



GLEN VOWELL BAND COUNCIL

FINANCIAL STATEMENTS

MARCH 31, 2019

GLEN VOWELL BAND COUNCIL
INDEX TO FINANCIAL STATEMENTS
MARCH 31, 2019

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
INDEPENDENT AUDITOR'S REPORT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
NOTES

GLEN VOWELL BAND COUNCIL

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

YEAR ENDED MARCH 31, 2019

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

Opinion

We have audited the financial statements of the Glen Vowell Band Council, which comprise the consolidated statement of financial position as at March 31, 2019 and the consolidated statements of financial activities, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2019 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 judgement and maintain professional skepticism throughout the audit.

Responsibilities of Management and Council 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.

In preparing the financial statements, management is responsible for assessing the Band'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 conditions exist that do not allow for the going concern basis to be used.

The Council is responsible for overseeing the Band's financial reporting process.



Terrace, BC
September 18, 2019

Carlyle Shepherd & Co.

GLEN VOWELL BAND COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash	68,182	305,310
Accounts receivable (note 2)	184,190	134,286
Inventory (note 1)	6,822	6,036
Ottawa Trust funds (note 3)	35,896	34,531
	<u>295,090</u>	<u>480,163</u>
LIABILITIES		
Accounts payable and accruals (note 4)	111,197	167,767
Long-term debt (note 6)	66,700	86,692
	<u>177,897</u>	<u>254,459</u>
NET FINANCIAL ASSETS	<u>117,193</u>	<u>225,704</u>
NON-FINANCIAL ASSETS		
Prepaid expenditures	46,550	40,248
Property and equipment (notes 1 and 5)	5,410,544	5,442,085
	<u>5,574,287</u>	<u>5,708,037</u>
BAND POSITION		
Surplus (note 7)	127,847	231,421
Equity in property and equipment (note 8)	5,410,544	5,442,085
Ottawa Trust funds (note 3)	35,896	34,531
	<u>5,574,287</u>	<u>5,708,037</u>

APPROVED BY THE COUNCIL

 Chief Councillor
 Band Manager

GLEN VOWELL BAND COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED MARCH 31

	Unaudited Budget 2019 \$	2019 \$	2018 \$
REVENUE			
GGC	1,956,645	1,956,645	2,461,224
Gitxsan Health Society	117,592	117,593	102,150
CMHC	-	-	282,872
Rental	130,450	130,960	122,006
Ottawa Trust funds	1,700	1,365	1,707
Other	<u>235,687</u>	<u>272,454</u>	<u>592,570</u>
	<u>2,442,074</u>	<u>2,479,017</u>	<u>3,562,529</u>
EXPENDITURE			
Amortization	466,792	373,673	466,792
Band Support	408,183	496,406	469,713
Brighter Futures	82,973	92,764	75,163
Capital Housing/Projects	105,033	127,297	93,131
Community Infrastructure	286,590	302,859	317,393
Economic Development	158,522	177,364	217,181
Education	233,257	251,358	265,369
Rental Housing	98,447	103,604	107,717
Social Services	<u>638,011</u>	<u>687,442</u>	<u>591,392</u>
	<u>2,477,808</u>	<u>2,612,767</u>	<u>2,603,851</u>
REVENUE OVER EXPENDITURE	-35,734	-133,750	958,678
OPENING POSITION	<u>5,708,037</u>	<u>5,708,037</u>	<u>4,749,359</u>
CLOSING POSITION	<u>5,672,303</u>	<u>5,574,287</u>	<u>5,708,037</u>

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

	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Revenue over expenditure	-133,750	958,678
Amortization	373,673	466,792
Accounts receivable	-49,904	56,683
Inventory	-786	-646
Ottawa Trust funds	-1,365	-1,707
Prepaid expenditures	-6,302	5,809
Accounts payable and accruals	-56,570	62,278
	<u>124,996</u>	<u>1,547,887</u>
FINANCING ACTIVITIES		
Long-term debt	-19,992	-95,268
Replacement reserve	-	-80,411
	<u>-19,992</u>	<u>-175,679</u>
INVESTING ACTIVITIES		
Property and equipment additions	<u>-342,132</u>	<u>-1,333,350</u>
CHANGE IN CASH	-237,128	38,858
OPENING CASH BALANCE	<u>305,310</u>	<u>266,452</u>
CLOSING CASH BALANCE	<u>68,182</u>	<u>305,310</u>

GLEN VOWELL BAND COUNCIL

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

YEAR ENDED MARCH 31

	2019	2018
	\$	\$
Revenue over expenditure	-133,750	958,678
Amortization	373,673	466,792
Property and equipment additions	-342,132	-1,333,350
Prepaid expenditures	<u>-6,302</u>	<u>5,809</u>
Change in the year	-108,511	97,929
Opening net financial assets	<u>225,704</u>	<u>127,775</u>
Closing net financial assets	<u>117,193</u>	<u>225,704</u>

GLEN VOWELL BAND COUNCIL

NOTES

MARCH 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

a) Fund Accounting

These financial statements have been prepared using the fund accounting method and guidelines issued by Indigenous Services Canada (ISC) 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.
- 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, 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, 2019

