

**GITWANGAK BAND**  
**Consolidated Financial Statements**  
**As at March 31, 2016**

**Gitwangak Band**

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As at March 31, 2016**

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## **Gitwangak Band**

### **Management's Responsibility for the Consolidated Financial Statements**

The accompanying financial statements of the Gitwangak Band are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared in conformity with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and, as such, include amounts that are based on management's best estimates and judgments.

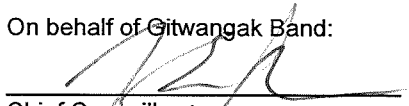
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets 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 consolidated financial statements and the external auditor's report.

The external auditors, MNP LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Gitwangak Band and meet when required.

On behalf of Gitwangak Band:

  
\_\_\_\_\_  
Chief Councillor

  
\_\_\_\_\_  
Chief Executive Officer

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Gitwangak Band

We have audited the accompanying financial statements of Gitwangak Indian Band, which comprise the statements of financial position as at March 31, 2016 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated 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 control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 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 we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

Budget information has not been reported in the consolidated statement of operations. Canadian public sector accounting standards require the reporting of budget figures for comparative purposes

*(continues)*

Independent Auditor's Report to the Members of Gitwangak Band *(continued)*

Qualified Opinion

In our opinion, except for the effects of the not providing budget information as, as described in the preceding paragraph, the financial statements present fairly, in all material respects the financial position of Gitwangak Band as at March 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of Gitwangak Indian Band for the year ended March 31, 2015 were audited by Ribeyre & Company of Port Coquitlam, BC, who expressed an unmodified opinion on those statements on July 22, 2015.

Terrace, BC  
September 15, 2016

*MNP* LLP  
Chartered Professional Accountants


**Gitwangak Band**


**Consolidated Statement of Financial Position  
As At March 31, 2016**

	2016	2015 (restated)
<b>Financial assets</b>		
Cash - (Note 2)	\$ 299,652	\$
Restricted cash- (Note 2)	146,929	238,236
Accounts receivable - (Note 3)	172,202	137,428
Trust funds held by federal government - (Note 4)	378,452	367,779
	<b>997,235</b>	<b>743,443</b>
<b>Liabilities</b>		
Bank indebtedness- (Note 2)		1,705
Accounts payable and accrued liabilities - (Note 5)	566,101	666,189
Deferred revenue	301,871	
Advances from related parties		
Long term debt - (Note 6)	936,551	1,065,034
Replacement reserve - (Note 9)	104,240	98,840
	<b>1,908,763</b>	<b>1,831,768</b>
<b>Net financial assets</b>	<b>(911,528)</b>	<b>(1,088,325)</b>
<b>Non-financial assets</b>		
Prepaid expenses and other assets	71,499	80,761
Tangible capital assets - (Note 7)	8,311,411	7,295,177
	<b>8,382,910</b>	<b>7,375,938</b>
	<b>\$ 7,471,382</b>	<b>\$ 6,287,613</b>
<b>Accumulated surplus comprised of:</b>		
Operating surplus	\$ 96,522	\$ 57,470
Invested in tangible capital assets - (Note 8)	7,374,860	6,230,143
	<b>\$ 7,471,382</b>	<b>\$ 6,287,613</b>

Contingencies - (Note 11)

