



Gitwangak Indian Band
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023



Gitwangak Indian Band
CONSOLIDATED FINANCIAL STATEMENTS
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For the year ended March 31, 2023

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Gitwangak Indian Band
MARCH 31, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Gitwangak Indian Band and all the information in this annual report are the responsibility of Chief Councilor and Council and have been approved by the Chief Councilor and Council.

The 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 Professional Accountants and where appropriate, includes certain amounts based on management's best estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Gitwangak Indian Band's co-management maintains systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Gitwangak Indian Band's assets are appropriately accounted for and adequately safeguarded.

The Gitwangak Indian Band is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Chief Councilor and Council reviewed the Gitwangak Indian Band's financial statements and recommends their approval. The management meets periodically with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issued, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Chief Councilor and Council also considers the engagement of the external auditors.

The financial information has been audited by Ribeyre Chang Haylock, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the members. Ribeyre Chang Haylock has full and free access to Management.



Sandra Larie (Aug 1, 2023 14:59 EDT)

Chief Councilor

INDEPENDENT AUDITOR'S REPORT

To: The Members of Gitwangak Indian Band

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying financial statements of Gitwangak Indian Band, which comprise the consolidated statement of financial position as at March 31, 2023 and March 31, 2022, and the consolidated statement of operations, 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, the financial statements present fairly, in all material respects, the financial position of Gitwangak Indian Band as at March 31, 2023 and March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

Basis for Opinion

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 Entity 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.



Responsibilities of Management and Those Charged with Governance 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 prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants, 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 financial statements. We are responsible for the direction, super-vision 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.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The previous year's financial information was audited by another firm of Chartered Professional Accountants.

The engagement partner on the audit resulting in this independent auditor's report is Aaron Keetley, CPA, CA, CMA.

Port Coquitlam, B.C.
August 2, 2023

Ribeyre Chang Haylock
Chartered Professional Accountants

Gitwangak Indian Band

SUMMARY STATEMENT OF FINANCIAL POSITION

As at March 31, 2023

Statement 1

	2023	2022
		<i>Restated</i>
Financial assets		
Cash and equivalents - note 2	\$ 37,432,707	\$ 9,657,432
Accounts receivable - note 3	1,041,785	666,081
Trust moneys - note 4	458,731	441,908
	38,933,223	10,765,421
Financial liabilities		
Accounts payable and accrued liabilities - note 5	552,747	784,068
Deferred income - note 6	32,252,822	5,267,995
Due to related party - note 7	305,186	357,332
Capital leases - note 8	120,007	-
Long term debt - note 9	223,617	282,671
	33,454,379	6,692,066
Net financial assets	5,478,844	4,073,355
Contingent liability - note 10		
Non-financial assets		
Tangible capital assets - note 11	21,409,274	11,431,068
Prepaid expenses	121,261	73,586
Total non-financial assets	21,530,535	11,504,654
Accumulated surplus - note 16	\$ 27,009,379	\$ 15,578,009

See accompanying notes


Sandra Larin (Aug 1, 2023 14:59 EDT)

Chief Councilor


Emily Watts (Aug 2, 2023 00:40 PDT)

Councilor

Gitwangak Indian Band

SUMMARY STATEMENT OF OPERATIONS

As at March 31, 2023

Statement 2

	Budget	2023	2022 <i>Restated</i>
Revenue			
Indigenous Services Canada	\$ 3,256,796	\$ 42,173,018	\$ 5,620,493
First Nations Health Authority	1,053,338	1,377,870	1,279,740
Deferred revenue	-	(26,984,327)	(4,961,463)
Canada Mortgage and Housing Corporation	14,999	14,999	4,129,294
Gitxsan Child and Family Services	-	312,623	-
First Nation Education Steering Committee	(45,010)	372,518	13,112
Housing rent	8,000	36,050	41,675
Miscellaneous	75,576	423,252	782,827
Province of BC	1,407,704	1,689,625	1,372,184
BC Gaming Commission	480,514	835,297	351,682
	6,251,917	20,250,925	8,629,544
Expenses - note 17			
Band administration	2,062,767	1,620,362	
Operations and maintenance	999,421	618,420	
Economic development	536,255	241,493	
Health	1,356,873	839,683	
Social development	1,186,506	1,214,760	
Capital projects	114,255	9,682	
Education	2,100,729	-	
Social housing	25,930	51,269	
Depreciation of tangible capital assets	436,819	401,413	
	8,819,555	4,997,082	
Annual (deficit) surplus	11,431,370	3,632,462	
Accumulated surplus, beginning of year as previously stated	15,578,009	12,056,683	
Prior period adjustment - note 18	-	(111,136)	
Accumulated surplus, beginning of year as restated	15,578,009	11,945,547	
Accumulated surplus, end of year	\$ 27,009,379	\$ 15,578,009	

