

**GLEN VOWELL BAND COUNCIL**

**FINANCIAL STATEMENTS**

**MARCH 31, 2014**



**GLEN VOWELL BAND COUNCIL**  
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**MARCH 31, 2014**

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## INDEPENDENT AUDITOR'S REPORT

To the Glen Vowell Band Council

### Report on the Financial Statements

We have audited the accompanying statement of financial position of Glen Vowell Band Council as at March 31, 2014 and the statements of financial activities, cash flows and changes in net financial assets for the year then ended and a summary of significant accounting policies.

### Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

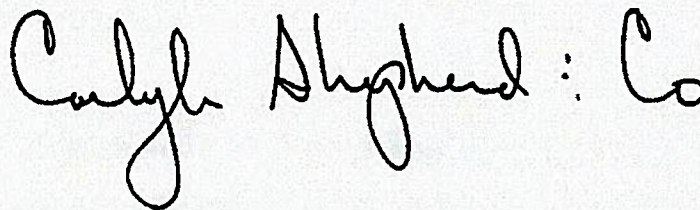
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Band Council as at March 31, 2014 and the results of its operations, cash flows and net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Terrace, BC  
August 13, 2014





**GLEN VOWELL BAND COUNCIL**  
**STATEMENT OF FINANCIAL POSITION**

**MARCH 31**

	2014	2013
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	1,061,455	938,640
Accounts receivable (note 2)	266,117	93,984
Inventory (note 1)	4,519	1,292
Ottawa Trust funds (note 3)	352,549	341,831
Prepaid expenditures	<u>35,473</u>	<u>31,739</u>
	<u>1,720,113</u>	<u>1,407,486</u>
<b>LIABILITIES</b>		
Accounts payable and accruals	155,390	48,485
Replacement reserve (note 4)	66,500	60,500
Long-term debt (note 5)	<u>98,685</u>	<u>122,375</u>
	<u>320,575</u>	<u>231,360</u>
<b>NET FINANCIAL ASSETS</b>	1,399,538	1,176,126
<b>PROPERTY AND EQUIPMENT (notes 1 and 6)</b>	<u>3,267,863</u>	<u>3,387,852</u>
	<u>4,667,401</u>	<u>4,563,978</u>
<b>BAND POSITION</b>		
Surplus (note 7)	1,145,674	956,671
Equity in property and equipment (note 8)	3,169,178	3,265,476
Ottawa Trust funds (note 3)	<u>352,549</u>	<u>341,831</u>
<b>CONTINGENT LIABILITY (note 6)</b>	<u>4,667,401</u>	<u>4,563,978</u>

**APPROVED BY THE COUNCIL**

 Chief Councillor

 Executive Director



**GLEN VOWELL BAND COUNCIL**  
**STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED MARCH 31**

	2014	2013
	\$	\$
<b>REVENUE</b>		
GGC	1,712,181	1,488,279
Gitxsan Health Society	50,000	41,156
CMHC	18,677	168,433
Rental	112,250	114,686
Ottawa Trust funds	10,718	8,799
Other	<u>276,333</u>	<u>311,427</u>
	<u>2,180,159</u>	<u>2,132,780</u>
<b>EXPENDITURE</b>		
Amortization	164,667	172,516
Band Support	415,946	439,999
Brighter Futures	67,223	55,302
Capital Housing/Projects	223,229	325,094
Community Infrastructure	152,352	148,656
Economic Development	216,174	189,371
Education	259,403	221,986
Rental Housing	53,428	87,175
Social Services	<u>524,314</u>	<u>574,203</u>
	<u>2,076,736</u>	<u>2,214,302</u>
<b>REVENUE OVER EXPENDITURE</b>	103,423	-81,522
<b>OPENING POSITION</b>	<u>4,563,978</u>	<u>4,645,500</u>
<b>CLOSING POSITION</b>	<u>4,667,401</u>	<u>4,563,978</u>



**GLEN VOWELL BAND COUNCIL**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Revenue over expenditure	103,423	-81,522
Amortization	164,667	172,516
Accounts receivable	-172,133	176,963
Inventory	-3,227	1,236
Ottawa Trust funds	-10,718	-8,799
Prepaid expenditures	-3,734	-1,809
Accounts payable and accruals	<u>106,905</u>	<u>-2,778</u>
	<u>185,183</u>	<u>255,807</u>
<b>FINANCING ACTIVITIES</b>		
Long-term debt	-23,690	-40,632
Replacement reserve	<u>6,000</u>	<u>6,000</u>
	<u>-17,690</u>	<u>-34,632</u>
<b>INVESTING ACTIVITIES</b>		
Property and equipment additions	<u>-44,678</u>	<u>-</u>
<b>CHANGE IN CASH</b>	<b>122,815</b>	<b>221,175</b>
<b>OPENING CASH BALANCE</b>	<u>938,640</u>	<u>717,465</u>
<b>CLOSING CASH BALANCE</b>	<u>1,061,455</u>	<u>938,640</u>



