

**GWAI TRUST SOCIETY**  
**Financial Statements**  
**As at December 31, 2017**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Gwaii Trust Society

We have audited the accompanying financial statements of Gwaii Trust Society, which comprise the statement of financial position as at December 31, 2017 and the statements of operations, changes in net assets and cash flow 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 accounting standards for not-for-profit organizations, 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.

### Auditor's 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 auditor's 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 statements.

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Gwaii Trust Society as at December 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Report on Other Legal Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Terrace, BC  
April 6, 2018

*MNP* LLP  
Chartered Professional Accountants

**GWAII TRUST SOCIETY**  
**Statement of Financial Position**  
**As at December 31, 2017**

	2017	2016
<b>Assets</b>		
Current		
Cash	\$ 588,986	\$ 566,576
Accounts receivable	1,213	1,235
Investment income receivable	98,851	105,273
Prepaid expense	3,268	3,204
Advances to Athlii Gwaii Legacy Trust (Note 4)	48,750	2,363
Advances to Haida Gwaii Community Foundation (Note 4)	6,528	
	<b>747,596</b>	678,651
Long term investments (Notes 5, 6)	87,535,685	83,808,475
Tangible capital assets (Note 7)	280,667	288,175
Other assets (Note 8)	34,713	35,093
	<b>\$ 88,598,661</b>	<b>\$ 84,810,394</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 161,646	\$ 255,582
Program funding payable (Note 9)	3,763,789	3,158,414
Due to investment partners (Note 10)	768,257	711,940
	<b>4,693,692</b>	4,125,936
<b>Net assets</b>		
Unrestricted	23,907,596	21,792,010
Internally restricted (Note 11)	59,681,993	58,569,179
Invested in tangible capital assets (Note 12)	315,380	323,269
	<b>83,904,969</b>	80,684,458
	<b>\$ 88,598,661</b>	<b>\$ 84,810,394</b>

**On behalf of the Board**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See notes to financial statements

**GWAI TRUST SOCIETY**  
**Statement of Operations**  
**Year Ended December 31, 2017**

	Budget 2017	2017	2016
<b>Investment income</b> (Note 13)	\$ 3,462,800	\$ 7,305,651	\$ 5,356,990
<b>Investment management and regulatory expenses</b>			
Custodial fees	75,000	66,648	76,513
Investment management	300,000	379,323	366,895
Professional fees	70,000	35,573	86,793
	445,000	481,544	530,201
Net investment earnings	3,017,800	6,824,107	4,826,789
<b>Administrative expenses</b>			
Advertising and promotion	50,000	37,693	46,518
Bank charges	3,500	3,647	3,558
Computer and internet costs	21,300	15,316	28,811
Honoraria	65,000	69,125	77,275
Insurance	13,000	11,457	11,370
Meetings and functions	15,000	21,149	17,986
Office and facility costs	50,000	49,857	43,313
Salaries and wages	550,000	565,191	522,990
Supplies	25,000	28,228	24,587
Telecommunications	40,000	24,446	23,390
Training	35,000	11,251	45,440
Travel	50,000	35,084	47,021
Vehicle	10,000	10,886	9,682
Amortization		32,309	31,175
	927,800	915,639	933,116
Administration fees and cost recoveries (Note 4)	(195,000)	(195,000)	(164,000)
	732,800	720,639	769,116
<b>Excess of revenue over expenses from operations</b>	2,285,000	6,103,468	4,057,673
Other items			
Other income (expense)		1,138	(2,666)
<b>Excess of revenue over expenses before program costs</b>	2,285,000	6,104,606	4,055,007
Program funding (Note 14)	3,915,800	2,566,549	3,208,804
<b>Excess of revenue over expenses before unrealized gain on investments</b>	(1,630,800)	3,538,057	846,203
Unrealized gain (loss) on investments		(317,546)	84,500
<b>Excess (deficiency) of revenue over expenses for the year</b>	\$ (1,630,800)	\$ 3,220,511	\$ 930,703

