



Vohora LLP

CPAs & Business Advisors

SKIDEGATE BAND COUNCIL

FINANCIAL STATEMENTS

MARCH 31, 2024



Vohora LLP

CPAs & Business Advisors

SKIDEGATE BAND COUNCIL
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MARCH 31, 2024

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SKIDEGATE BAND COUNCIL

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

YEAR ENDED MARCH 31, 2024

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

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include some amounts based on 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.

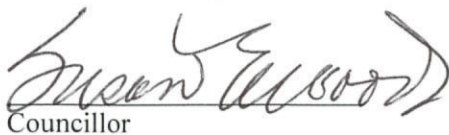
The Skidegate Band Council maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Band's assets are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

The Band Council 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 and Council review the Band's financial statements and recommend their approval. The Chief and Council meet 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 annual report, the financial statements and the external auditor's report. The Chief and Council take this information into consideration when approving the financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

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


Chief


Councillor



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INDEPENDENT AUDITOR'S REPORT

To the Chief and Council of Skidegate Band Council

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Skidegate Band Council (the "Band Council"), which comprise the statement of financial position as at March 31, 2024, and the statements of financial activities, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Band Council as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Qualified Opinion

Canadian public sector accounting standards ("PSAS") Section PS 3280 Asset Retirements Obligations ("ARO") requires the recognition of an ARO liability when there is a legal obligation that establishes a clear responsibility to incur retirement costs in relation to a tangible capital asset. The Band Council has not identified ARO liabilities as of March 31, 2024 and we were unable to satisfy ourselves concerning those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments to the financial statements would be necessary. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified because of the effects of this departure from Canadian public sector accounting standards.

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 Financial Statements* section of our report. We are independent of the Band Council in accordance with 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 qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

(continues)





INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Chief and Council of Skidegate Band Council (*continued*)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional 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 Band Council'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 Band Council'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 Band Council 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.



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INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Chief and Council of Skidegate Band Council (*continued*)

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.

Prince Rupert, BC
October 1, 2024


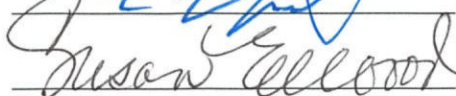
Vohora LLP

Chartered Professional Accountants

SKIDEGATE BAND COUNCIL
STATEMENT OF FINANCIAL POSITION
MARCH 31

	2024	2023
	\$	\$
FINANCIAL ASSETS		
Cash	31,046,287	16,084,463
Accounts receivable (note 2)	5,192,353	5,406,374
Ottawa Trust funds (note 3)	<u>1,073,130</u>	<u>981,400</u>
	<u>37,311,770</u>	<u>22,472,237</u>
LIABILITIES		
Accounts payable and accruals (note 4)	<u>4,708,745</u>	<u>5,579,190</u>
NET FINANCIAL ASSETS	<u>32,603,025</u>	<u>16,893,047</u>
NON-FINANCIAL ASSETS		
Investments (notes 1 and 5)	3,802,691	3,367,409
Prepaid expenses (note 6)	116,421	210,409
Property and equipment (notes 1 and 7)	<u>35,423,852</u>	<u>34,097,411</u>
	<u>39,342,964</u>	<u>37,675,229</u>
	<u>71,945,989</u>	<u>54,568,276</u>
BAND POSITION		
Surplus (note 8)	31,646,316	16,122,056
Equity in Ottawa Trust funds (note 3)	1,073,130	981,400
Equity in property and equipment (note 9)	35,423,852	34,097,411
Equity in investments (note 5)	<u>3,802,691</u>	<u>3,367,409</u>
	<u>71,945,989</u>	<u>54,568,276</u>
CONTINGENT LIABILITIES (note 10)		

