

**Gwawaenuk Tribe**  
**Financial Statements**  
*March 31, 2018*

# **Gwawaenuk Tribe**

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*For the year ended March 31, 2018*

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## **Management's Responsibility**

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To the Members of Gwawaenuk Tribe:

The accompanying financial statements of Gwawaenuk Tribe are the responsibility of management and have been approved by the Chief.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Gwawaenuk Tribe Chief is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Chief fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief is also responsible for recommending the appointment of the Tribe's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and management to discuss their audit findings.

December 15, 2022

Signed by: Charlie Williams

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Chief

Signed by: Cindy Gullstrom

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Financial  
Administrator

To the Members of Gwawaenuk Tribe:

We have audited the accompanying financial statements of Gwawaenuk Tribe, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

***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 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.

***Auditors' 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 auditors' 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 statement.

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***

Beginning January 1, 2009, Canadian public sector accounting standards require that the Tribe record the net value of tangible capital assets in its financial statements. The Tribe has not applied these new financial reporting standards. As the Tribe did not provide us with a completed capital asset register reflecting the total cost of tangible capital assets owned by the Tribe and the appropriate accumulated amortization and any impairment attributable to each of those, we were unable to determine the net value of the tangible capital assets that should have been recorded as an asset and the related amortization or impairment that should have been recorded as an expense in the current and prior year.

***Qualified Opinion***

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly in all material respects the financial position of Gwawaenuk Tribe as at March 31, 2018 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chilliwack, British Columbia  
December 15, 2022

*MNP LLP*

Chartered Professional Accountants

**Gwawaenuk Tribe**  
**Statement of Financial Position**  
*As at March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Financial assets</b>		
Cash and cash equivalents	234,050	315,796
Accounts receivable (Note 3)	191,415	35,515
Funds held in trust (Note 4)	61,604	60,178
	<b>487,069</b>	411,489
<b>Liabilities</b>		
Accounts payable and accruals	42,540	30,734
Deferred revenue	87,603	-
	<b>130,143</b>	30,734
<b>Net financial assets</b>	<b>356,926</b>	380,755
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	546,389	247,035
Prepaid expenses	2,400	935
	<b>548,789</b>	247,970
<b>Accumulated surplus (Note 5)</b>	<b>905,715</b>	628,725

**Approved on behalf of the Tribe**

Signed by: Charlie Williams

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Chief

**Gwawaenuk Tribe**  
**Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2018*

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>				
Indigenous Services Canada		<b>271,016</b>	<b>266,204</b>	266,091
Ottawa Trust Fund		-	1,425	1,221
Forestry initiatives - Province of B.C.		<b>630,000</b>	<b>630,000</b>	-
Economic activities		-	<b>496,896</b>	311,533
Ecosystem Based Management - Province of B.C.		<b>110,000</b>	<b>22,397</b>	-
Indigenous Perspectives Society		<b>25,000</b>	<b>25,000</b>	-
Vancouver Island Health Authority		-	-	15,985
Lease revenue		-	-	1,500
		<b>1,036,016</b>	<b>1,441,922</b>	596,330
<b>Expenses</b>				
Administration	3	<b>108,262</b>	<b>108,261</b>	107,371
Capital Projects	4	-	<b>26,094</b>	27,136
Education	5	<b>15,986</b>	<b>15,986</b>	16,213
Economic Development and Maintenance	6	<b>689,959</b>	<b>981,187</b>	714,876
Health	7	-	-	15,985
Social Development	8	<b>31,904</b>	<b>33,404</b>	30,951
		<b>846,111</b>	<b>1,164,932</b>	912,532
<b>Surplus (deficit)</b>		<b>189,905</b>	<b>276,990</b>	(316,202)
<b>Accumulated surplus, beginning of year</b>		<b>628,725</b>	<b>628,725</b>	944,927
<b>Accumulated surplus, end of year</b>		<b>818,630</b>	<b>905,715</b>	628,725