See accompanying notes

Gitwangak Indian Band

SUMMARY STATEMENT OF NET FINANCIAL ASSETS

For the year ended March 31, 2023

Statement 3

	2023 Budget	2023 Actual	2022 Restated
Annual (deficit) surplus	\$ 11,431,370	\$ 11,431,370	\$ 3,632,462
Changes in tangible capital assets			
Acquisition of tangible capital assets	(10,415,025)	(10,415,025)	(2,348,496)
Amortization of tangible capital assets	436,819	436,819	401,413
	(9,978,206)	(9,978,206)	(1,947,083)
Changes in other non-financial assets			
Prepaid expenses and deposits	(47,675)	(47,675)	(7,359)
Increase in net financial assets	1,405,489	1,405,489	1,678,020
Net financial assets at beginning of year	4,073,355	4,073,355	2,395,335
Net financial assets at end of year	\$ 5,478,844	\$ 5,478,844	\$ 4,073,355

See accompanying notes

Gitwangak Indian Band

SUMMARY STATEMENT OF CASH FLOW

For the year ended March 31, 2023

Statement 4

2023

2022

OPERATING ACTIVITIES

Revenue received	\$ 46,860,048	\$ 13,797,683
Expenses paid	(8,647,477)	(4,775,604)
Interest paid on capital leases	(9,561)	-
Interest paid on long term debt	(4,694)	(8,539)
Cash provided by operating activities	38,198,316	9,013,540

INVESTING ACTIVITIES

Purchase and construction of capital assets	(10,415,025)	(2,348,496)
Cash used in investing activities	(10,415,025)	(2,348,496)

FINANCING ACTIVITIES

(Repayments to) advances from related parties	(52,146)	121,147
Capital lease proceeds	140,841	-
Repayment of capital leases	(20,834)	-
Repayment of long term debt	(59,054)	(105,326)
Cash used in financing activities	8,807	15,821

Increase in cash during the year	27,792,098	6,680,865
Cash, beginning of year	10,099,340	3,418,475
Cash, end of year	\$ 37,891,438	\$ 10,099,340

Comprised of:

Cash	\$ 37,374,964	\$ 9,591,356
Trust moneys	458,731	441,908
Restricted cash	57,743	66,076
Cash end of year	\$ 37,891,438	\$ 10,099,340

See accompanying notes

GITWANGAK BAND

SUMMARY FINANCIAL STATEMENTS

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March 31, 2023

See Auditor's Report

The Gitwangak Band (the "Band") is located in the province of British Columbia, and provides various services to its members. The Gitwangak Band includes the Band's members, government and all related entities that are accountable to the Band and are either owned or controlled by the Band.

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These Summary Financial Statements have been prepared in accordance with Canadian public sector accounting standards for local government entities, as defined in the Canadian Institute of Chartered Professional Accountants Public Sector Accounting and Auditing Handbook, which encompasses the following principles.

a) Fund accounting

The Gitwangak Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the Summary Financial Statements. Details of the operations of each fund are set out in the supplementary schedules. The Gitwangak Band maintains the following funds:

- The Operating Fund which reports the general activities of the Indian Band administration,
- The Trust Fund which reports on trust funds owned by the Band and held by a third party,
- The Social Housing Fund which reports on the activities relating to the Canada Mortgage and Housing Corporation Section 95 housing program.

b) Use of estimates

The preparation of schedules in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the schedules and reported amounts of revenues and expenditures during the reported period. Actual results could differ from the estimates.

c) Budget

The budget reported in the financial statements was reported by management.

d) Surplus Recoveries and Deficit Funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

GITWANGAK BAND

SUMMARY FINANCIAL STATEMENTS

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March 31, 2023

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1. Continued...

e) Revenue recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Schedule of Financial Position.