**APPROVED ON BEHALF OF CHIEF AND COUNCIL**

  
Councillor

  
Councillor

**Gitwangak Band**

**Consolidated Statement of Operations**  
**Year Ended March 31, 2016**

	2016	2015 (restated)
<b>Revenue</b>		
Indigenous and Northern Affairs Canada	\$ 3,217,339	\$ 3,184,812
First Nations Health Authority	2,029,169	743,488
First Nations Education Steering Committee	174,853	156,100
Canada Mortgage and Housing Corporation	15,095	25,910
First People's Heritage, Language and Culture Council	50,973	63,234
Rental income	143,857	184,613
Interest income on amounts held in Trust	10,673	11,691
Other	622,746	1,031,612
Revenue deferred to next year	(255,383)	
	<b>6,009,322</b>	<b>5,401,460</b>
<b>Expense</b>		
Band Operations	616,435	800,942
Community Infrastructure - Operations and Maintenance	324,682	429,739
Economic Development	278,831	189,505
Education	1,743,933	2,017,107
Health Centre	1,961,315	765,831
Social Housing	52,632	19,680
Capital projects	89,883	235,915
Social Development	902,559	1,051,975
	<b>5,970,270</b>	<b>5,510,694</b>
<b>Excess (deficiency) of revenue over expense charged to programs</b>	<b>39,052</b>	<b>(109,234)</b>
Tangible capital assets included in expense	1,275,064	312,772
Amortization of tangible capital assets	(258,831)	(214,551)
Principal payments included in expenses	128,484	
Reserve transfers and adjustments		(67,340)
<b>Annual surplus (deficit)</b>	<b>1,183,769</b>	<b>(78,353)</b>
<b>Accumulated surplus - beginning of year</b>	<b>6,287,613</b>	<b>6,236,906</b>
Prior period adjustment - (Note 13)		129,060
<b>Accumulated surplus - beginning of year as restated</b>		<b>6,365,966</b>
<b>Accumulated surplus - end of year</b>	<b>\$ 7,471,382</b>	<b>\$ 6,287,613</b>

**Gitwangak Band**

**Summary of Program Revenue and Expenses and Surplus (Deficit)**

**Year ended March 31, 2016**

Program	Opening Surplus (Deficit) <i>(restated)</i>	Revenue INAC	Revenue Other and (deferred)	Total Revenue	Expenses	Transfers	Program Surplus (Deficit)	Closing Surplus (Deficit)
<b>Band Operations</b>								
Indian Registration Administration	\$ 1,493	\$ 9,902	\$ (2,750)	\$ 7,152	\$ 7,152	\$	\$	\$ 1,493
Band Support Funding	1,304,863	399,804	226,197	626,001	549,506		76,495	1,381,358
Band Employee Benefits		12,377		12,377	12,377			3,536
Leadership and Governance	3,536	47,400		47,400	47,400			378,452
Ottawa Trust	367,779		10,673	10,673			10,673	124,461
Education funding flow through	124,461							(50,858)
Education - O&M	(50,858)							
	<b>\$ 1,751,274</b>	<b>\$ 469,483</b>	<b>\$ 234,120</b>	<b>\$ 703,603</b>	<b>\$ 616,435</b>		<b>\$ 87,168</b>	<b>\$ 1,838,442</b>
<b>Community Infrastructure - Operations and Maintenance</b>								
Fire Protection	\$ (13,434)	\$ 29,748		\$ 29,748	\$ 28,781		\$ 967	\$ (12,467)
Operations and Maintenance								
Roads and Bridges	(162,433)	58,756		58,756	16,997		41,759	(120,674)
Electrical Systems		15,000		15,000	2,268		12,732	12,732
Community buildings		13,933		13,933			13,933	13,933
General and administrative			6,400	6,400	148,846		(142,446)	(142,446)
Municipal Services incl Solid Waste	77,541	84,075	(4,608)	79,467	39,726		39,741	117,282
Water and Wastewater Systems	41,126	82,318		82,318	61,400		20,918	62,044
Safe Water Operations Program	(6,694)	26,664		26,664	26,664			(6,694)
	<b>\$ (63,894)</b>	<b>\$ 310,494</b>	<b>\$ 1,792</b>	<b>\$ 312,286</b>	<b>\$ 324,682</b>		<b>\$ (12,396)</b>	<b>\$ (76,290)</b>
<b>Economic Development</b>								
Economic Development	\$ (14,457)	\$ 72,433		\$ 72,433	\$ 83,510		\$ (11,077)	\$ (25,534)
Band owned housing	(1,015,184)		67,496	67,496	181,199		(113,703)	(1,128,887)
CMHC Pre 97 Program			2,294	2,294	2,463		(169)	(169)
Gas Station	(14,976)							(14,976)
Highways Contract	5,960		25,698	25,698	11,659		14,039	19,999
	<b>\$ (1,038,657)</b>	<b>\$ 72,433</b>	<b>\$ 95,488</b>	<b>\$ 167,921</b>	<b>\$ 278,831</b>		<b>\$ (110,910)</b>	<b>\$ (1,149,567)</b>