**Gwawaenuk Tribe**  
**Statement of Changes in Net Financial Assets**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<b>Surplus (deficit)</b>	<b>189,905</b>	<b>276,990</b>	(316,202)
Purchases of tangible capital assets	-	(325,447)	(35,372)
Amortization of tangible capital assets	-	26,094	27,136
Change in prepaid expenses	-	(1,466)	(335)
	-	(300,819)	(8,571)
<b>Increase (decrease) in net financial assets</b>	<b>189,905</b>	<b>(23,829)</b>	(324,773)
<b>Net financial assets, beginning of year</b>	<b>380,755</b>	<b>380,755</b>	705,528
<b>Net financial assets, end of year</b>	<b>570,660</b>	<b>356,926</b>	380,755

**Gwawaenuk Tribe**  
**Statement of Cash Flows**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus (deficit)	276,990	(316,202)
Non-cash items	26,094	27,136
Amortization	303,084	(289,066)
Changes in working capital accounts		
Accounts receivable	(155,899)	(22,872)
Accounts payable and accruals	11,806	(13,884)
Deferred revenue	87,603	-
Ottawa Trust Funds	(1,426)	(1,222)
Prepaid expenses	(1,467)	(335)
	243,701	(327,379)
<b>Capital activities</b>		
Purchases of tangible capital assets	(325,447)	(35,372)
<b>Decrease in cash resources</b>	<b>(81,746)</b>	<b>(362,751)</b>
<b>Cash resources, beginning of year</b>	<b>315,796</b>	<b>678,547</b>
<b>Cash resources, end of year</b>	<b>234,050</b>	<b>315,796</b>

**Gwawaenuk Tribe**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2018*

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**1. Operations**

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

**2. Significant accounting policies**

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

***Basis of presentation***

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

***Asset classification***

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

***Cash***

Cash includes balances with banks, petty cash, and short-term investments with maturities of three months or less.

***Tangible capital assets***

Prior to April 1, 1996, acquired tangible capital assets were recognized as operating expenditures and not reported in the capital fund.

Tangible capital assets acquired subsequent to March 31, 1996, are reported in the capital segment. On acquisition, the costs to acquire tangible capital assets are reported as expenditures in the operating fund with a corresponding contribution recognized in the capital fund. Cost is based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

***Amortization***

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives.

	Method	Rate
General housing	declining balance	5 %
General equipment	declining balance	20 %
Infrastructure	declining balance	4 %

***Funds held in Ottawa Trust Fund***

Funds held in trust on behalf of Tribe members by the Government of Canada are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on land or other Tribe capital assets, and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

**Gwawaenuk Tribe**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2018*

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**2. Significant accounting policies** *(Continued from previous page)*

***Revenue recognition***

**Government Transfers**

The Tribe recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, 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 Tribe recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

**Funds held in Ottawa Trust Fund**

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received.

**Timber Harvesting & Other Revenue**

Timber harvesting and other revenue is recognized as revenues when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

**Segments**

The Tribe conducts its business through six reportable segments: Administration, Capital Projects, Education, Economic Development and Maintenance, Health, and Social Development. These operating segments are established by senior management to facilitate the achievement of the Tribe's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements.

***Measurement uncertainty***

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management 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 financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

**Long-lived assets**

Long lived assets consists of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Tribe determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

**Gwawaenuk Tribe**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2018*

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**2. Significant accounting policies** *(Continued from previous page)*

***Liability for contaminated site***

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 Tribe 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, 2018.

At each financial reporting date, the Tribe 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 Tribe 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. Management has determined that no liability exists as of March 31, 2018.

***Net financial assets***

The Tribe's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

**3. Accounts receivable**

Included in accounts receivable is an amount of \$40,393 (2017 - \$21,894) receivable from members of the Tribe.

