

GLEN VOWELL BAND COUNCIL

FINANCIAL STATEMENTS

MARCH 31, 2020

GLEN VOWELL BAND COUNCIL
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GLEN VOWELL BAND COUNCIL

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

YEAR ENDED MARCH 31, 2020

The financial statements of the Glen Vowell Band Council and all the information in this annual report are the responsibility of management and have been approved by the Band Council and the Band Manager.

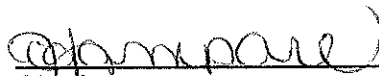
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards which includes certain amounts based on judgments and estimates. Management has chosen the most appropriate method to determine the judgments/estimates to ensure the financial statements are presented fairly, in all material respects.

The Glen Vowell Band Council maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is reliable and accurate and that assets are adequately safeguarded.

The Band Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Band Council meets regularly with management and is available to meet with the external auditor to satisfy themselves that each party is properly discharging their responsibilities. The Band Council also considers the engagement of the external auditor.

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



Chief (Deputy)



Band Manager

**INDEPENDENT AUDITOR'S REPORT
TO THE GLEN VOWELL BAND COUNCIL**

Opinion

We have audited the financial statements of the Glen Vowell Band Council, which comprise the consolidated statement of financial position as at March 31, 2020 and the consolidated statements of financial activities, cash flows and changes in net financial assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2020 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

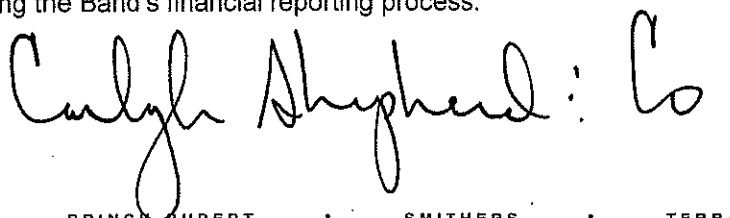
Responsibilities of Management and Council for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless conditions exist that do not allow for the going concern basis to be used.

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

Terrace, BC
November 4, 2020



GLEN VOWELL BAND COUNCIL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	798,737	68,182
Accounts receivable (note 2)	166,396	184,190
Inventory (note 1)	10,179	6,822
Ottawa Trust funds (note 3)	<u>37,847</u>	<u>35,896</u>
	<u>1,013,159</u>	<u>295,090</u>
LIABILITIES		
Accounts payable and accruals (note 4)	258,851	111,197
Long-term debt (note 6)	<u>46,708</u>	<u>66,700</u>
	<u>305,559</u>	<u>177,897</u>
NET FINANCIAL ASSETS	<u>707,600</u>	<u>117,193</u>
NON-FINANCIAL ASSETS		
Prepaid expenditures	37,901	46,550
Property and equipment (notes 1 and 5)	<u>5,713,523</u>	<u>5,410,544</u>
	<u>6,459,024</u>	<u>5,574,287</u>
BAND POSITION		
Surplus (note 7)	707,654	127,847
Equity in property and equipment (note 8)	5,713,523	5,410,544
Ottawa Trust funds (note 3)	<u>37,847</u>	<u>35,896</u>
	<u>6,459,024</u>	<u>5,574,287</u>

APPROVED BY THE COUNCIL

[Signature] Chief Councillor (Deputy)

[Signature] Band Manager

GLEN VOWELL BAND COUNCIL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED MARCH 31

	Unaudited Budget 2020 \$	2020 \$	2019 \$
REVENUE			
GGC	2,539,953	2,539,953	1,956,645
BC FN Gaming Revenue Sharing LP	337,637	337,637	-
Gitxsan Health Society	102,496	116,305	117,593
Rental	136,000	127,786	130,960
Ottawa Trust funds	1,365	1,951	1,365
Other	217,510	410,431	272,454
	<u>3,334,961</u>	<u>3,534,063</u>	<u>2,479,017</u>
EXPENDITURE			
Amortization	373,673	383,925	373,673
Band Support	469,236	455,725	496,406
Brighter Futures	96,954	79,944	92,764
Capital Housing/Projects	27,025	27,025	127,297
Community Infrastructure	280,070	376,998	302,859
Economic Development	424,295	360,935	280,968
Education	194,850	205,205	251,358
Social Services	750,386	759,569	687,442
	<u>2,616,489</u>	<u>2,649,326</u>	<u>2,612,767</u>
REVENUE OVER EXPENDITURE	718,472	884,737	-133,750
OPENING POSITION	<u>5,574,287</u>	<u>5,574,287</u>	<u>5,708,037</u>
CLOSING POSITION	<u>6,292,759</u>	<u>6,459,024</u>	<u>5,574,287</u>