**GLEN VOWELL BAND COUNCIL**

**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

**YEAR ENDED MARCH 31**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Revenue over expenditure	103,423	-81,522
Amortization	164,667	172,516
Property and equipment purchases	<u>-44,678</u>	<u>-</u>
Change in the year	223,412	90,994
Opening net financial assets	<u>1,176,126</u>	<u>1,085,132</u>
Closing net financial assets	<u>1,399,538</u>	<u>1,176,126</u>



# **GLEN VOWELL BAND COUNCIL**

## **NOTES**

**MARCH 31, 2014**

### **1. SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Fund Accounting**

These financial statements have been prepared using the fund accounting method and guidelines issued by Aboriginal Affairs and Northern Development Canada which include compliance with Canadian public sector accounting standards.

The Band maintains the following funds which are consolidated into the financial statements:

- Operating Fund reports the general activities of the Band.
- Capital Fund reports the property and equipment of the Band, together with related financing.
- Social housing fund reports the social housing assets, together with related activities.
- Ottawa Trust fund reports the trust funds owned by the Band and held by the federal government.

#### **b) Inventory**

Inventory is valued at cost

#### **c) Property and Equipment**

Property and equipment are reported at cost and are amortized using the declining balance method, for non-social housing assets, at the following annual rates:

Buildings	4%
Engineered structures	4%
Equipment	20%

For social housing, amortization on property and equipment is based on the annual principal reduction on the mortgages.

#### **d) Use of estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards require management to make estimates and assumptions that affect the amounts reported. Actual results could differ from these estimates.



**GLEN VOWELL BAND COUNCIL**

**NOTES**

**MARCH 31, 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e) Recognition of Revenue and Expenditures**

Revenue and expenditures are reported on an accrual basis.

Revenue is recorded in the period in which the transaction or events that give rise to the revenue occur. Funding from external parties restricted by agreement or legislation is reported as deferred revenue until used for the purposes specified. Other revenue is recognized when earned.

Expenditures are accounted for in the period when the goods and services are acquired and the liability is incurred.

**f) Financial Instruments**

The Band measures financial assets and financial liabilities at market value at the date of acquisition. It is management's opinion that the Band's financial instruments are not exposed to significant interest rate, liquidity, market or other price risks.

**g) Budget Information**

Budget information is not available.

**2. ACCOUNTS RECEIVABLE**

Accounts receivable are reported net of a \$207,882 allowance for doubtful accounts (2013 \$192,089).

**3. OTTAWA TRUST FUNDS**

Aboriginal Affairs and Northern Development Canada holds funds in trust for the Band. These funds are designated as revenue or capital funds as is required by the Indian Act. The Band is permitted to expend its revenue fund for any purpose that will promote the general progress and welfare of the Band and its members. The expenditure of capital funds must be for projects of a capital nature and require the consent of the Minister of AANDC.



# GLEN VOWELL BAND COUNCIL

## NOTES

MARCH 31, 2014

### 3. OTTAWA TRUST FUNDS (continued)

	Capital	Revenue	2014	2013
Opening balance	\$ 22,942	\$ 318,889	\$ 341,831	\$ 333,032
Interest and dues	<u>-</u>	<u>10,718</u>	<u>10,718</u>	<u>8,799</u>
Closing balance	<u>\$ 22,942</u>	<u>\$ 329,607</u>	<u>\$ 352,549</u>	<u>\$ 341,831</u>

### 4. REPLACEMENT RESERVE

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited with \$6 000 annually. These funds, with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as approved by CMHC. Withdrawals are first from interest, then from principal. At year-end, \$9,715 of the funds are in a separate bank account.

Opening balance	\$ 60,500
Current provision	<u>6,000</u>
Closing balance	<u>\$ 66,500</u>

### 5. LONG-TERM DEBT

All Nations Trust Company mortgage, \$2,124/month including interest at 1.6% per annum; secured by six housing units.

Principal repayment during the next four years is as follows:

2015	\$ 24,072
2016	24,465
2017	24,865
2018	<u>25,283</u>
	<u>\$ 98,685</u>



**GLEN VOWELL BAND COUNCIL**

**NOTES**

**MARCH 31, 2014**

**6. PROPERTY AND EQUIPMENT**

	Property and Equipment			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Annual Amortization	Closing Balance	2014	2013
	\$	\$	\$	\$	\$	\$		\$
Land	75,600	-	75,600	-	-	-	75,600	75,600
Buildings	2,239,974	42,678	2,282,652	1,167,522	65,599	1,233,121	1,049,531	1,072,452
Engineered structures	3,782,981	-	3,782,981	1,689,255	69,454	1,758,709	2,024,272	2,093,726
Equipment	630,006	2,000	632,006	483,932	29,614	513,546	118,460	146,074
	<u>6,728,561</u>	<u>44,678</u>	<u>6,773,239</u>	<u>3,340,709</u>	<u>164,667</u>	<u>3,505,376</u>	<u>3,267,863</u>	<u>3,387,852</u>