APPROVED ON BEHALF OF COUNCIL

 Councillor
 Councillor

SKIDEGATE BAND COUNCIL

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED MARCH 31

	Budget	2024	2023
	\$	\$	\$
REVENUE			
ISC	10,731,972	14,568,093	12,453,721
First Nations Health Authority	197,755	197,755	535,557
Ottawa Trust Funds	90,000	91,730	40,360
Council of the Haida Nation	10,000,000	10,000,000	-
Parks Canada	123,324	65,000	118,450
Other	5,426,997	8,905,376	7,721,631
	<u>26,570,048</u>	<u>33,827,954</u>	<u>20,869,719</u>
EXPENDITURE			
Administration	2,500,395	2,628,936	3,668,504
Amortization	950,000	976,724	769,221
Capital projects	4,264,592	2,941,618	3,508,874
Community infrastructure	2,537,175	2,042,089	1,604,583
Education	4,317,846	4,131,005	3,884,311
Other	408,091	1,476,278	2,491,974
Parks and recreation	413,609	286,439	216,910
Social services	1,055,539	1,295,935	1,313,532
Youth	662,498	671,217	653,885
	<u>17,109,745</u>	<u>16,450,241</u>	<u>18,111,794</u>
REVENUE OVER EXPENDITURE	9,460,303	17,377,713	2,757,925
OPENING POSITION	<u>54,568,276</u>	<u>54,568,276</u>	<u>51,810,351</u>
CLOSING POSITION	<u>64,028,579</u>	<u>71,945,989</u>	<u>54,568,276</u>

SKIDEGATE BAND COUNCIL

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Revenue over expenditure	17,377,713	2,757,925
Amortization	976,724	769,221
Accounts payable and accruals	(870,445)	3,215,468
Replacement reserve	-	(124,622)
Accounts receivable	214,021	(4,159,245)
Ottawa Trust funds	(91,730)	(40,360)
Prepaid expenses	93,988	(100,261)
	<u>17,700,271</u>	<u>2,318,126</u>
INVESTING ACTIVITIES		
Property and equipment additions	(2,303,165)	(1,157,033)
Investments	<u>(435,282)</u>	<u>(579,111)</u>
	<u>(2,738,447)</u>	<u>(1,736,144)</u>
CHANGE IN CASH	14,961,824	581,982
OPENING CASH BALANCE	<u>16,084,463</u>	<u>15,502,481</u>
CLOSING CASH BALANCE	<u>31,046,287</u>	<u>16,084,463</u>

SKIDEGATE BAND COUNCIL

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

YEAR ENDED MARCH 31

	Budget	2024	2023
	\$	\$	\$
Revenue over expenditure	9,460,303	17,377,713	2,757,925
Amortization	950,000	976,724	769,221
Property and equipment additions	2,500,000	(2,303,165)	(1,157,033)
Prepaid expenses	100,000	93,988	(100,261)
Investments	<u>(500,000)</u>	<u>(435,282)</u>	<u>(579,111)</u>
 Change in net financial assets	 12,510,303	 15,709,978	 1,690,741
 Opening net financial assets	 <u>16,893,047</u>	 <u>16,893,047</u>	 <u>15,202,306</u>
 Closing net financial assets	 <u>29,403,350</u>	 <u>32,603,025</u>	 <u>16,893,047</u>

SKIDEGATE BAND COUNCIL

NOTES

MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

a) Fund Accounting

These financial statements have been prepared using the fund accounting method and guidelines issued by Indigenous Services Canada which includes compliance with Canadian public sector accounting standards.

b) Revenue Recognition

Revenue is recorded in the period in which the transactions or events that give rise to the revenue occur. Funding from external parties restricted by agreement or legislation is reported as deferred revenue until used for the purposes specified. Investment revenue is recognized when earned.

c) Property and Equipment

Property and equipment purchases with a value greater than \$5,000 are reported on the statement of financial position. Property and equipment are reported at cost and are amortized using the declining balance method at the following annual rates:

Buildings	2.5 & 5%
Infrastructure	2.5%
Equipment	20%

d) Accrual Accounting

Revenue and expenditures are reported in the period which the services are rendered or products received.

e) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts reported. Estimates include the useful life of property and equipment, the allowance for doubtful accounts receivable and certain accrued liabilities. Actual results could differ from these estimates.

f) Budget Information

Budget information is unaudited and provided by management.

SKIDEGATE BAND COUNCIL

NOTES

MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial Instruments

It is management's opinion that the Band's financial instruments are not exposed to significant interest rate, liquidity, market or other price risks. Financial assets and liabilities are recorded at market value at the date of acquisition.