**4. Funds held in trust**

	<b>2018</b>	<b>2017</b>
<b>Ottawa Trust - Revenue</b>		
Balance, beginning of year	6,881	5,659
Interest income	1,335	1,127
BC Special Distribution	91	95
	<hr/> 8,307	6,881
<b>Ottawa Trust - Capital</b>		
Balance, beginning/end of year	53,297	53,297
	<hr/> 61,604	60,178

**Gwawaenuk Tribe**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2018*

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**5. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2018</b>	<b>2017</b>
Equity in Ottawa Trust Funds	61,604	60,178
Equity in tangible capital assets	546,389	247,035
Operating surplus	<u>297,722</u>	<u>321,512</u>
	<b>905,715</b>	<b>628,725</b>

**6. Economic dependence**

Gwawaenuk Tribe receives a significant portion of its revenues from Indigenous Services Canada ("ISC") as a result of agreements entered into with the Government of Canada. These agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the Tribe to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

**7. Segments**

During 2018, the Tribe had six segments: Administration, Capital Projects, Education, Economic Development and Maintenance, Health, and Social Development. These segments are differentiated by major activities; accountability and control relationships.

Administration - Includes general operation, support, and financial management of the Tribe.

Capital Projects - Includes revenue and expenditures related to capital assets.

Education - Includes revenue and expenses related to primary, secondary, and post secondary education of the members of the Gwawaenuk Tribe.

Economic Development and Maintenance - Includes activities related to the growth of revenue producing projects with the Tribe, along with maintenance projects associated with the Tribe.

Health - Includes activities related to the provision of health services within the Tribe.

Social Development - Includes revenue and expenditures related to social assistance and events.

**Gwawaenuk Tribe**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2018*

	<i>General Housing</i>	<i>Infrastructure</i>	<i>General Equipment</i>	2018	2017
<b>Cost</b>					
Balance, beginning of year	504,385	53,452	510,100	1,067,937	1,032,565
Acquisition of tangible capital assets	21,242	-	3,650	24,892	35,372
Construction-in-progress	-	-	300,556	300,556	-
<b>Balance, end of year</b>	<b>525,627</b>	<b>53,452</b>	<b>814,306</b>	<b>1,393,385</b>	<b>1,067,937</b>
<b>Accumulated amortization</b>					
Balance, beginning of year	367,965	30,045	422,892	820,902	793,766
Annual amortization	7,352	936	17,806	26,094	27,136
<b>Balance, end of year</b>	<b>375,317</b>	<b>30,981</b>	<b>440,698</b>	<b>846,996</b>	<b>820,902</b>
<b>Net book value of tangible capital assets</b>	<b>150,310</b>	<b>22,471</b>	<b>373,608</b>	<b>546,389</b>	<b>247,035</b>
<b>Net book value of tangible capital assets 2017</b>	<b>136,424</b>	<b>23,407</b>	<b>87,204</b>	<b>247,035</b>	

**Gwawaenuk Tribe**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Consolidated expenses by object</b>		
Administration	12,453	13,974
Allowances	3,000	5,594
Amortization	26,094	27,136
Bank charges and interest	1,255	4,578
Boat expenses	54,472	32,141
Community gatherings	2,690	3,163
Consulting	48,187	79,114
Contracted services	32,365	12,248
Fishery	2,093	4,069
Fuel	8,976	3,741
Funeral	1,400	-
Honoraria	7,400	16,125
Insurance	4,233	4,346
Project coordination fees	55,520	-
Meeting	678	150
Member support	44,938	44,730
Miscellaneous	9,525	3,269
Professional fees	97,617	41,732
Program expense	1,000	-
Repairs and maintenance	3,894	-
Salaries and benefits	622,711	511,212
Supplies	9,689	11,252
Telephone	1,328	2,161
Training	-	1,800
Transportation	1,050	735
Travel	52,282	28,066
Tuition	11,533	9,363
Utilities	13,474	12,626
Vehicle	35,075	39,207
	<b>1,164,932</b>	<b>912,532</b>

