



GLEN VOWELL BAND COUNCIL

FINANCIAL STATEMENTS

MARCH 31, 2018

**GLEN VOWELL BAND COUNCIL
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MARCH 31, 2018

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GLEN VOWELL BAND COUNCIL
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
YEAR ENDED MARCH 31, 2018

The financial statements of the Glen Vowell Band Council and all the information in this annual report are the responsibility of management and have been approved by the Band Council and the Band Manager.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards which includes certain amounts based on judgments and estimates. Management has chosen the most appropriate method to determine the judgments/estimates to ensure the financial statements are presented fairly, in all material respects.

The Glen Vowell Band Council 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 reliable and accurate and that assets are adequately safeguarded.

The Band Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Band Council meets regularly with management and is available to meet with the external auditor to satisfy themselves that each party is properly discharging their responsibilities. The Band Council also considers the engagement of the external auditor.

The financial statements have been audited by Carlyle Shepherd & Co. in accordance with Canadian generally accepted auditing standards on behalf of the Members. Carlyle Shepherd & Co. has full access to the Chief and Council.



Chief



Band Manager

INDEPENDENT AUDITOR'S REPORT

To the Glen Vowell Band Council

Report on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Glen Vowell Band Council as at March 31, 2018 and the consolidated statements of financial activities, cash flows and changes in net financial assets for the year then ended and a summary of significant accounting policies.

Management's 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 consolidated financial statements present fairly, in all material respects, the financial position of the Band Council as at March 31, 2018 and the results of its operations, cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Terrace, BC
July 30, 2018



GLEN VOWELL BAND COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31

	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash	305,310	266,452
Accounts receivable (note 2)	134,286	190,969
Inventory (note 1)	6,036	5,389
Ottawa Trust funds (note 3)	<u>34,531</u>	<u>32,824</u>
	<u>480,163</u>	<u>495,634</u>
LIABILITIES		
Accounts payable and accruals (note 4)	167,767	105,488
Replacement reserve	-	80,411
Long-term debt (note 6)	<u>86,692</u>	<u>181,960</u>
	<u>254,459</u>	<u>367,859</u>
NET FINANCIAL ASSETS	225,704	127,775
NON-FINANCIAL ASSETS		
Prepaid expenditures	40,248	46,057
Property and equipment (notes 1 and 5)	<u>5,442,085</u>	<u>4,575,527</u>
	<u>5,708,037</u>	<u>4,749,359</u>
BAND POSITION		
Surplus (note 7)	231,421	166,284
Equity in property and equipment (note 8)	<u>5,442,085</u>	<u>4,550,251</u>
Ottawa Trust funds (note 3)	<u>34,531</u>	<u>32,824</u>
	<u>5,708,037</u>	<u>4,749,359</u>

APPROVED BY THE COUNCIL

Robert Siv Chief Councillor
John Maitland Band Manager

GLEN VOWELL BAND COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED MARCH 31

	Unaudited Budget	2018	2018	2017
		\$	\$	\$
REVENUE				
GGC	1,936,324	2,461,224	2,059,702	
Gitxsan Health Society	100,499	102,150	100,499	
CMHC	18,677	282,872	77,347	
Rental	118,157	122,006	118,157	
Ottawa Trust funds	1,500	1,707	1,582	
Other	<u>213,855</u>	<u>592,570</u>	<u>616,027</u>	
	<u><u>2,389,012</u></u>	<u><u>3,562,529</u></u>	<u><u>2,973,314</u></u>	
EXPENDITURE				
Amortization/disposal of asset	212,805	466,792	212,805	
Band Support	398,089	469,713	403,697	
Brighter Futures	76,425	75,163	78,084	
Capital Housing/Projects	76,326	93,131	770,234	
Community Infrastructure	269,057	317,393	208,552	
Economic Development	211,966	217,181	328,276	
Education	246,949	265,369	246,949	
Rental Housing	80,088	107,717	161,897	
Social Services	<u>513,519</u>	<u>591,392</u>	<u>508,324</u>	
	<u><u>2,085,224</u></u>	<u><u>2,603,851</u></u>	<u><u>2,918,818</u></u>	
REVENUE OVER EXPENDITURE	303,788	958,678	54,496	
OPENING POSITION	<u>4,749,359</u>	<u>4,749,359</u>	<u>4,694,863</u>	
CLOSING POSITION	<u>5,053,147</u>	<u>5,708,037</u>	<u>4,749,359</u>	