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

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Revenue over expenditure	884,737	-133,750
Amortization	383,925	373,673
Accounts receivable	17,794	-49,904
Inventory	-3,357	-786
Ottawa Trust funds	-1,951	-1,365
Prepaid expenditures	8,649	-6,302
Accounts payable and accruals	147,654	-56,570
	<u>1,437,451</u>	<u>124,996</u>
FINANCING ACTIVITIES		
Long-term debt	<u>-19,992</u>	<u>-19,992</u>
INVESTING ACTIVITIES		
Property and equipment additions	<u>-686,904</u>	<u>-342,132</u>
CHANGE IN CASH	730,555	-237,128
OPENING CASH BALANCE	<u>68,182</u>	<u>305,310</u>
CLOSING CASH BALANCE	<u>798,737</u>	<u>68,182</u>

GLEN VOWELL BAND COUNCIL

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

YEAR ENDED MARCH 31

	2020	2019
	\$	\$
Revenue over expenditure	884,737	-133,750
Amortization	383,925	373,673
Property and equipment additions	-686,904	-342,132
Prepaid expenditures	<u>8,649</u>	<u>-6,302</u>
Change in the year	590,407	-108,511
Opening net financial assets	<u>117,193</u>	<u>225,704</u>
Closing net financial assets	<u>707,600</u>	<u>117,193</u>

GLEN VOWELL BAND COUNCIL

NOTES

MARCH 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

a) Fund Accounting

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

The Band maintains the following funds which are consolidated into the financial statements:

- Operating fund reports the general activities of the Band.
- Capital fund reports the property and equipment of the Band, together with related financing.
- Ottawa Trust fund reports the trust funds owned by the Band and held by the federal government.

b) Reporting Entity

The Band's reporting entity includes Sik-e-Dakh Development Corporation that has been fully consolidated on a line-by-line basis.

c) Inventory

Inventory is valued at cost.

d) Property and Equipment

Property and equipment are reported at cost and are amortized using the declining balance method, at the following annual rates:

Buildings	4%
Engineered structures	4%
Equipment	20%

e) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards require management to make estimates and assumptions that affect the amounts reported. Actual results could differ from these estimates.

f) Financial Instruments

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

GLEN VOWELL BAND COUNCIL

NOTES

MARCH 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Recognition of Revenue and Expenditures

Revenue is recorded in the period in which the transaction 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. Other revenue is recognized when earned.

Expenditures are accounted for in the period when the goods and services are acquired and the liability is incurred.

2. ACCOUNTS RECEIVABLE

	2020	2019
Trade and other	\$ 180,071	\$ 197,865
Rent	558,633	536,483
Allowance for doubtful accounts	<u>-572,308</u>	<u>-550,158</u>
	<u>\$ 166,396</u>	<u>\$ 184,190</u>

3. OTTAWA TRUST FUNDS

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.

	Capital	Revenue	2020	2019
Opening balance	\$ 22,942	\$ 12,954	\$ 35,896	\$ 34,531
Interest	-	1,951	1,951	1,365
	<u>\$ 22,942</u>	<u>\$ 14,905</u>	<u>\$ 37,847</u>	<u>\$ 35,896</u>

4. ACCOUNTS PAYABLES AND ACCRUALS

	2020	2019
Trade payables and accruals	\$ 134,991	\$ 59,353
Governmental payables	102,209	25,617
Wages and benefits	<u>21,651</u>	<u>26,227</u>
	<u>\$ 258,851</u>	<u>\$ 111,197</u>

GLEN VOWELL BAND COUNCIL

NOTES

MARCH 31, 2020

5. PROPERTY AND EQUIPMENT

	Cost			Accumulated Amortization			Net Book Value			
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Annual Amortization	Disposals	Closing Balance	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings	4,934,040	-	-	4,934,040	1,901,896	203,031	-	2,104,927	2,829,113	3,032,144
Engineered structures	4,315,629	664,395	-	4,980,024	2,185,002	126,837	-	2,311,839	2,668,185	2,130,627
Equipment	920,972	22,509	-	943,481	673,199	54,057	-	727,256	216,225	247,773
	<u>10,170,641</u>	<u>686,904</u>	<u>-</u>	<u>10,857,545</u>	<u>4,760,097</u>	<u>383,925</u>	<u>-</u>	<u>5,144,022</u>	<u>5,713,523</u>	<u>5,410,544</u>

GLEN VOWELL BAND COUNCIL

NOTES

MARCH 31, 2020

6. LONG-TERM DEBT

Royal Bank of Canada term loan, \$1,666/month plus interest at prime plus 2.3%; secured by a general security agreement. Principal repayment is \$19,992 per year.

