

**GITKSAN GOVERNMENT COMMISSION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2016**



**GITKSAN GOVERNMENT COMMISSION**

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**MARCH 31, 2016**

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**GITKSAN GOVERNMENT COMMISSION**

**MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING**

**YEAR ENDED MARCH 31, 2016**

The financial statements of the Gitksan Government Commission and all the information in this annual report are the responsibility of management and have been approved by the Board and the Executive Director.

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 Commission 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.

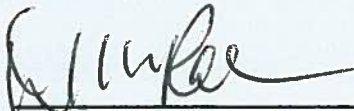
The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board of Directors 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 Board of Directors 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 Board.



\_\_\_\_\_  
President



\_\_\_\_\_  
Executive Director

Terrace, BC  
October 11, 2016

**INDEPENDENT AUDITOR'S REPORT  
TO THE GITKSAN GOVERNMENT COMMISSION**

**Report on the Financial Statements**

We have audited the accompanying statement of financial position of Gitksan Government Commission as at March 31, 2016 and the statements of financial activities, cash flows and changes in net financial assets for the year then ended and a summary of significant accounting policies.

**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 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.

**Auditor's Responsibility**

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

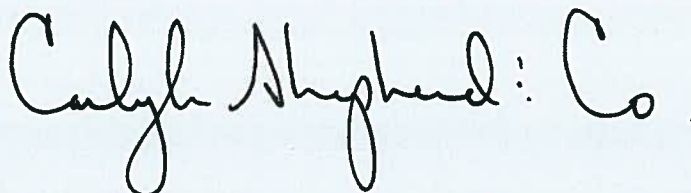
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2016 and the results of its operations, cash flows and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Terrace, BC  
October 11, 2016



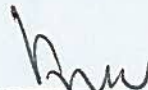
**GITKSAN GOVERNMENT COMMISSION**

**STATEMENT OF FINANCIAL POSITION**

**MARCH 31**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>FINANCIAL ASSETS</b>		
Cash	2,774,723	1,746,831
Short term investments (note 2)	15,772,817	20,709,863
Accounts receivable (note 3)	<u>1,683,227</u>	<u>203,906</u>
	<u>20,230,767</u>	<u>22,660,600</u>
<b>LIABILITIES</b>		
Bank demand loan (note 4)	455,000	-
Accounts payable and accruals (note 5)	<u>1,500,404</u>	<u>1,908,502</u>
	<u>1,955,404</u>	<u>1,908,502</u>
<b>NET FINANCIAL ASSETS</b>	<b>18,275,363</b>	<b>20,752,098</b>
<b>PROPERTY AND EQUIPMENT (notes 1 and 8)</b>	<u>107,352</u>	<u>83,359</u>
	<u>18,382,715</u>	<u>20,835,457</u>
<b>COMMISSION'S POSITION</b>		
Surplus (note 9)	18,275,363	20,752,098
Equity in property and equipment (note 6)	<u>107,352</u>	<u>83,359</u>
	<u>18,382,715</u>	<u>20,835,457</u>

**APPROVED ON BEHALF OF THE COMMISSION**

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Executor Director

**GITKSAN GOVERNMENT COMMISSION**

**STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED MARCH 31**

	<b>Unaudited Budget 2016 \$</b>	<b>2016 \$</b>	<b>2015 \$</b>
<b>REVENUE</b>			
INAC	20,370,495	20,370,495	21,471,555
Investment	-	-865,925	1,270,076
Other	<u>220,445</u>	<u>221,809</u>	<u>264,198</u>
	<u>20,590,940</u>	<u>19,726,379</u>	<u>23,005,829</u>
<b>EXPENDITURES</b>			
Administration	764,540	674,059	375,343
Investment/Surplus	1,969,135	1,954,314	328,775
Operations and maintenance	1,878,564	1,882,564	1,764,428
Pension plan	348,055	348,055	340,389
Economic development	335,784	335,784	1,074,378
Social development	3,752,352	3,763,211	3,962,884
Membership/RLAP	148,340	148,117	164,682
Education	7,693,836	8,151,961	8,592,340
Band support	1,593,911	1,593,911	1,562,638
Capital			
Projects/Housing	3,652,364	3,172,897	2,855,819
Services	487,320	145,525	145,437
Amortization	<u>4,000</u>	<u>8,723</u>	<u>3,905</u>
	<u>22,628,201</u>	<u>22,179,121</u>	<u>21,171,018</u>
<b>REVENUE OVER EXPENDITURE</b>	-2,037,261	-2,452,742	1,834,811
<b>OPENING POSITION</b>	<u>20,835,457</u>	<u>20,835,457</u>	<u>19,000,646</u>
<b>CLOSING POSITION</b>	<u>18,798,196</u>	<u>18,382,715</u>	<u>20,835,457</u>

