and is not material.

Interest rate risk

The First Nation is exposed to interest rate risk. Interest rate risk is the risk that the First Nation has interest rate exposure on its long-term debt and promissory note, which consist of both fixed and variable interest rates. Variable rates are based on the authority's prime lending rates. This exposure may have an effect on its earnings in future periods. The First Nation reduces its exposure to interest rate risk by regularly monitoring prime lending rates which have been relatively stable over the period presented. The First Nation does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the First Nation is low and is not material.

26. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2024 the First Nation entered into transactions with its government business enterprise TTQ Economic Development Corporation. The First Nation flowthroughed \$731,837 of funding in the year.

27. ECONOMIC DEPENDENCE

The First Nation and controlled entities ("First Nation") are financially dependent on funding from government sources to operate programs and to complete capital projects. The First Nation's ability to operate certain programs depends on continuation of these source of funding.

Contributions from Indigenous Services Canada ("ISC") are under terms of Financial Transfer Agreements ("FTA") and are provided on a block funding basis. Generally, FTA funding is provided on a multi-year basis and any unexpected balance is not repayable.

These financial statements do not reflect adjustments in the carrying value of assets and liabilities, the reported revenue and expenses and the statement financial position classifications used that would be necessary if the going-concern assumption were not appropriate.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2024

28. RESTATEMENT OF COMPARATIVE FIGURES

The comparative figures had been restated to reflect the inclusion of financial statements received from Tsetspa7 Forestry LP previously not provided, and for the correction of transfer funds out of department 17 instead of recording of deferred revenue.

As a result of the restatement, the following balances have been adjusted to reflect the restatement of comparative figures:

	2023 Originally Stated	Changes	2023 Restated Amounts
Investment in Government Business Enterprises and Partnerships	\$ 129,921	\$ 260,729	\$ 390,650
Deferred revenue	3,249,203	(227,328)	3,021,875
Annual surplus	612,576	(359,916)	252,660
Accumulated surplus, end of year	\$ 17,642,110	\$ 448,058	\$ 18,130,168

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

29. SEGMENTED INFORMATION

As previously discussed in note 1 (l) the First Nation conducts its business through reportable segments as follows:

Band Government 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.

Community Infrastructure department manages capital projects within the community undertaken to support the growth and/or maintenance of the First Nation's infrastructure.

Health department oversees the delivery of health programs and initiatives for the betterment of the lives of the members of the First Nation.

Education department 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 department provides assistance to community members unable to provide for themselves and their dependants. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

Economic Development department supports activities related to the growth of the revenue producing projects within the First Nation, land management along with an arm of rights and resource management.

Social Housing department is responsible for the administration and management of Social Housing units.

Other operations include Capital Fund, Ottawa Trust 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 are disclosed in Note 1.

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

29. SEGMENTED INFORMATION, continued

	Governance & Administration			Community Infrastructure			Health		
	2024 Budget	2024 Actual	2023 Actual	2024 Budget	2024 Actual	2023 Actual	2024 Budget	2024 Actual	2023 Actual
Revenues									
Indigenous Services Canada	\$ 344,123	\$ 325,833	\$ 398,718	\$ 558,461	\$ 807,526	\$ 476,901	\$ 112,651	\$ 481,891	\$ 819,859
BC FN Gaming revenue	637,222	712,108	770,869	-	-	-	-	-	-
First Nation Health Authority	-	-	-	-	-	-	276,688	938,496	200,113
Province of BC	-	-	-	817,637	1,802,170	-	30,000	-	60,000
Economic activities	-	-	-	-	-	-	93,024	86,921	106,582
Other revenue	709,148	257,572	23,525	(259,238)	(1,295,197)	-	373,252	(902,800)	(753,774)
Total revenue	1,690,493	1,295,513	1,193,112	1,116,860	1,314,499	476,901	885,615	604,508	432,780
Expenses									
Professional fees and subcontract	519,250	732,650	247,575	263,500	240,431	40,708	124,061	66,717	63,361
Wages and benefits	407,871	405,215	428,215	159,437	152,472	183,287	286,142	327,359	78,159
Repairs and maintenance	70,679	88,248	58,294	39,607	45,639	41,303	18,502	14,894	3,502
Training, travel and workshops	165,671	145,903	173,569	3,000	7,425	2,678	62,513	26,592	62,845
Members distribution	115,000	113,994	112,096	-	-	-	-	-	-
Amortization	583,843	-	-	-	-	-	-	-	-
Administration fees and office	69,257	14,596	78,249	51,810	(5,564)	6,143	244,318	1,122	112
Utilities and telephone	16,467	14,138	16,467	5,000	5,778	5,161	1,393	166	1,393
Other expenses	469,321	472,859	396,289	975,715	841,919	28,837	115,386	132,897	156,585
Total expenses	2,417,359	1,987,603	1,510,754	1,498,069	1,288,100	308,117	852,315	569,747	365,957
Annual surplus (deficit)	\$ (726,866)\$	(692,090)\$	(317,642)\$	(381,209)\$	26,399 \$	168,784 \$	33,300 \$	34,761 \$	66,823