Government Funding

The Band recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Band recognizes revenue as the liability is settled. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Canada Mortgage and Housing Corporation

CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

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 transaction 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.

Investment Income

Investment income is recognized by the Band when the investment income is earned.

Other

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 is performed is deferred and recognized when the fee is earned or service performed.

f) Cash and cash equivalents

Cash and cash equivalents include short-term highly liquid investments with a term to maturity of 180 days or less at acquisition.

GITWANGAK BAND

SUMMARY FINANCIAL STATEMENTS

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1. Continued...

g) Reporting entity and principles of financial reporting

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

These financial statements consolidate the assets, liabilities and results of operation for the

- Gitwangak Band Operating Fund,
- Gitwangak Band Trust Fund,
- Gitwangak Band Social Housing Fund,

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

h) Financial assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not consumption in the normal course of operations. The indicator of net debt is determined by deducting the financial assets of the Gitwangak Band from its liabilities. Financial assets are primarily measured at historical cost.

i) Non-financial assets

Fixed assets and other non-financial assets are accounted for as assets by the Gitwangak Band because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Gitwangak Band unless they are sold.

j) Measurement Uncertainty

In preparing the financial statements for the Band, 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. Significant areas requiring the use of management estimates relate to the determination of allowance for doubtful accounts receivable and amortization of tangible capital assets.

k) Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Band is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2023. At each financial reporting date, the Band reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Band continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As of March 31, 2023, the Band does not recognize any liability for contaminated sites.

GITWANGAK BAND

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1. Continued...

I) Fixed assets

Fixed 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.

The acquisition costs of fixed assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenditures are also recorded as an addition to assets of the Operating Fund with a corresponding increase in Operating Fund - unrestricted

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 asset 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 Gitwangak Band's incremental cost of borrowing.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as fixed assets. Assets under construction are not amortized until the asset is available to be put into service.

m) Depreciation

Fixed assets are recorded and depreciated with a corresponding reduction in Equity in Fixed Assets. Fixed assets are depreciated over their expected useful life at the following rates:

Furniture, office equipment, school equipment, other equipment	20%	Declining balance
Building, housing and infrastructure	4%	Declining balance
Sewer infrastructure	4%	Declining balance
Computer software	30%	Declining balance
Social Housing infrastructure	20 years	Straight line

2. CASH AND EQUIVALENTS

	2023	2022
Bank account balances net of outstanding items	\$ 27,374,964	\$ 9,591,356
Guaranteed Investment Certificates	10,000,000	-
Restricted Cash - Replacement Reserve	57,743	66,076
	<hr/>	<hr/>
	\$ 37,432,707	\$ 9,657,432

The guaranteed investment certificate is cashable and bears interest at a rate of 4.7%. It matures on February 2, 2024

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the Band 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.

GITWANGAK BAND

SUMMARY FINANCIAL STATEMENTS

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3. ACCOUNTS RECEIVABLE

	2023	2022
Accounts receivable is comprised of the following:		
Indigenous Services Canada	\$ 151,021	\$ 16,885
First Nation Health Authority	5,915	7,500
Canada Mortgage and Housing Corporation	1,250	1,250
Province of British Columbia	340,884	567,048
Other	542,715	73,398
	\$ 1,041,785	\$ 666,081

4. TRUST MONEYS

The Ottawa Trust 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.

5. ACCOUNTS PAYABLE

Included in accounts payable is \$187,658 (2022 - nil) payable to the Gitwangak Education Society.

6. DEFERRED INCOME

	2023	2022
Indigenous Services Canada	\$ 30,886,767	\$ 1,175,563
Canada Mortgage and Housing Corporation	850,536	3,767,600
Province of British Columbia	514,194	324,007
Other	1,325	825
	\$ 32,252,822	\$ 5,267,995

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7. DUE TO RELATED PARTY

Amounts due to the Gitwangak Education Society are unsecured without interest or terms of repayment.