**Gitwangak Band**

**Summary of Program Revenue and Expenses and Surplus (Deficit) continued**

	Opening Surplus (Deficit) (restated)	Revenue INAC	Revenue Other and (deferred)	Total Revenue	Expenses	Transfers	Program Surplus (Deficit)	Closing Surplus (Deficit)
<b>Education</b>								
Instruction	\$ 26,742	\$ 711,854	\$ (42,602)	\$ 669,252	\$ 633,415	\$ (35,837)	\$	\$ 26,742
Ancillary Support	5,699	21,340	(7,076)	14,264	14,264			5,699
Financial Assistance	2,038	14,520		14,520	14,669	149		2,038
Guidance and Counselling	1,692	20,770		20,770	21,151	381		1,692
Comp. Education Support	1,065	34,255		34,255	34,971	716		1,065
Post Secondary	2,628	497,894	(39,253)	458,641	458,641			2,628
Transportation	(30,794)		600	600	33,466	32,866		(30,794)
Aboriginal Headstart/Daycare	(15,539)		227,940	227,940	222,284		5,656	(9,883)
Elementary /Adult Other	1,001		213,791	213,791	209,314		4,477	5,478
Heritage, Language and Culture	(1,694)		57,210	57,210	52,753		4,457	2,763
Community Health Initiative	2,209							2,209
Community Planning and Development	9,835				1,725	1,725		9,835
Career and Tech Youth	61		63,445	63,445	47,280		16,165	16,226
	<b>\$ 4,943</b>	<b>\$ 1,300,633</b>	<b>\$ 474,055</b>	<b>\$ 1,774,688</b>	<b>\$ 1,743,933</b>	<b>\$</b>	<b>\$ 30,755</b>	<b>\$ 35,698</b>
<b>Health Centre</b>								
Canada Pre-natal Nutrition	\$ 5,251	\$	\$ 6,150	\$ 6,150	\$	\$ (985)	\$ 7,135	\$ 12,386
Brighter Futures	48,168		93,964	93,964	86,180	1,442	9,226	57,394
Mental Health	(92,074)		35,367	35,367	32,491	(969)	1,907	(90,167)
Solvent Abuse	4,871		13,301	13,301	11,793	(473)	1,035	5,906
National Native Alcohol and Drug Abuse	33,884		38,890	38,890	27,508		11,382	45,266
Community Health Promotion	38,036		51,365	51,365	77,444		(26,079)	11,957
Public Health Protection - clerk	14,329		20,418	20,418	21,364	946		14,329
Public Health Protection - health nurse	9,951		946	946		(946)		9,951
HIV / AIDS Program	351		1,958	1,958	1,077		881	1,232
Drinking Water Program	2,701		1,973	1,973	(1,462)		3,435	6,136
Health Planning and Management	(158,768)		163,076	163,076	101,067		62,009	(96,759)
Capital Facilities, O & M	(83,972)		34,067	34,067	44,567		(10,500)	(94,472)
FN Home and Community Care	611		137,268	137,268	107,475		29,793	30,404
Medical Transportation	(250,627)		156,233	156,233	138,647		17,586	(233,041)
Medical Transp - Mgmt and Support	(81,414)		19,307	19,307	42,964		(23,657)	(105,071)
Visiting Health Care Physicians	(12,893)		5,280	5,280	5,247		33	(12,860)
Community Dental	(1,684)							(1,684)
Other income and expenses								
New Health Centre	(29,110)		1,229,033	1,229,033	1,265,938		(36,905)	(66,015)
	<b>\$ (552,389)</b>	<b>\$</b>	<b>\$ 2,008,596</b>	<b>\$ 2,008,596</b>	<b>\$ 1,961,315</b>	<b>\$</b>	<b>\$ 47,281</b>	<b>\$ (505,108)</b>