# GLEN VOWELL BAND COUNCIL

## NOTES

MARCH 31, 2014

### 7. SURPLUS (DEFICIT)

	2014	2013
Band Support	\$ -31,974	\$ 91,165
Brighter Futures	7,720	1,897
Capital Housing/Projects	738,038	459,262
Economic Development	179,892	173,373
Education	130,817	121,076
Rental Housing	163,304	106,796
Social Services	<u>-42,123</u>	<u>3,102</u>
	<u>\$ 1,145,674</u>	<u>\$ 956,671</u>

### 8. EQUITY IN PROPERTY AND EQUIPMENT

	2014	2013
Opening balance	\$ 3,265,476	\$ 3,397,361
Contributions from operations	44,678	-
Long-term debt repayment	23,691	40,631
Amortization	<u>-164,667</u>	<u>-172,516</u>
Closing balance	<u>\$ 3,169,178</u>	<u>\$ 3,265,476</u>

### 9. SEGMENT DISCLOSURE

The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in note one. The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the year are as follows:



GLEN VOWELL BAND COUNCIL

NOTES

MARCH 31, 2014

	Revenue	Band Support	Brighter Futures	Capital Housing/Projects	Community Infrastructure	Economic Development	Education	Rental Housing	Social Services	Amortization	Total 2014	Total 2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
GGC	215,408	12,000	544,683	128,507	47,399	250,018	-	514,168	-	-	1,712,181	1,488,279
Gibson Health Society	-	50,000	-	-	-	-	-	-	-	-	50,000	41,156
CMHC	-	-	-	-	-	-	-	18,677	-	-	18,677	18,433
Rental	-	-	-	-	-	-	-	112,250	-	-	112,250	114,868
Ottawa Trust funds	10,718	-	-	-	-	-	-	-	-	-	10,718	8,799
Other	77,399	13,046	-	10,636	166,215	2,545	2,700	3,792	-	-	276,333	311,427
	<u>303,525</u>	<u>75,046</u>	<u>544,683</u>	<u>139,143</u>	<u>213,614</u>	<u>252,563</u>	<u>133,627</u>	<u>517,958</u>	<u>-</u>	<u>-</u>	<u>2,180,159</u>	<u>2,132,780</u>
Expenses												
Amortization	-	-	-	-	-	-	-	-	-	164,667	164,667	172,516
Bad debts	-	-	-	-	-	-	-	15,293	-	-	15,293	20,012
Bank charges and interest	6,487	-	-	-	-	-	-	1,802	-	-	8,289	7,986
Benefits and programs	-	-	-	5,558	-	199,933	-	-	439,945	-	845,434	723,672
Contract services	20,534	-	203,892	135	-	-	-	-	-	-	224,561	145,073
Honoraria	51,800	-	-	-	-	-	-	-	-	-	51,800	65,999
Insurance	10,510	-	-	8,281	-	-	-	9,050	-	-	27,841	30,546
Materials, supplies and other	32,349	22,442	19,337	30,868	137,940	2,884	7,000	13,879	-	-	266,679	520,395
Professional services	17,709	-	-	-	-	-	500	-	-	-	18,208	29,109
Repairs and maintenance	1,781	-	-	11,325	-	-	13,783	-	-	-	26,898	35,547
Replacement reserve	-	-	-	-	-	-	6,000	-	-	-	6,000	6,000
Telephone and utilities	24,767	-	-	17,370	-	-	-	-	-	-	42,137	36,568
Travel and workshops	35,261	6,068	-	-	-	4,356	-	-	2,294	-	47,977	40,361
Wages and benefits	214,736	38,715	-	78,817	78,234	52,250	-	-	-	-	530,950	380,500
	<u>415,946</u>	<u>67,223</u>	<u>223,229</u>	<u>152,352</u>	<u>216,174</u>	<u>259,403</u>	<u>53,428</u>	<u>524,314</u>	<u>-</u>	<u>164,667</u>	<u>2,076,736</u>	<u>2,214,302</u>
REVENUE OVER EXPENDITURE	-112,421	7,823	321,454	-13,209	-2,580	-6,840	80,189	-6,358	-	-164,667	103,423	-81,522
TRANSFERS	-	-	-	13,209	9,079	16,581	-	-38,869	-	-	-	-
ANNUAL SURPLUS (DEFICIT)	<u>-112,421</u>	<u>7,823</u>	<u>321,454</u>	<u>-</u>	<u>6,519</u>	<u>9,741</u>	<u>80,189</u>	<u>-45,225</u>	<u>-</u>	<u>-164,667</u>	<u>103,423</u>	<u>-81,522</u>

Note 9 continued