7. SURPLUS (DEFICIT)

	2020	2019
Band Support	\$ 258,321	\$ -
Brighter Futures	45,511	25,036
Capital Housing/Projects	19,881	19,881
Community Infrastructure	260,924	50,000
Economic Development	-27,709	-5,002
Education	100,119	62,984
Social Services	50,607	-25,052
	<u>\$ 707,654</u>	<u>\$ 127,847</u>

8. EQUITY IN PROPERTY AND EQUIPMENT

	2020	2019
Opening balance	\$ 5,410,544	\$ 5,442,085
Contributions from operations	686,904	342,132
Amortization	<u>-383,925</u>	<u>-373,673</u>
Closing balance	<u>\$ 5,713,523</u>	<u>\$ 5,410,544</u>

9. SEGMENT DISCLOSURE

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

GLEN VOWELL BAND COUNCIL

NOTES

MARCH 31, 2020

9. SEGMENT DISCLOSURE (continued)

	Budget Total 2020	Band Support	Brighter Futures	Capital Housing/ Projects	Community Infrastructure	Economic Development	Education	Social Services	Amortization	Total 2020	Total 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue											
GGC	2,539,953	341,506	-	691,420	502,470	29,946	214,026	760,585	-	2,539,953	1,956,645
BC FN Gaming Revenue Sharing LP	337,637	337,637	-	-	-	-	-	-	-	337,637	-
Gitsan Health Society	107,496	-	75,809	-	31,687	-	-	8,809	-	116,305	117,593
Rental	136,000	-	-	-	-	127,786	-	-	-	127,786	130,960
Ottawa Trust funds	1,365	1,951	-	-	-	-	-	-	-	1,951	1,365
Other	217,510	34,903	24,610	-	53,765	204,334	28,314	64,505	-	410,431	272,454
	<u>3,339,961</u>	<u>715,997</u>	<u>100,419</u>	<u>691,420</u>	<u>587,922</u>	<u>362,066</u>	<u>242,340</u>	<u>833,899</u>	<u>-</u>	<u>3,534,063</u>	<u>2,479,017</u>
Expenses											
Amortization	373,673	-	-	-	-	-	-	-	383,925	383,925	373,673
Bad debts	22,000	-	-	-	-	22,149	-	-	-	22,149	54,898
Bank charges and interest	14,455	6,002	-	-	-	4,378	-	-	-	10,380	10,455
Benefits and programs	747,132	-	-	-	-	-	149,993	616,201	-	766,194	800,739
Contract services	-569,169	13,417	-	-	65,780	7,256	5,985	-	-	92,438	168,194
GGC recovery	2,300	-	-	-	-	-	-	2,376	-	2,376	2,256
Honoraria	86,250	57,800	-	-	-	17,500	-	-	-	75,300	68,750
Insurance	43,681	4,418	-	-	32,299	19,680	332	-	-	56,729	48,884
Materials, supplies and other	429,360	68,276	31,587	27,025	65,065	156,152	14,284	35,876	-	398,265	344,864
Professional services	23,500	16,375	-	-	-	7,246	-	-	-	23,621	16,500
Rent	26,000	-	12,000	-	-	-	-	14,266	-	26,266	-
Repairs and maintenance	72,473	10,345	-	-	45,552	41,398	-	-	-	97,295	65,892
Telephone and utilities	87,067	11,596	-	-	40,032	6,879	1,530	-	-	59,837	91,662
Travel and workshops	99,135	40,405	6,819	-	23,732	4,919	5,976	-	-	81,851	112,643
Wages and benefits	494,237	227,091	29,538	-	104,538	73,578	27,105	90,851	-	552,701	453,357
	<u>1,952,094</u>	<u>455,725</u>	<u>79,944</u>	<u>27,025</u>	<u>376,998</u>	<u>360,935</u>	<u>205,205</u>	<u>759,569</u>	<u>383,925</u>	<u>2,649,326</u>	<u>2,612,767</u>
REVENUE OVER EXPENDITURE	1,387,867	260,272	20,475	684,395	210,924	1,131	37,135	74,330	-383,925	884,737	-133,750
TRANSFERS	-	-	-	-	-	-	-	-	-	-	-
ANNUAL SURPLUS (DEFICIT)	<u>1,387,867</u>	<u>260,272</u>	<u>20,475</u>	<u>684,395</u>	<u>210,924</u>	<u>1,131</u>	<u>37,135</u>	<u>74,330</u>	<u>-383,925</u>	<u>884,737</u>	<u>-133,750</u>