See notes to consolidated financial statements

Gitwangak Band

Summary of Program Revenue and Expenses and Surplus (Deficit) continued

	Opening Surplus (Deficit) (restated)	Revenue INAC	Revenue Other and (deferred)	Total Revenue	Expenses	Transfers	Program Surplus (Deficit)	Closing Surplus (Deficit)
<b>Social Housing</b>								
CMHC Post 97 Program	(82,330)		44,495	44,495	52,632		(8,137)	(90,467)
<b>Capital projects</b>								
Acq & Constr. - Special Services		88,150	(59,955)	28,195	28,195			
Mjr Renos #11545 Mould Reno		31,849	(2,389)	29,460	23,098		6,362	6,362
Mjr Renos #11545 Mould Reno		28,980	(14,564)	14,416	14,416			
Other capital & housing	(21,457)		15,150	15,150	24,174		(9,024)	(30,481)
	<b>\$ (21,457)</b>	<b>\$ 148,979</b>	<b>\$ (61,758)</b>	<b>\$ 87,221</b>	<b>\$ 89,883</b>	<b>\$</b>	<b>\$ (2,662)</b>	<b>\$ (24,119)</b>
<b>Social Development</b>								
Family Violence	\$ 4,665	\$ 7,630	\$ (4,805)	\$ 2,825	\$ 2,825	\$	\$	\$ 4,665
Adult In-home Care	44,153	75,713		75,713	79,386		(3,673)	40,480
Adult In-home Care Contribution	17,604							17,604
Training and Employment Support	48,149				17,227		(17,227)	30,922
Income Assistance - Basic Needs	4,575	660,000		660,000	632,472		27,528	32,103
Child Out of Parental Home	9,087	7,287		7,287	7,287			9,087
Special Needs	(23,059)	32,273		32,273	32,523		(250)	(23,309)
National Child Benefit Re-Investment	(2,094)	74,914		74,914	74,642		272	(1,822)
In-Home Care	(31,995)	57,500		57,500	56,197		1,303	(30,692)
New Paths	(11,105)							(11,105)
	<b>\$ 59,980</b>	<b>\$ 915,317</b>	<b>\$ (4,805)</b>	<b>\$ 910,512</b>	<b>\$ 902,559</b>	<b>\$</b>	<b>\$ 7,953</b>	<b>\$ 67,933</b>
	<b>\$ 57,470</b>	<b>\$ 3,217,339</b>	<b>\$ 2,791,983</b>	<b>\$ 6,009,322</b>	<b>\$ 5,970,270</b>	<b>\$</b>	<b>\$ 39,052</b>	<b>\$ 96,522</b>

**Gitwangak Band**

**Consolidated Statement of Changes in Net Financial Assets  
As at March 31, 2016**

	<b>2016</b>	<b>2015 (restated)</b>
<b>Annual surplus (deficit)</b>	<b>\$ 1,183,769</b>	<b>\$ (78,353)</b>
Tangible capital assets:		
Acquisition of tangible capital assets	<b>(1,275,064)</b>	<b>(312,772)</b>
Amortization of tangible capital assets	<b>258,831</b>	<b>214,551</b>
Prior period adjustment		<b>129,060</b>
(Gain)/loss on disposal of tangible capital assets		<b>68,626</b>
Change in prepaid expenses and other assets	<b>9,261</b>	<b>3,772</b>
<b>Increase (decrease) in net financial assets</b>	<b>176,797</b>	<b>24,884</b>
<b>Net financial assets - beginning of year</b>	<b>(1,088,325)</b>	<b>(1,113,209)</b>
<b>Net financial assets - end of year</b>	<b>\$ (911,528)</b>	<b>\$ (1,088,325)</b>