GLEN VOWELL BAND COUNCIL
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Revenue over expenditure	958,678	54,496
Amortization/disposal of asset	466,792	212,805
Accounts receivable	56,683	-73,761
Inventory	-646	707
Ottawa Trust funds	-1,707	-1,582
Prepaid expenditures	5,809	-12,497
Accounts payable and accruals	62,278	-334,192
Deferred revenue	-	-94,903
	<u>1,547,887</u>	<u>-248,927</u>
FINANCING ACTIVITIES		
Long-term debt	-95,268	-44,859
Replacement reserve	-80,411	5,527
	<u>-175,679</u>	<u>-39,332</u>
INVESTING ACTIVITIES		
Property and equipment additions	<u>-1,333,350</u>	<u>-246,257</u>
CHANGE IN CASH		
	38,858	-534,516
OPENING CASH BALANCE		
	<u>266,452</u>	<u>800,968</u>
CLOSING CASH BALANCE		
	<u>305,310</u>	<u>266,452</u>

GLEN VOWELL BAND COUNCIL
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31

	2018	2017
	\$	\$
Revenue over expenditure	958,678	54,496
Amortization/disposal of asset	466,792	212,805
Property and equipment additions	-1,333,350	-246,257
Prepaid expenditures	<u>5,809</u>	<u>-12,497</u>
Change in the year	97,929	8,547
Opening net financial assets	<u>127,775</u>	<u>119,228</u>
Closing net financial assets	<u>225,704</u>	<u>127,775</u>

GLEN VOWELL BAND COUNCIL

NOTES

MARCH 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

a) Fund Accounting

These financial statements have been prepared using the fund accounting method and guidelines issued by Indigenous and Northern Affairs Canada (INAC) 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) Reporting Entity

The Band's reporting entity includes Sik-e-Dakh Development Corporation that has been fully consolidated on a line-by-line basis.

c) Inventory

Inventory is valued at cost.

d) 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%

e) 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.

f) Financial Instruments

The Band measures financial assets and 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.

GLEN VOWELL BAND COUNCIL

NOTES

MARCH 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) 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.

2. ACCOUNTS RECEIVABLE

	2018	2017
Trade and other	\$ 134,286	\$ 130,742
CMHC	-	60,227
Rent	495,261	448,641
Allowance for doubtful accounts	<u>-495,261</u>	<u>-448,641</u>
	<u>\$ 134,286</u>	<u>\$ 190,969</u>

3. OTTAWA TRUST FUNDS

INAC 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 INAC.

	Capital	Revenue	2018	2017
Opening balance	\$ 22,942	\$ 9,882	\$ 32,824	\$ 31,243
Interest	-	1,707	1,707	1,581
	<u>\$ 22,942</u>	<u>\$ 11,589</u>	<u>\$ 34,531</u>	<u>\$ 32,824</u>

4. ACCOUNTS PAYABLES AND ACCRUALS

	2018	2017
Trade payables and accruals	\$ 128,266	\$ 75,022
Wages and benefits	<u>39,501</u>	<u>30,466</u>
	<u>\$ 167,767</u>	<u>\$ 105,488</u>

GLEN VOWELL BAND COUNCIL

NOTES

MARCH 31, 2018

5. PROPERTY AND EQUIPMENT

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Disposals	Opening Balance	Annual Amortization	Closing Balance	2018 \$	2017 \$
Land	75,600	-	75,600	-	-	-	-	75,600
Buildings	3,839,905	874,932	-	4,714,837	1,443,557	235,386	1,678,943	3,035,894
Engineered structures	4,042,998	192,792	-	4,235,790	2,007,078	89,148	2,096,226	2,139,564
Equipment	635,276	265,626	-	900,902	567,617	66,658	634,275	266,627
	<u>8,593,779</u>	<u>1,333,350</u>	<u>75,600</u>	<u>9,851,529</u>	<u>4,018,252</u>	<u>391,192</u>	<u>4,409,444</u>	<u>5,442,085</u>
								<u>4,575,527</u>

GLEN VOWELL BAND COUNCIL

NOTES

MARCH 31, 2018

6. LONG-TERM DEBT

Royal Bank of Canada term loan, \$1,666/month plus interest at prime plus 2.3%; secured by a general security agreement. Principal repayment is \$19,992 per year.