**GITKSAN GOVERNMENT COMMISSION**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Revenue over expenditure	-2,452,742	1,834,811
Amortization	8,723	3,905
Accounts receivable	-1,479,321	891,945
Accounts payable and accruals	<u>-408,098</u>	<u>1,489,299</u>
	<u>-4,331,438</u>	<u>4,219,960</u>
 <b>FINANCING ACTIVITIES</b>		
Bank demand loan	<u>455,000</u>	<u>-315,000</u>
 <b>INVESTING ACTIVITIES</b>		
Equipment additions	-32,716	-
Short term investments	<u>4,937,046</u>	<u>-3,161,647</u>
	<u>4,904,330</u>	<u>-3,161,647</u>
 <b>CHANGE IN CASH</b>	 1,027,892	 743,313
 <b>OPENING CASH BALANCE</b>	 <u>1,746,831</u>	 <u>1,003,518</u>
 <b>CLOSING CASH BALANCE</b>	 <u>2,774,723</u>	 <u>1,746,831</u>

**GITKSAN GOVERNMENT COMMISSION**

**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

**YEAR ENDED MARCH 31**

	<b>Unaudited Budget 2016 \$</b>	<b>2016 \$</b>	<b>2015 \$</b>
Revenue over expenditure	-2,037,261	-2,452,742	1,834,811
Amortization	4,000	8,723	3,905
Equipment additions	<u>-</u>	<u>-32,716</u>	<u>-</u>
Change in the year	-2,033,261	-2,476,735	1,838,716
Opening net financial assets	<u>20,752,098</u>	<u>20,752,098</u>	<u>18,913,382</u>
Closing net financial assets	<u>18,718,837</u>	<u>18,275,363</u>	<u>20,752,098</u>



# GITKSAN GOVERNMENT COMMISSION

## NOTES

MARCH 31, 2016

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a) Fund Accounting

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

#### b) Property and Equipment

Property and equipment are reported at cost and are amortized using the straight-line method as follows:

Buildings	50 years
Equipment	5 & 10 years

Property and equipment with a value exceeding \$5,000 is capitalized.

#### c) Recognition of Revenue and Expenditures

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 are recorded as deferred revenue until used for the purposes specified. Investment revenue is recognized when earned.

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

#### d) 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.

#### e) Financial Instruments

Financial assets and liabilities are reported at market value at the date of acquisition except for short-term investments which are reported at market value at year-end. It is management's opinion that the Commission's financial instruments are not exposed to significant interest rate, liquidity, market or other price risks except for the short-term investments.

# GITKSAN GOVERNMENT COMMISSION

## NOTES

MARCH 31, 2016

### 2. SHORT-TERM INVESTMENTS

Short-term investments in bonds, common shares and mutual funds.

### 3. ACCOUNTS RECEIVABLE

INAC	\$ 1,308,433
GWES	276,795
Other	<u>97,999</u>
	<u>\$ 1,683,227</u>

### 4. BANK DEMAND LOAN

Royal Bank of Canada revolving loan, authorized to \$1,500,000, interest at prime plus 1% per annum; secured by a general security agreement.

### 5. ACCOUNTS PAYABLE AND ACCRUALS

Coast Mountains School District No. 82	\$ 581,310
INAC	129,927
Gitsegukla Health	175,000
Other	<u>614,167</u>
	<u>\$ 1,500,404</u>

### 6. EQUITY IN PROPERTY AND EQUIPMENT

Opening balance	\$ 83,359
Equipment additions	32,716
Amortization	<u>-8,723</u>
Closing balance	<u>\$ 107,352</u>

### 7. OPERATIONS

The Gitksan Government is an incorporated society providing management and advisory services to member bands and education societies.

GITKSAN GOVERNMENT COMMISSION

NOTES

MARCH 31, 2016

8. PROPERTY AND EQUIPMENT

	CAPITAL ASSETS				ACCUMULATED AMORTIZATION			NET BOOK VALUE	
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Annual Amortization Disposals	Closing Balance	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	7,083	-	-	7,083	-	-	-	7,083	7,083
Building	108,976	-	-	108,976	32,700	2,180	34,880	74,096	76,276
Equipment	31,509	32,716	-22,900	41,325	31,509	6,543	15,152	26,173	-
	147,568	32,716	-22,900	157,384	64,209	8,723	50,032	107,352	83,359

**GITKSAN GOVERNMENT COMMISSION**

**NOTES**

**MARCH 31, 2016**

**9. SURPLUS**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Administration	416,234	274,712
Investment/Surplus	8,596,667	11,416,906
Operations and maintenance	-555,411	-355,289
Pension plan	140,336	95,117
Economic development	38,450	29,876
Social Development	2,463,935	1,650,699
Membership/RLAP	17	15,185
Education	2,150,588	2,192,884
Capital		
Projects/Housing	4,758,445	5,434,838
Services	<u>266,102</u>	<u>-2,830</u>
	<u>18,275,363</u>	<u>20,752,098</u>