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

29. SEGMENTED INFORMATION, continued

	2024 Budget	Education		2023 Actual	2024 Budget	Social Development		2023 Actual	Economic Development		
		2024 Actual	2023 Budget			2024 Actual	2023 Budget		2024 Actual	2023 Budget	2023 Actual
Revenues											
Indigenous Services Canada	\$ 908,770	\$ 897,968	\$ 1,078,291	\$ 279,048	\$ 352,656	\$ 333,403	\$ 17,405	\$ 18,152	\$ 17,405		
First Nation Health Authority	-	78,200	50,000	-	-	-	-	-	-		
Province of BC	-	85,800	-	-	-	-	-	141,287	141,287	146,331	
Harrison Hydro LP	-	-	-	-	-	-	-	585,183	541,924	438,211	
Economic activities	248,602	190,409	145,464	-	-	-	-	-	-	-	
Other revenue	(70,654)	86,973	(372,865)	(72,505)	(24,747)	(100,261)	286,709	1,363,134	653,549		
Total revenue	1,086,718	1,339,350	900,890	206,543	327,909	233,142	1,030,584	2,064,497	1,255,496		
Expenses											
Professional fees and subcontract	63,677	110,080	25,677	-	3,000	-	53,880	58,093	135,166		
Wages and benefits	559,496	524,498	448,813	40,652	12,959	28,922	262,929	194,198	193,824		
Repairs and maintenance	20,817	7,871	7,029	-	7,746	-	4,000	21,951	13,554		
Training, travel and workshops	156,449	172,268	32,054	3,105	88,244	2,672	26,863	14,693	26,863		
Members distribution	-	-	-	-	-	-	3,000	3,000	3,000		
Administration fees and office	130,691	10,377	1,688	32,096	2,611	1,849	15,869	12,966	-		
Utilities and telephone	8,305	6,586	8,305	1,047	167	1,047	132,007	133,243	131,901		
Other expenses	276,286	317,456	195,161	162,943	177,916	167,827	158,533	183,058	154,699		
Total expenses	1,215,721	1,149,136	718,727	239,843	292,643	202,317	657,081	621,202	659,007		
Annual surplus (deficit)	\$ (129,003)	\$ 190,214	\$ 182,163	\$ (33,300)	\$ 35,266	\$ 30,825	\$ 373,503	\$ 1,443,295	\$ 596,489		