See notes to financial statements

**GWAII TRUST SOCIETY**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2017**

	Unrestricted	Internally restricted	(Note 12) Invested in tangible capital assets	<b>2017</b>	2016
<b>Net assets -</b>					
<b>beginning of year</b>	\$ 21,792,010	\$ 58,569,179	\$ 323,269	<b>\$ 80,684,458</b>	\$ 79,753,755
Excess (deficiency) of revenue over expenses	3,252,820		(32,309)	<b>3,220,511</b>	930,703
Investment in tangible capital assets (Note 12)	(24,420)		24,420		
Grant inflation protection (Note 11)	(1,112,814)	1,112,814			
<b>Net assets - end of year</b>	<b>\$ 23,907,596</b>	<b>\$ 59,681,993</b>	<b>\$ 315,380</b>	<b>\$ 83,904,969</b>	<b>\$ 80,684,458</b>

**GWAII TRUST SOCIETY**  
**Statement of Cash Flow**  
**Year Ended December 31, 2017**

	2017	2016
<b>Operating activities</b>		
Surplus for the period	\$ 3,220,511	\$ 930,703
Items not affecting cash:		
Amortization of tangible capital assets	32,309	31,175
Unrealized gain on investments	(317,546)	84,500
Loss (gain) on disposal of assets		3,041
	<b>2,935,274</b>	<b>1,049,419</b>
Changes in non-cash working capital:		
Accounts receivable	20	(822)
Investment income receivable	6,422	21,953
Accounts payable and accrued liabilities	(93,935)	30,319
Prepaid expense	(64)	
Advances to Athlii Gwaii Legacy Trust	(46,387)	
Advances to Haida Gwaii Community Foundation	(6,528)	
	<b>(140,472)</b>	<b>51,450</b>
Cash flow from operating activities	<b>2,794,802</b>	<b>1,100,869</b>
<b>Investing activities</b>		
Purchase of tangible capital assets	(24,420)	(16,304)
Proceeds on disposal of tangible capital assets		2,000
Due to investment partners	56,317	37,018
Long term investments	(3,409,664)	(971)
Cash flow from (used by) investing activities	<b>(3,377,767)</b>	<b>21,743</b>
<b>Financing activity</b>		
Program funding payable	605,375	(564,461)
<b>Increase in cash flow</b>	<b>22,410</b>	<b>558,151</b>
<b>Cash - beginning of year</b>	<b>566,576</b>	<b>8,425</b>
<b>Cash - end of year</b>	<b>\$ 588,986</b>	<b>\$ 566,576</b>

**GWAII TRUST SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2017**

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**1. Purpose of the organization**

The Gwaii Trust Society was incorporated on September 16, 1994 under the Society Act of British Columbia. The Society was established to advise and assist, economically and socially, the communities of Haida Gwaii/Queen Charlotte Islands. The Federal government awarded the Society a grant of \$38.2 million in 1995 to assist the Society to achieve these objectives.

The Society is a non-profit organization under the Income Tax Act and accordingly is exempt from income taxes.

**2. Summary of significant accounting policies**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Cash and short term investments

Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Revenue recognition

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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**GWAII TRUST SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2017**

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**2. Summary of significant accounting policies (continued)**

Other investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

Program funding

Program funding for approved projects is recorded as a program funding expense and related program funding liability at the time of project approval. Any subsequent adjustments or reductions in the specific program funding amounts are recorded as program de-commitments when the final amounts become known.

Controlled organizations

The Gwaii Trust Society has chosen not to consolidate the organizations it controls but to instead disclose information about the resources of the controlled organizations.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates, including amortization of tangible capital assets and allowance for doubtful accounts, are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

Buildings	4%
Furniture and equipment	20%
Computer equipment	30%
Motor vehicles	20%

Other assets

The Society has entered into a ninety-nine year land lease over the Masset, B.C. office property. The lease is being amortized on a straight-line basis over life of the lease.