**Gitwangak Band**

**Summary Statement of Cash Flows**  
**Year Ended March 31, 2016**

	2016	2015 (restated)
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ 1,183,769	\$ (78,353)
Non cash items:		
- Social housing reserve provisions		
- Amortization	258,831	214,551
- (Increase) decrease in prepaid expenses and other assets	9,261	3,772
- Write down on disposal of assets		68,625
	1,451,861	208,595
Changes to financial assets/liabilities:		
- Accounts receivable	(34,774)	35,750
- Trust funds held by federal government	(10,673)	(11,691)
- Accounts payable and accrued liabilities	(100,088)	11,640
- Deferred revenue	301,871	
<b>Cash provided (used) by operating transactions</b>	<b>1,608,197</b>	<b>244,294</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(1,275,064)	(312,772)
<b>Cash applied to capital transactions</b>	<b>(1,275,064)</b>	<b>(312,772)</b>
<b>Financing and investing activities</b>		
Transfer to (from) replacement reserve	5,400	67,340
Debt principal payments	(128,483)	(148,745)
	(123,083)	(81,405)
<b>Increase (decrease) in cash position</b>	<b>210,050</b>	<b>(149,883)</b>
<b>Cash - beginning of year - (Note 2)</b>	<b>236,531</b>	<b>386,414</b>
<b>Cash - end of year - (Note 2)</b>	<b>\$ 446,581</b>	<b>\$ 236,531</b>

**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2016**

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**1. Significant accounting policies**

a) Basis of accounting

The consolidated financial statements of the Gitwangak Band (the "Band") are prepared by management in accordance with Canadian generally accepted accounting principles for First Nation governments established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

b) Reporting entity and principles of consolidation

The Gitwangak Band reporting entity includes the Gitwangak Band government and all related entities which are accountable to the Band and are either owned or controlled by the Band.

All controlled entities are fully consolidated on a line by line basis. Inter-organizational balances and transactions are eliminated upon consolidation.

c) Cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits net of bank overdraft. Highly liquid investments with maturities of one year or less at date of purchase are also classified as cash equivalents.

d) Tangible capital assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets are recorded at net book value and are classified according to their functional use. Assets under construction are not amortized until the asset is available to be put into service.

Amortization is provided for on a straight-line basis commencing the year the asset is put in to service over the expected useful life of the assets as follows:

Buildings	4% declining balance
Social Housing infrastructure	20 years straight line
Furniture and equipment	20% declining balance
School equipment	20% declining balance
Mobile equipment	20% declining balance
Sewer infrastructure	4% declining balance

e) Revenue

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue. Funding received under the terms of contribution agreements are recognized as revenue once eligibility criteria has been met. Funding is recorded as deferred revenue if it has been restricted for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2016**

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**1. Basis of presentation and significant accounting policies** *(continued)*

f) Investment income

Investment income is recorded on the accrual basis and recognized when earned.

g) Net assets (debt)

The financial statements are presented so as to highlight net assets (debt) as the measurement of financial position. The net assets (debt) of the Band is determined by its liabilities less its financial assets. Net assets (debt) is comprised of two components, non-financial assets and accumulated surplus. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the consolidated change in net financial assets for the year. Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

h) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. It is reasonably possible that circumstances may arise that cause actual results to differ from management estimates, however, management does not believe it is likely that such differences will materially affect the band's financial position.

Significant areas requiring the use of management estimates relate to the determination of allowance for doubtful accounts receivable and amortization of tangible capital assets.

i) Financial instruments

The Band's financial instruments consist of cash and temporary investments, portfolio investments, accounts receivable, accounts payable and debt. Unless otherwise noted, it is management's opinion that the Band is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2016**

**2. Cash**

Under the terms of an agreement with Canada Mortgage and Housing Corporation ("CMHC") for CMHC sponsored social housing program, the Band must set aside funds annually in a replacement reserve 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 CMHC with any interest earned to be credited to the replacement reserve fund.