**10. 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 on the following page:

GITKSAN GOVERNMENT COMMISSION

NOTES

MARCH 31, 2016

10. SEGMENT DISCLOSURE (continued)

	Administration	Investment/ Surplus	Operations and Maintenance	Pension Plan	Economic Development	Social Development	Membership/ RLAP	Education	Band Support	Capital Amortization	Total 2016	Total 2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>												
INAC	750,750	-	1,549,124	393,274	344,358	4,576,447	129,685	8,109,865	1,593,911	2,923,381	20,370,495	21,471,555
Investment	-	-885,925	-	-	-	-	-	-	-	-	-885,925	1,270,076
Other	85,062	-	133,318	-	-	-	3,364	-	-	75	221,809	284,198
	<u>835,802</u>	<u>-885,925</u>	<u>1,682,442</u>	<u>393,274</u>	<u>344,358</u>	<u>4,576,447</u>	<u>132,949</u>	<u>8,109,865</u>	<u>1,593,911</u>	<u>2,923,456</u>	<u>19,726,379</u>	<u>23,005,829</u>
<b>EXPENDITURES</b>												
Amortization	-	-	-	-	-	-	-	-	-	-	8,723	3,905
Contract services	10,496	837	116,241	-	-	18,588	-	3,046,587	-	40,336	3,233,088	4,534,078
Flow through funding	250,750	1,885,000	1,745,247	242,952	335,784	3,587,352	57,903	5,105,364	1,593,911	3,118,256	17,922,519	15,403,162
Honoraria	43,786	-	-	-	-	-	-	-	-	-	43,786	39,300
INAC recovery	-	-	-	-	-	79,927	-	-	-	-	79,927	211,951
Materials, supplies and other	104,706	-	1,106	-	-	6,481	2,200	-	-	17,087	131,590	199,378
Professional services	11,391	31,024	-	-	-	-	-	-	-	-	42,415	10,500
Rent	26,140	-	-	-	-	-	-	-	-	-	26,140	25,990
Travel and workshops	38,344	25,179	-	-	-	6,672	877	-	-	9,742	80,814	97,869
Wages and benefits	188,443	12,274	19,970	105,103	-	64,181	87,137	-	-	133,001	610,109	644,885
	<u>674,059</u>	<u>1,954,314</u>	<u>1,892,564</u>	<u>348,055</u>	<u>335,784</u>	<u>3,763,211</u>	<u>148,117</u>	<u>8,151,961</u>	<u>1,593,911</u>	<u>3,318,422</u>	<u>22,179,121</u>	<u>21,171,018</u>
REVENUE OVER EXPENDITURE	161,743	-2,820,239	-200,122	45,219	8,574	613,236	-15,168	-42,286	-	-394,966	-6,723	1,834,811
TRANSFERS - OTHER FUNDS	-	-	-	-	-	-	-	-	-	-	-	-
ANNUAL SURPLUS (DEFICIT)	<u>161,743</u>	<u>-2,820,239</u>	<u>-200,122</u>	<u>45,219</u>	<u>8,574</u>	<u>613,236</u>	<u>-15,168</u>	<u>-42,286</u>	<u>-</u>	<u>-394,966</u>	<u>-6,723</u>	<u>1,834,811</u>



**GITKSAN GOVERNMENT COMMISSION**

**SUMMARY STATEMENT OF REVENUE AND EXPENDITURE**

**YEAR ENDED MARCH 31, 2015**

Fund	Schedule	Opening	Revenue		Total	Revenue		Total	Revenue	Transfers	Closing
		Surplus (Deficit)	INAC	Other	Current	Current	Over	Current	Expenditure		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unrestricted											
Administration	1	274,712	750,750	85,052	835,802	694,280	141,522				416,234
Investment/Surplus	2	11,416,906	-	-865,925	-865,925	1,954,314	-2,820,239				8,596,667
Operations and Maintenance	3	-355,289	1,549,124	-	1,549,124	1,745,247	-196,123				-551,412
Pension Plan	4	95,117	393,274	-	393,274	348,055	45,219				140,336
Centre for Excellence	5	-	-	-	-	-	-				-
Economic Development	6	-	344,358	-	344,358	335,784	8,574		29,876		38,450
Social Development											
Programs	7	1,655,268	4,198,623	-	4,198,623	3,385,387	813,236				2,468,504
NCB and Family Violence	8	-4,569	377,824	-	377,824	377,824	-				-4,569
Membership/RLAP	9	15,185	129,585	3,364	132,949	148,117	-15,168				17
Education	10	2,192,884	8,109,665	-	8,109,665	8,151,961	-42,296				2,150,588
Band Support	11	-	1,593,911	-	1,593,911	1,593,911	-				-
West Coast Energy											
Front Line Forum	12	29,876	-	-	-	-	-		-29,876		-
E & A Project	13	-	-	-	-	-	-		-		-
Green Energy	14	-	-	-	-	-	-		-		-
Gitanimax Lot 89 Leasing	15	-	-	-	-	-	-		-		-
Community Safety Planning	16	-	-	133,318	133,318	137,317	-3,999		-		-3,999
Projects/Housing	17	5,434,838	2,441,863	-	2,441,863	3,118,256	-676,393		-		4,758,445
Capital Services	18	-2,830	481,518	75	481,593	212,661	268,932		-		266,102
		20,752,098	20,370,495	-644,116	19,726,379	22,203,113	-2,476,734				18,275,364