2. ACCOUNTS RECEIVABLE

	2024	2023
ISC	\$ 820,126	\$ 235,507
Xaayda Naay Haida House Society		
	1,013,980	553,002
Local	2,498,229	1,180,192
Other	1,591,036	4,281,764
	<u>5,923,371</u>	<u>6,250,465</u>
Allowance for doubtful accounts	<u>731,018</u>	<u>844,091</u>
	<u>\$ 5,192,353</u>	<u>\$ 5,406,374</u>

3. OTTAWA TRUST FUNDS

Indigenous Services Canada (ISC) holds funds in trust for the Band. These funds are designated as revenue or capital funds as is required by the Indian Act. The Band is permitted to expend its revenue fund for any purpose that will promote the general progress and welfare of the Band and its members. The expenditure of capital funds must be for projects of a capital nature and require the consent of the Minister of ISC.

	Revenue	Capital	Total
Opening balance	\$ 697,046	\$ 284,354	\$ 981,400
Interest and other	<u>46,558</u>	<u>45,172</u>	<u>91,730</u>
Closing balance	<u>\$ 743,604</u>	<u>\$ 329,526</u>	<u>\$1,073,130</u>

SKIDEGATE BAND COUNCIL

NOTES

MARCH 31, 2024

4. ACCOUNTS PAYABLE AND ACCRUALS

	2024	2023
Trade accounts and accruals	\$ 4,147,763	\$ 5,242,636
Wages and benefits	<u>560,982</u>	<u>336,544</u>
	<u>\$4,708,745</u>	<u>\$ 5,579,180</u>

5. INVESTMENTS

The Band controls the following entities:

Gwaalagaa Naay Corporation
Taaw Naay Enterprises Ltd.
Haida Expeditions Ltd.

The carrying values of the investments at March 31, 2024 are as follows:

Gwaalagaa Naay Corporation	\$ 3,748,280
Haida Expeditions Ltd.	43,427
Delmas Co-operative - cost	<u>10,984</u>
	<u>\$3,802,691</u>

The carrying value of Taaw Naay Enterprises Ltd. is nil.

6. PREPAID EXPENSES

	2024	2023
Post-secondary allowances	\$ 45,650	\$ 49,250
Social services	28,994	42,420
Deposits and other	<u>41,777</u>	<u>118,739</u>
	<u>\$ 116,421</u>	<u>\$ 210,409</u>

SKIDEGATE BAND COUNCIL

NOTES

MARCH 31, 2024

7. PROPERTY AND EQUIPMENT

	PROPERTY AND EQUIPMENT				ACCUMULATED AMORTIZATION				NET BOOK VALUE	
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Annual Amortization	Disposals	Closing Balance	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	650,712	-	-	650,712	-	-	-	-	650,712	650,712
Buildings	23,207,453	83,232	-	23,290,685	5,245,907	386,206	-	5,632,113	17,658,572	17,961,546
Infrastructure	38,140,230	2,059,769	-	40,199,999	23,546,221	380,257	-	23,926,478	16,273,521	14,594,009
Equipment	2,288,461	160,164	-	2,448,625	1,397,317	210,261	-	1,607,578	841,047	891,144
	<u>64,286,856</u>	<u>2,303,165</u>	<u>-</u>	<u>66,590,021</u>	<u>30,189,445</u>	<u>976,724</u>	<u>-</u>	<u>31,166,169</u>	<u>35,423,852</u>	<u>34,097,411</u>

SKIDEGATE BAND COUNCIL

NOTES

MARCH 31, 2024

8. SURPLUS

	2024	2023
Administration	\$ 19,184,380	\$ 4,200,704
Capital Projects	1,332,254	1,741,730
Community Infrastructure	1,339,675	2,233,524
Education	3,141,665	2,685,413
Other	1,585,899	1,730,363
Parks and Recreation	438,713	437,896
Social Services	3,220,572	2,154,988
Youth	1,403,158	937,438
	<u>\$ 31,646,316</u>	<u>\$ 16,122,056</u>

9. EQUITY IN PROPERTY AND EQUIPMENT

	2024	2023
Opening balance	\$ 34,097,411	\$ 33,709,807
Contributions from operations (net)	2,303,165	1,156,825
Amortization	<u>-976,724</u>	<u>-769,221</u>
Closing balance	<u>\$ 35,423,852</u>	<u>\$ 34,097,411</u>

10. CONTINGENT LIABILITIES

Guarantor of Band member mortgages to \$8,061,482.