8. CAPITAL LEASES

	2023	2022
Capital lease payable maturing August 31, 2025 with monthly payments of \$2,557.57 including interest at 12%. Secured by a certain vehicle. \$20,000 guaranteed residual value requirement at conclusion.	\$ 79,781	\$ -
Capital lease payable maturing August 31, 2025 with monthly payments of \$1,368.42 including interest at 11.42%. Secured by a certain vehicle. \$7,500 guaranteed residual value requirement at conclusion.	40,226	-
	\$ 120,007	\$ -

Minimum lease payments for subsequent years are: 2024, \$47,111.88; 2025, \$47,111.88; 2026, \$47,129.94; 2027, nil; 2028, nil.

9. LONG-TERM DEBT

	2023	2022
Mortgage payable maturing April 1, 2034 with monthly payments of \$1,899.90 including interest at 1.86%. Secured by real property and a ministerial guarantee. Renews on April 1, 2024.	\$ 223,617	\$ 242,086
Mortgage payable.	-	40,585
	\$ 223,617	\$ 282,671

Future principal payments for subsequent years are as follows:

2024	\$ 18,815
2025	\$ 204,802
2026-2028	<hr/> nil
	<hr/> \$ 223,617

10. CONTINGENT LIABILITY

Gitwangak Band has been named as defendant in certain legal proceedings. The Band is actively defending all lawsuits. Since the amount of loss, if any, cannot be reasonably estimated, no provision has been recorded in these financial statements. Should a loss be incurred, it will be expensed in the year the liability is determined.

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11. TANGIBLE CAPITAL ASSETS

	2023						2022			
	Beginning Cost	Additions	Disposals	Ending Cost	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Net Book Value	Net Book Value		
Land	\$ 504,535	\$ -	\$ -	\$ 504,535	\$ -	\$ -	\$ 504,535	\$ 504,535		
Computer software	43,195	-	-	43,195	29,596	4,080	33,676	9,519	13,599	
Furniture and equipment	649,777	31,318	-	681,095	478,430	40,573	519,003	162,092	171,347	
Infrastructure										
CMHC social housing	698,593	-	-	698,593	224,537	18,469	243,006	455,587	474,056	
Engineered Structures	2,498,498	1,600,063	-	4,098,561	557,368	66,295	623,663	3,474,898	1,941,130	
Health Building	1,905,111	-	-	1,905,111	398,109	60,280	458,389	1,446,722	1,507,002	
Heritage village	1,288,554	-	-	1,288,554	147,494	45,642	193,136	1,095,418	1,141,060	
Housing	10,456,407	2,917,070	-	13,373,477	6,380,924	161,952	6,542,876	6,830,601	4,075,483	
Lot development	103,182	-	-	103,182	50,375	(4,487)	45,888	57,294	52,807	
Secondary school	1,490,324	5,562,471	-	7,052,795	-	-	-	7,052,795	1,490,324	
Leased vehicle	-	151,839	-	151,839	-	17,555	17,555	134,284	-	
Mobile equipment	615,384	152,264	-	767,648	555,659	26,460	582,119	185,529	59,725	
	\$ 20,253,560	\$ 10,415,025	\$ -	\$ 30,668,585	\$ 8,822,492	\$ 436,819	\$ -	\$ 9,259,311	\$ 21,409,274	\$ 11,431,068

Included in infrastructure are assets not being amortized because they are temporarily not in use. The net book value of those assets is \$12,021,489 (2022 - \$1,490,324).

As mortgage related to CMHC social housing is paid off, the related assets are released to Band housing.

Gitwangak Band

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12. REPLACEMENT RESERVE FUND

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage and Housing Corporation, Gitwangak 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 the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Reserve Fund.

As at March 31, 2023, cash and term deposits required to fund the Replacement Reserve Fund were overfunded by \$4,348.

13. OPERATING RESERVE

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage and Housing Corporation, Gitwangak Band Social Housing must set aside surplus funds annually.

These funds are to be held in a separate bank account with any interest earned to be credited as revenue to the Operating Reserve.

As at March 31, 2023, cash and term deposits required to fund the Operating Reserve were deficit by \$19,010.