Cash is comprised of the following:

	2016	2015
<b>Externally restricted</b>		
Social housing program replacement reserve funds	\$ 90,623	\$ 100,050
Social housing program operating reserve funds	56,306	138,186
	<b>146,929</b>	<b>\$ 238,236</b>
<b>Unrestricted</b>		
Cash on hand	10,526	
Cash in banks (outstanding cheques in excess of bank balance)	289,126	(1,705)
	<b>299,652</b>	<b>(1,705)</b>
<b>Total cash</b>	<b>\$ 446,581</b>	<b>\$ 236,531</b>

**3. Accounts receivable**

	2016	2015
Contributions receivable:		
- Federal		
- Indigenous and Northern Affairs Canada	\$ 9,134	\$ 33,002
- First Nations Health Authority	7,772	30,000
- Other Federal		1,258
- Provincial		1,065
- Other contributions receivable		37,069
Due from band members - Social Housing rents/internet services	3,880	
GST/HST recoverable	702	375
Trade and other receivables	150,714	34,659
	<b>\$ 172,202</b>	<b>\$ 137,428</b>

**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2016**

**4. Trust funds held by Federal Government**

Trust fund accounts arise from moneys 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.

	2016	2015
<b>Balance - beginning of year</b>	<b>\$ 367,779</b>	<b>\$ 356,088</b>
Add:		
- Interest earned	10,673	11,691
<b>Balance - end of year</b>	<b>\$ 378,452</b>	<b>\$ 367,779</b>
<b>Comprised of:</b>		
- Revenue Fund	\$ 368,279	\$ 357,606
- Capital Fund	10,173	10,173
	<b>\$ 378,452</b>	<b>\$ 367,779</b>

**5. Accounts payable and accrued liabilities**

	2016	2015 (restated)
Trade payables	\$ 272,842	\$ 238,707
Accrued salaries and employee benefits payable	48,479	42,921
Other accrued liabilities	244,780	384,561
	<b>\$ 566,101</b>	<b>\$ 666,189</b>

**Gitwangak Band****Notes to Consolidated Financial Statements  
Year Ended March 31, 2016****6. Long term debt**

	2016	2015
Royal Bank of Canada mortgage for CMHC on-reserve non-profit housing program at \$7,591 per month, including interest at 3.03% Secured by property and a ministerial guarantee. Matures February 2019.	\$ 525,446	\$ 604,218
Royal Bank of Canada mortgage for CMHC on-reserve non-profit housing program at \$1,126 per month, including interest at 2.68% Secured by property and a ministerial guarantee. Matures September 2016.	5,661	19,897
CMHC Mortgage Corporation on-reserve non-profit housing program at \$1,908 per month, including interest at 1.92%, Secured by property and a ministerial guarantee. Maturing December 2017.	345,725	361,818
Royal Bank of Canada demand loan, at \$1,912 per month, including interest at 2.25% Secured by property.	59,719	79,101
	<b>\$ 936,551</b>	<b>\$ 1,065,034</b>

**7. Tangible capital assets**

	2016	2015
Land	\$ 504,535	\$ 504,535
Buildings	2,045,987	2,201,070
Social housing infrastructure	3,445,608	3,461,701
Furniture and equipment	46,750	51,628
School equipment	11,471	14,338
Mobile equipment	152,432	190,732
Sewer infrastructure	709,552	739,117
Lot Development	70,028	72,946
	<b>6,986,363</b>	<b>7,236,067</b>
Assets under construction	1,325,048	59,110
	<b>\$ 8,311,411</b>	<b>\$ 7,295,177</b>

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 2).