7. SURPLUS (DEFICIT)

	2018	2017
Band Support	\$ -58,778	\$ -135,136
Brighter Futures	-1,720	2,771
Capital Housing/Projects	-182,424	-248,916
Community Infrastructure	-20,019	26,050
Economic Development	20,240	89,706
Education	62,304	55,948
Rental Housing	372,038	302,496
Social Services	<u>39,780</u>	<u>73,365</u>
	<u><u>\$ 231,421</u></u>	<u><u>\$ 166,284</u></u>

8. EQUITY IN PROPERTY AND EQUIPMENT

	2018	2017
Opening balance	\$ 4,550,251	\$ 4,491,932
Contributions from operations	1,333,350	246,257
Long-term debt repayment	25,276	24,867
Amortization	<u>-466,792</u>	<u>-212,805</u>
Closing balance	<u><u>\$ 5,442,085</u></u>	<u><u>\$ 4,550,251</u></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, 2018

9. SEGMENT DISCLOSURE (continued)

	Budget Total 2018	Band Support	Brighter Futures	Capital Housing/ Projects	Community Infrastructure	Economic Development	Education	Rental Housing	Social Services	Amortization	Total 2018	Total 2017
Revenue												
GGC	1,936,324	430,293	767,919	224,478	251,607	259,120	-	527,807	-	-	2,461,224	2,059,702
Gibsan Health Society	100,499	-	70,464	31,686	-	-	-	-	-	-	102,150	100,499
CMHC	18,677	-	-	265,751	-	-	-	17,121	-	-	282,872	77,347
Rental	118,157	-	-	-	-	-	-	122,006	-	-	122,006	118,157
Ottawa Trust funds	1,500	1,707	-	-	-	-	-	-	-	-	1,707	1,502
Other	213,855	30,397	12,839	243,000	9,110	168,708	12,605	85,911	30,000	-	592,570	616,027
	<u>2,389,012</u>	<u>462,397</u>	<u>83,303</u>	<u>1,276,670</u>	<u>265,274</u>	<u>420,315</u>	<u>271,725</u>	<u>225,038</u>	<u>557,807</u>	<u>-</u>	<u>3,562,529</u>	<u>2,973,314</u>
Expenses												
Amortization/disposal of asset	212,805	-	-	-	-	-	-	46,619	-	-	466,792	466,792
Bad debts	49,560	-	-	-	-	-	-	-	-	-	46,619	46,619
Bank charges and interest	8,801	11,116	-	-	-	-	-	-	-	-	11,116	8,802
Benefits and programs	689,871	-	-	-	59,401	30,904	204,257	-	475,645	-	710,805	634,054
Contract services	141,617	60,625	-	46,934	22,064	-	-	-	-	-	189,024	781,926
GGC recovery	-	-	-	-	-	-	-	-	34,333	-	-	34,333
Honors	42,550	50,700	-	-	-	-	-	-	-	-	50,700	42,807
Insurance	50,308	8,666	-	18,699	-	4,259	12,776	-	-	-	44,400	32,809
Materials, supplies and other	151,565	47,812	23,313	46,197	37,494	120,801	23,532	223	8,207	-	307,579	289,395
Professional services	15,000	13,688	-	-	-	-	-	-	-	-	13,688	15,000
Repairs and maintenance	79,882	2,268	-	-	25,172	1,440	-	42,599	-	-	71,479	120,382
Replacement reserve	6,000	-	-	-	-	-	-	5,500	-	-	5,500	6,000
Telephone and utilities	69,578	32,281	-	-	53,890	-	-	6,619	-	-	86,171	69,578
Travel and workshops	111,457	89,939	223	-	50,352	-	-	-	-	-	147,133	89,111
Wages and benefits	456,230	152,618	51,627	-	72,385	41,972	26,702	-	73,207	-	418,511	494,139
	<u>2,085,224</u>	<u>469,713</u>	<u>75,163</u>	<u>93,131</u>	<u>317,393</u>	<u>217,181</u>	<u>265,369</u>	<u>107,717</u>	<u>591,392</u>	<u>-</u>	<u>466,792</u>	<u>2,603,861</u>
REVENUE OVER EXPENDITURE	303,788	-7,316	8,140	1,163,539	-52,119	203,134	6,356	117,321	-33,585	-466,792	958,678	54,496
TRANSFERS		-	90,988	-10,972	10,972	10,000	-78,485	-	-22,503	-	-	-
ANNUAL SURPLUS (DEFICIT)	303,788	83,672	-2,832	1,194,511	-42,119	124,649	6,356	94,818	-33,585	-466,792	958,678	54,496