14. ECONOMIC DEPENDANCE

The Gitwangak Band receives major portions of its revenue pursuant to funding arrangements with Indigenous Services Canada.

15. BUDGET INFORMATION

The budget information disclosed has been approved by the band council and co-management. Individual program operations not showing budget information does not mean budgets were not prepared but rather that their amounts were not readily determinable.

Gitwangak Band
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16. ACCUMULATED SURPLUS

	2023	2022
Unrestricted Operating Fund	\$ 5,415,808	\$ 4,040,363
Restricted		
Capital Fund	20,832,969	10,916,425
Trust Fund	458,731	441,908
Social Housing Fund	231,970	231,970
Replacement Reserve Fund	53,395	46,727
Operating Reserve Fund	19,010	11,752
	<hr/> 21,596,075	11,648,782
	<hr/> 27,011,883	15,689,145

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17. EXPENSES BY OBJECT

	Budget	2023	Actual	2022
Administration fees	\$ 117,516	\$ 283,988	\$ 215,212	
Adult day program	30,000	7,767	22,525	
Audit fees	-	2,950	2,950	
Basic Needs	742,500	971,880	1,031,536	
Capital Purchases	-	335,913	60,133	
Child out of parent home	4,832	4,936	4,849	
Community development	346,500	128,241	287,965	
Contract services	80,000	109,836	48,136	
Depreciation	-	436,819	401,413	
Elementary Instruction	848,261	1,935,648	-	
Equipment leases	12,000	95,223	10,183	
Garbage and landfill	82,000	49,214	86,015	
Honoraria	165,000	159,300	171,850	
Insurance	172,000	335,533	203,663	
Interest and bank charges	6,000	7,556	7,806	
Interest on long term debt	-	4,329	4,565	
Legal fees	15,000	11,541	26,145	
Loan payments	16,000	19,433	3,844	
Materials and Supplies	86,207	276,463	414,014	
Meetings	7,000	21,816	500	
Office expenses	45,000	122,252	87,024	
Patient travel	174,000	229,989	211,936	
Professional fees	150,000	229,923	163,525	
Repairs and maintenance	209,500	491,236	187,799	
Replacement reserve allocation	-	6,000	6,000	
Special needs	42,758	48,316	30,639	
Subcontractors	5,900,638	11,331,186	2,631,789	
Training	12,000	35,694	2,257	
Travel	15,500	94,945	34,655	
Utilities and telephone	117,000	140,598	126,383	
Vehicles	40,500	130,567	47,545	
Wages and benefits	1,112,789	1,197,233	914,785	
Workshops	95,500	312,601	117,397	
	\$ 10,646,001	\$ 19,568,926	\$ 7,565,038	

GITWANGAK BAND

SUMMARY FINANCIAL STATEMENTS

NOTES TO STATEMENTS

March 31, 2023

See Auditor's Report

18. PRIOR PERIOD ADJUSTMENT

Subsequent to the release of the March 31, 2022 Gitwangak Bank Consolidated Financial Statements, it was identified that there was a material Indigenous Services Canada funding recovery outstanding from prior years that wasn't accounted for. This impacts the accounts payable and accrued liabilities balance as well as the opening accumulated surplus balance. The effects of this correction are detailed below:

SUMMARY STATEMENT OF FINANCIAL POSITION

	2022		2022	
	<i>As previously stated</i>	<i>Changes</i>	<i>Restated</i>	
Financial liabilities				
Accounts payable and accrued liabilities	\$ 672,932	\$ 111,136	\$ 784,068	
Net financial assets	\$ 3,962,219	\$ (111,136)	\$ 4,073,355	
Accumulated surplus	\$ 15,689,145	\$ (111,136)	\$ 15,578,009	

SUMMARY STATEMENT OF NET FINANCIAL ASSETS

	2022		2022	
	<i>As previously stated</i>	<i>Changes</i>	<i>Restated</i>	
Net financial assets at beginning of year				
Net financial assets at beginning of year	\$ 2,506,471	\$ (111,136)	\$ 2,395,335	
Net financial assets at end of year	\$ 4,184,491	\$ (111,136)	\$ 4,073,355	