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

29. SEGMENTED INFORMATION, continued

	2024 Budget	Housing		2024 Budget	Housing Reserves		2024 Budget	Business Enterprises Fund		
		2024 Actual	2023 Actual		2024 Actual	2023 Actual		2024 Actual	2023 Actual	
Revenues										
Indigenous Services Canada	\$ 600,000	\$ 600,000	\$ 300,000	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
Canada Mortgage and Housing Corporation	133,135	138,421	202,385	-	-	-	-	-	-	-
Other revenue	499,702	468,339	(139,594)	-	36,481	15,676	500	733,426	(359,920)	
Total revenue	1,232,837	1,206,760	362,791	-	36,481	15,676	500	733,426	(359,920)	
Expenses										
Professional fees and subcontract	18,000	30,788	675	-	-	-	10,000	6,961	900	
Wages and benefits	65,705	-	-	-	-	17	-	-	-	
Repairs and maintenance	30,338	46,131	128,274	-	12,628	(17)	-	-	-	
Training, travel and workshops	301	68	301	-	-	-	-	-	-	
Amortization	128,542	123,400	128,542	-	-	-	-	-	-	
Administration fees and office	29,203	36,229	(4,500)	-	-	-	-	-	-	
Other expenses	1,260,300	113,752	126,059	-	-	-	25,902	45,499	3,902	
Total expenses	1,532,389	350,368	379,351	-	(1)	-	35,902	52,460	4,802	
Annual surplus (deficit)	\$ (299,552)\$	856,392 \$	(16,560)\$	-	\$ 36,482 \$	15,676 \$	(35,402)\$	680,966 \$	(364,722)	

	Ottawa Trust Funds			2024 Budget	Internally Restricted Capital Bylaw Fund			2024 Budget	Capital Fund	
	2024 Budget	2024 Actual	2023 Actual		2024 Budget	2024 Actual	2023 Actual		2024 Actual	2023 Actual
Revenues										
Harrison Hydro LP	\$ -	\$ -	\$ -	\$ 203,689	\$ 183,766	\$ 146,972	-	\$ -	\$ -	\$ -
Investment	-	-	-	122,561	105,707	144,968	-	-	-	-
Other revenue	-	3,341	8,702	-	(193,624)	206,377	-	-	-	-
Total revenue	-	3,341	8,702	326,250	95,849	498,317	-	-	-	-
Expenses										
Amortization	-	-	-	-	-	-	-	-	681,587	590,050
Other expenses	-	-	-	-	28,497	26,145	-	-	-	-
Total expenses	-	-	-	-	28,497	26,145	-	681,587	590,050	
Other	-	3,341	8,702	326,250	67,352	472,172	-	(681,587)	(590,050)	
Annual surplus (deficit)	\$ -	\$ 3,341 \$	8,702 \$	326,250 \$	494,678 \$	936,931 \$	-	\$ (681,587)\$	(590,050)	

DOUGLAS INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

29. SEGMENTED INFORMATION, continued

			Consolidated totals
	2024 Budget	2024 Actual	2023 Actual
Revenues			
Indigenous Services Canada	\$ 2,820,458	\$ 3,484,026	\$ 3,424,577
Indigenous Services Canada Reimbursement (Recovery)	637,222	712,108	770,869
Canada Mortgage and Housing Corporation	133,135	138,421	202,385
First Nation Health Authority	276,688	1,016,696	250,113
Province of BC	988,924	2,029,257	206,331
Harrison Hydro LP	788,872	725,690	585,183
Funding from First Nation Organizations	341,626	277,330	252,046
Net income (loss) from government business enterprises	122,561	105,707	144,968
Other revenue	1,466,914	532,898	(818,585)
Total revenue	7,576,400	9,022,133	5,017,887
Expenses			
Professional fees and subcontract	1,052,368	1,248,720	514,062
Wages and benefits	1,782,232	1,616,701	1,361,237
Repairs and maintenance	183,943	245,108	251,939
Training, travel and workshops	417,902	455,193	300,982
Members distribution	118,000	116,994	115,096
Amortization	712,385	804,987	718,592
Administration fees and office	573,244	72,337	83,541
Utilities and telephone	164,219	160,078	164,274
Other expenses	3,444,386	2,313,853	1,255,504
Total expenses	8,448,679	7,021,342	4,765,227
Unrealized gain	(872,279)	2,000,791	252,660
Annual surplus (deficit)	\$ (872,279)	\$ 2,428,117	\$ 717,419