**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2016**

**8. Invested in tangible capital assets**

Invested in tangible capital assets represents the net book value of total capital assets less long term obligations assumed to acquire those assets. The change in consolidated balance of invested in tangible capital assets is as follows:

	2016	2015
Increases:		
Tangible capital asset acquisitions	\$ 1,275,064	\$ 312,772
Retirement of debt - principal repayment	128,484	148,745
Decreases:		
Dispositions at net book value		(68,625)
Amortization	(258,831)	(214,551)
Change in invested in tangible capital assets	1,144,717	178,341
Invested in tangible capital assets - beginning of year	6,230,143	6,051,802
Invested in tangible capital assets - end of year	\$ 7,374,860	\$ 6,230,143

**9. CMHC operating and replacement reserves**

**Operating reserve**

	2016	2015
Balance - beginning of year	\$ 62,209	\$
Additions		62,209
Expenditures (net)		
Balance - end of year	\$ 62,209	\$ 62,209

**Replacement reserve**

Balance - beginning of year	\$ 36,631	\$ 31,500
Additions	6,000	6,000
Expenditures (net)	(600)	(869)
Balance - end of year	\$ 42,031	\$ 36,631

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage and Housing Corporation, Gitwangak Indian Band Social Housing must set aside funds annually for the non-annual expenditures of the program for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by CMHC with any interest earned to be credited as revenue to the Replacement Reserve Fund. As at March 31, 2016, cash required to fund the Post-1997 Operating and Replacement Reserve Funds were overfunded by \$42,689 (2015 - \$139,396).

**10. Loan guarantees**

Gitwangak Band is contingently liable for band member housing loans which it has guaranteed. In the event of borrower default, any deficiency is payable by the band. The total contingent liability in loan guarantees related to these loans is \$ 876,832.

**11. Contingencies**

Gitwangak Band has entered into contribution agreements with various federal and provincial government departments. Funding received under certain of these contribution agreements is subject to repayment if the Band fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Gitwangak Band 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 Gitwangak Band's financial statements.

**12. Economic dependence**

The Gitwangak Band receives a major portion of its revenues pursuant to funding arrangements with Indigenous and Northern Affairs Canada ("INAC") and First Nations Health Authority. The nature and extent of this revenue is of such significance that Gitwangak Band is economically dependent on this source of revenue.

**13. Prior period adjustments**

In a prior period the Band recorded an incorrect payable of \$129,060 to the Gitksan Government Commission. The 2015 financial statements have been restated to reverse this payable which resulted in a decrease to accounts payable and an increase to accumulated surplus of \$129,060.