5. PROPERTY AND EQUIPMENT

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance \$	Additions \$	Disposals \$	Closing Balance \$	Opening Balance \$	Annual Amortization \$	Closing Balance \$	2018 \$
Buildings	4,714,837	219,203	-	4,934,040	1,678,943	222,953	1,901,896	3,032,144
Engineered structures	4,235,790	79,839	-	4,315,629	2,096,226	88,776	2,185,002	2,139,564
Equipment	900,902	43,090	23,020	920,972	634,275	61,944	673,199	247,773
	9,851,529	342,132	23,020	10,170,641	4,409,444	373,673	4,760,097	5,410,544
								266,627
								5,442,085

GLEN VOWELL BAND COUNCIL

NOTES

MARCH 31, 2019

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)

	2019	2018
Band Support	\$ -	\$ -58,778
Brighter Futures	25,036	-1,720
Capital Housing/Projects	19,881	-182,424
Community Infrastructure	50,000	-20,019
Economic Development	-5,002	20,240
Education	62,984	62,304
Rental Housing	-	372,038
Social Services	-25,052	39,780
	<u>\$ 127,847</u>	<u>\$ 231,421</u>

8. EQUITY IN PROPERTY AND EQUIPMENT

	2019	2018
Opening balance	\$ 5,442,085	\$ 4,550,251
Contributions from operations	342,132	1,333,350
Long-term debt repayment	-	25,276
Amortization	-373,673	-466,792
	<u>\$ 5,410,544</u>	<u>\$ 5,442,085</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, 2019

9. SEGMENT DISCLOSURE (continued)

	Budget Total 2019	\$	Band Support	Brighter Futures	Capital Housing/ Projects	Community Infrastructure	Economic Development	Education	Rental Housing	Social Services	Amortization	Total 2019	Total 2018
Revenue													
GGC	1,956,645		319,952	-	465,668	250,197	29,600	250,748	-	640,480	-	1,956,645	2,461,224
Gibbsan Health Society	117,592		-	85,906	-	31,687	-	-	-	-	-	117,593	102,150
CMHC	-		-	-	-	-	-	-	-	-	-	-	282,872
Rental	130,450		-	-	-	-	-	-	130,960	-	-	130,960	122,006
Ottawa Trust funds	1,700		1,365	-	-	-	-	-	-	-	-	1,365	1,707
Other	235,687		34,762	33,614	-	17,644	181,723	4,711	-	-	-	272,454	592,570
	<u>2,442,074</u>		<u>356,079</u>	<u>119,520</u>	<u>465,668</u>	<u>299,528</u>	<u>211,323</u>	<u>255,459</u>	<u>130,960</u>	<u>640,480</u>	<u>-</u>	<u>2,479,017</u>	<u>3,562,529</u>
Expenses													
Amortization	466,792		-	-	-	-	-	-	-	-	373,673	373,673	466,792
Bad debts	40,875		4,800	-	8,875	-	-	-	41,223	-	-	54,898	46,619
Bank charges and interest	11,116		10,455	-	-	-	-	-	-	-	-	10,455	11,116
Benefits and programs	764,768		-	-	-	-	455	222,060	-	578,224	-	800,739	710,806
Contract services	169,840		26,938	-	85,882	45,240	10,134	-	-	-	-	168,194	189,024
GGC recovery	-		-	-	-	-	-	-	-	2,256	-	2,256	34,333
Honoraria	50,700		68,750	-	-	-	-	-	-	-	-	68,750	50,700
Insurance	44,387		3,842	-	-	19,651	1,429	-	23,962	-	-	48,884	44,400
Materials, supplies and other	265,317		95,255	29,672	32,540	38,768	133,480	2,601	-	12,548	-	344,884	307,579
Professional services	13,688		16,500	-	-	-	-	-	-	-	-	16,500	13,688
Repairs and maintenance	75,068		1,062	-	-	26,411	-	-	38,419	-	-	65,892	71,479
Replacement reserve	-		-	-	-	-	-	-	-	-	-	-	5,500
Telephone and utilities	82,077		33,735	-	-	57,927	-	-	-	-	-	91,662	86,171
Travel and workshops	91,223		70,337	11,409	-	30,040	-	857	-	-	-	112,643	147,133
Wages and benefits	401,957		164,732	51,683	-	84,822	31,866	25,840	-	94,414	-	453,357	418,511
	<u>2,477,808</u>		<u>496,406</u>	<u>92,764</u>	<u>127,297</u>	<u>302,859</u>	<u>177,364</u>	<u>251,358</u>	<u>103,604</u>	<u>687,442</u>	<u>373,673</u>	<u>2,612,767</u>	<u>2,603,851</u>
REVENUE OVER EXPENDITURE	-35,734		-140,327	26,756	338,371	-3,331	33,959	4,101	27,356	-46,962	-373,673	-133,750	958,678
TRANSFERS	-		200,470	-	206,066	73,350	-59,201	-3,421	-399,394	-17,870	-	-	-
ANNUAL SURPLUS (DEFICIT)	-35,734		60,143	26,756	544,437	70,019	-25,242	680	-372,038	-64,832	-373,673	-133,750	958,678