11. SEGMENT DISCLOSURE

The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in note one. The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the year are as follows:

SKIDEGATE BAND COUNCIL

NOTES

MARCH 31, 2024

11. SEGMENT DISCLOSURE (continued)

	Budget	Administration	Capital Projects	Community Infrastructure	Education	Other	Parks and Recreation	Social Services	Youth	Amortization	Total 2024	Total 2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE												
ISC	10,731,972	912,459	2,395,838	2,628,939	4,082,490	206,707	85,023	4,206,637	50,000	-	14,568,093	12,453,721
Council of the Haida Nation	10,000,000	10,000,000	-	-	-	-	-	-	-	-	10,000,000	-
FNHA	197,755	-	-	-	-	16,237	-	-	181,518	-	197,755	535,557
Other	5,640,321	3,423,069	2,256,775	160,837	585,568	1,515,149	177,233	45,612	897,863	-	9,062,106	7,880,441
	<u>26,570,048</u>	<u>14,335,528</u>	<u>4,652,613</u>	<u>2,789,776</u>	<u>4,668,058</u>	<u>1,738,093</u>	<u>262,256</u>	<u>4,252,249</u>	<u>1,129,381</u>	<u>-</u>	<u>33,827,954</u>	<u>20,869,719</u>
EXPENDITURE												
Administration	29,664	214	-	-	-	2,638	-	-	27,984	-	30,836	21,288
Advances to Band entities	137,541	-	-	-	-	358,733	-	-	-	-	358,733	128,540
Amortization	950,000	-	-	-	-	-	-	-	-	976,724	976,724	769,221
Contract services	9,476,274	166,744	2,654,863	728,859	3,090,753	800,205	113,971	1,610	50,321	-	7,607,326	8,761,675
Council operations	558,811	431,506	-	-	-	-	-	-	-	-	431,506	349,537
Insurance	107,458	24,618	-	74,744	2,379	6,767	10,099	1,050	2,023	-	121,680	111,248
Maintenance and repairs	51,200	-	-	183,609	-	19,508	-	-	-	-	203,117	148,998
Materials and supplies	1,079,955	856,471	286,755	301,590	90,676	66,393	56,686	13,902	22,354	-	1,694,827	1,567,159
Office and other	169,405	177,626	-	-	3,567	-	-	-	21,000	-	202,193	441,271
Professional services	91,752	236,558	-	-	-	-	-	-	-	-	236,558	105,385
Program allowances	1,302,723	-	-	-	736,801	-	-	937,983	-	-	1,674,784	3,076,241
Telephone and utilities	224,027	19,621	-	135,912	8,017	33,333	3,171	10,760	6,694	-	217,508	188,221
Travel and training	83,942	13,028	-	11,374	-457	-	-	12,889	-	-	36,834	30,042
Wages and benefits	2,846,993	702,550	-	606,001	199,269	188,701	102,512	317,741	540,841	-	2,657,615	2,412,968
	<u>17,109,745</u>	<u>2,628,936</u>	<u>2,941,618</u>	<u>2,042,089</u>	<u>4,131,005</u>	<u>1,476,278</u>	<u>286,439</u>	<u>1,295,935</u>	<u>671,217</u>	<u>976,724</u>	<u>16,450,241</u>	<u>18,111,794</u>
REVENUE OVER EXPENDITURE	<u>9,460,303</u>	<u>11,706,592</u>	<u>1,710,995</u>	<u>747,687</u>	<u>537,053</u>	<u>261,815</u>	<u>-24,183</u>	<u>2,956,314</u>	<u>458,164</u>	<u>-976,724</u>	<u>17,377,713</u>	<u>2,757,925</u>
TRANSFERS	<u>-</u>	<u>3,399,715</u>	<u>-17,865</u>	<u>-1,471,878</u>	<u>-80,801</u>	<u>29,003</u>	<u>25,000</u>	<u>-1,890,730</u>	<u>7,556</u>	<u>-</u>	<u>-</u>	<u>-</u>
ANNUAL SURPLUS (DEFICIT)	<u>9,460,303</u>	<u>15,106,307</u>	<u>1,693,130</u>	<u>-724,191</u>	<u>456,252</u>	<u>290,818</u>	<u>817</u>	<u>1,065,584</u>	<u>465,720</u>	<u>-976,724</u>	<u>17,377,713</u>	<u>2,757,925</u>