**Gitwangak Band Schedule 1**  
**Schedule of Revenues and Expenses by object**  
**Year Ended March 31, 2016**

	Band Operations	CMHC Housing	Health Centre	Education	2016 Consolidated	2015 Consolidated
<b>Revenue</b>						
Aboriginal Affairs and Northern Development Canada	\$ 1,916,706	\$	\$ 2,029,169	\$ 1,300,633	\$ 3,217,339	\$ 3,184,812
First Nations Health Authority					2,029,169	743,488
First Nations Education Steering Committee				174,853	174,853	156,100
Canada Mortgage and Housing Corporation		15,095			15,095	25,910
First Peoples' Heritage, Language and Culture Council				50,973	50,973	63,234
Rental income	108,466	29,400		5,991	143,857	184,613
Interest income on amounts held in trust	10,673				10,673	11,691
Other	234,770		56,806	331,170	622,746	1,031,612
Revenue deferred to next year	(89,072)		(77,380)	(88,931)	(255,383)	
	2,181,543	44,495	2,008,595	1,774,689	6,009,322	5,401,460
<b>Expenses</b>						
Accounting and legal fees	128,874	1,000	8,448		138,321	44,044
Administration fees			36,716	58,383	95,099	118,192
Bank charges and interest	5,633		5,662	3,304	14,599	12,603
Board expense			15,463		15,463	1,980
Consulting fees	14,141			1,735	15,876	71,198
Election costs	7,097				7,097	3,306
Fuel	10,606		50		10,656	13,792
Financial Support						
Honorarium	66,450		20,000	265,511	265,511	284,746
Insurance	53,153	1,530	1,664	39,300	125,750	129,650
Interest on long term debt	104,709	22,868		9,185	65,532	53,189
Management fees	134,663		12,090	22,453	150,030	36,085
Materials and supplies	184,095	600	76,254	8,446	155,199	204,103
Office	30,134		10,477	25,372	347,784	268,728
Program expenses	32,740		138,647	252,994	65,983	163,820
Rent	17,754		4,002		424,381	518,064
Repairs and maintenance	50,252	1,129	25,035	43,657	21,756	18,304
Replacement reserve		6,000			120,073	232,182
Sub-contracts		545			6,000	12,920
Telephone	825,942		1,438,914	200	2,265,601	1,223,786
Travel	21,222		3,292		24,514	78,866
Utilities	24,239		20,821		77,637	118,693
Wages and benefits	83,274		11,104	32,716	127,094	125,547
Repayable (recovery) of funding	360,412	18,960	159,521	861,264	1,400,157	1,542,375
	57,001		(26,844)		30,157	234,521
	2,212,391	52,632	1,961,316	1,743,932	5,970,270	5,510,694
Excess (deficiency) of revenue over expenses	(30,848)	(8,137)	47,279	30,757	39,052	(109,234)
Tangible capital assets included in expense			1,275,064		1,275,064	312,772
Amortization	(207,700)	(16,093)	(4,381)	(30,657)	(258,831)	(214,551)
Reserve transfers						(67,340)
Principal payments included in expenses	93,009	16,093		19,382	128,484	
<b>Net surplus (deficit) for the year</b>	<b>\$ (145,539)</b>	<b>\$ (8,137)</b>	<b>\$ 1,317,962</b>	<b>\$ 19,482</b>	<b>\$ 1,183,759</b>	<b>\$ (78,353)</b>

See notes to consolidated financial statements

**Gitwagak Band Schedule 2**  
**Schedule of Tangible Capital Assets**  
**Year Ended March 31, 2016**

	Land	Buildings	Social Housing Infrastructure	Furniture and Equipment	School Equipment	Mobile Equipment	Sewer Infrastructure	Lot Development	Assets under Construction	2016 Total	2015 Total
<b>Cost</b>											
Opening balance	\$ 504,535	\$3,190,033	\$ 8,388,151	\$ 323,686	\$ 91,031	\$ 671,550	\$ 1,122,690	\$ 103,182	\$ 59,110	\$14,453,968	\$ 14,209,821
Additions				9,126					1,265,938	1,275,064	1,073,535
Disposals											(829,388)
Writedown											
	504,535	3,190,033	8,388,151	332,812	91,031	671,550	1,122,690	103,182	1,325,048	15,729,032	14,453,968
<b>Accumulated Amortization</b>											
Opening balance		988,963	4,926,450	272,058	76,693	480,818	383,573	30,236		7,158,791	6,944,240
Amortization		155,083	16,093	14,004	2,867	38,300	29,565	2,918		258,830	966,874
Adjustment for disposals											(752,323)
		1,144,046	4,942,543	286,062	79,560	519,118	413,138	33,154		7,417,621	7,158,791
<b>Net book value March 30, 2016</b>	<b>\$</b>	<b>\$2,045,987</b>	<b>\$ 3,445,608</b>	<b>\$ 46,750</b>	<b>\$ 11,471</b>	<b>\$ 152,432</b>	<b>\$ 709,552</b>	<b>\$ 70,028</b>	<b>\$ 1,325,048</b>	<b>\$ 8,311,411</b>	<b>\$ 7,296,177</b>
<b>Net book value March 31, 2015</b>	<b>\$</b>	<b>\$ 504,535</b>	<b>\$2,201,070</b>	<b>\$ 3,461,701</b>	<b>\$ 51,628</b>	<b>\$ 14,338</b>	<b>\$ 190,732</b>	<b>\$ 739,117</b>	<b>\$ 72,946</b>	<b>\$ 59,110</b>	<b>\$ 7,296,177</b>

See notes to consolidated financial statements