**Gwawaenuk Tribe**  
**Administration**  
**Schedule 3 - Schedule of Revenue and Expenses and Deficit**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Indigenous Services Canada	103,936	105,434
Ottawa Trust Fund	1,425	1,221
	<b>105,361</b>	106,655
<b>Expenses</b>		
Bank charges and interest	223	253
Community gatherings	-	500
Consulting	5,068	5,796
Contracted services	12,950	4,885
Honoraria	-	825
Insurance	1,358	1,355
Miscellaneous	8,580	3,082
Professional fees	9,475	10,025
Salaries and benefits	53,934	56,697
Supplies	3,548	4,373
Travel	2,949	9,043
Utilities	6,347	6,194
Vehicle	3,829	4,343
	<b>108,261</b>	107,371
<b>Deficit</b>	<b>(2,900)</b>	(716)

**Gwawaenuk Tribe**  
**Capital Projects**  
**Schedule 4 - Schedule of Expenses and Surplus**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Expenses</b>		
Amortization	26,094	27,136
<b>Deficit before transfers</b>	(26,094)	(27,136)
<b>Transfers between programs</b>	325,447	35,370
<b>Surplus</b>	299,353	8,234

**Gwawaenuk Tribe**  
**Education**  
**Schedule 5 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Indigenous Services Canada	<b>23,082</b>	7,926
<b>Expenses</b>		
Administration	1,453	1,256
Allowances	3,000	5,594
Tuition	<b>11,533</b>	9,363
	<b>15,986</b>	16,213
<b>Surplus (deficit)</b>	<b>7,096</b>	(8,287)

**Gwawaenuk Tribe**  
**Economic Development and Maintenance**  
**Schedule 6 - Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Indigenous Services Canada	107,282	121,780
Economic activity	496,896	311,533
Lease revenue	-	1,500
Forestry Initiatives	630,000	-
Province of B.C.	22,397	-
Indigenous Perspectives Society	25,000	-
	<b>1,281,575</b>	<b>434,813</b>
<b>Expenses</b>		
Administration	11,000	10,250
Bank charges and interest	1,032	4,325
Boat expenses	54,472	32,141
Consulting	43,119	64,418
Contracted services	19,415	7,363
Fishery	2,093	4,069
Fuel	8,976	3,741
Funeral	1,400	-
Honoraria	-	8,400
Insurance	2,875	2,991
Meeting	678	150
Member support	44,938	44,730
Miscellaneous	946	187
Professional fees	88,142	31,707
Program expense	1,000	-
Project coordination fees	53,070	-
Repairs and maintenance	3,894	-
Salaries and benefits	551,029	434,037
Supplies	5,164	5,963
Telephone	1,328	2,161
Training	-	1,000
Transportation	1,050	735
Travel	47,194	15,212
Utilities	7,127	6,432
Vehicle	31,245	34,864
	<b>981,187</b>	<b>714,876</b>
<b>Surplus (deficit) before transfers</b>	<b>300,388</b>	<b>(280,063)</b>
<b>Transfers between programs</b>	<b>(325,447)</b>	<b>(35,370)</b>
<b>Deficit</b>	<b>(25,059)</b>	<b>(315,433)</b>

**Gwawaenuk Tribe**  
**Health**  
**Schedule 7 - Schedule of Revenue and Expenses and Deficit**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Vancouver Island Health Authority	-	15,985
<b>Expenses</b>		
Consulting	-	7,000
Salaries and benefits	-	5,985
Travel	-	3,000
	-	15,985
<b>Transfers between programs</b>	<b>(1,500)</b>	-
<b>Deficit</b>	<b>(1,500)</b>	-

**Gwawaenuk Tribe**  
**Social Development**  
**Schedule 8 - Schedule of Revenue and Expenses and Surplus**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Indigenous Services Canada	31,904	30,951
<b>Expenses</b>		
Administration	-	2,468
Community gatherings	2,690	2,663
Consulting	-	1,900
Honoraria	7,400	6,900
Project coordination fees	2,450	-
Salaries and benefits	17,748	14,493
Supplies	977	916
Training	-	800
Travel	2,139	811
	33,404	30,951
<b>Deficit before transfers</b>	<b>(1,500)</b>	-
<b>Transfers between programs</b>	<b>1,500</b>	-
<b>Surplus</b>	<b>-</b>	-