**GWAII TRUST SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2017**

**3. Controlled not-for-profit organization**

The Athlii Gwaii Legacy Trust (AGLT) is controlled by the Gwaii Trust Society as the trustees of the AGLT are comprised of the executive members of the Gwaii Trust Society Board of Directors.

The AGLT was endowed by the Federal and Provincial governments during 2007 for the purpose of increasing the sustainable forest management on Haida Gwaii and to increase community stability through enhancing the forest related economy of Haida Gwaii. AGLT is a non-profit organization under the Income Tax Act and accordingly is exempt from income taxes.

The summary financial statements of the AGLT are as follows:

	2017	2016
<b>Statement of Financial Position</b>		
Assets		
Current		
Cash	\$ 98,766	\$ 61,658
Investment income receivable and other	57,524	61,658
	<b>156,290</b>	61,658
Investment portfolio	46,778,360	43,861,565
	<b>\$ 46,934,650</b>	\$ 43,923,223
Current liabilities		
Bank indebtedness	\$ 69,203	\$ 69,203
Trade accounts payable	57,069	64,416
Due to Gwaii Trust Society	48,750	2,363
Program funding payable	39,915	50,592
	<b>145,734</b>	186,574
Net assets		
Internally restricted net assets - Grant fund	28,547,336	28,015,050
Unrestricted net assets	18,241,580	15,721,599
	<b>\$ 46,934,650</b>	\$ 43,923,223

The Athlii Gwaii Legacy Trust and the Gwaii Trust Society follow the same accounting principles.

<b>Statement of Revenues and Expenses</b>		
Revenues		
Investment revenue	\$ 3,125,041	\$ 2,461,878
Unrealized gains (losses) on investment portfolio	440,870	440,304
	<b>3,565,911</b>	2,902,182
Expenses		
Investment management and regulatory expenses	314,172	271,794
Administrative expenses	199,472	168,375
Grant inflation protection	532,286	353,028
	<b>1,045,930</b>	793,197
Net surplus for the year	<b>\$ 2,519,981</b>	\$ 2,108,985

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**GWAII TRUST SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2017**

**3. Controlled not-for-profit organization (continued)**

<b>Statement of Cash Flow</b>		
Operating activities	<b>\$ 3,095,441</b>	\$ 2,482,149
Financing activities	<b>(2,927,472)</b>	(2,598,529)
Increase (decrease) in cash	<b>167,969</b>	(116,380)
Cash - beginning of year	<b>(69,203)</b>	47,177
Cash - end of year	<b>\$ 98,766</b>	\$ (69,203)

**4. Related party transactions**

During the year, administration fees of \$195,000 (2016 - \$164,000) were received from the Athlii Gwaii Legacy Trust. These fees represent operating costs paid by the Gwaii Trust Society on behalf of the Athlii Gwaii Legacy Trust. The administration costs have been calculated and allocated as follows to represent the actual costs of operating and administering the Athlii Gwaii Legacy Trust. The Gwaii Trust Society is the trustee of the Athlii Gwaii Legacy Trust.

During the year, a project grant of \$70,000 was given to Haida Gwaii Community Foundation. This grant represents seed money for the creation of this foundation.

	<b>2017</b>	<b>2016</b>
Athlii Gwaii Legacy Trust		
Board honoraria	<b>\$ 24,000</b>	\$ 20,000
Meetings	<b>12,000</b>	10,000
Rent and utilities	<b>17,000</b>	15,000
Travel	<b>17,000</b>	15,000
Vehicle expense	<b>5,000</b>	4,000
Wages and benefits	<b>120,000</b>	100,000
	<b>\$ 195,000</b>	\$ 164,000

Balances outstanding consist of the administration fees or other operating costs paid by the Gwaii Trust Society on behalf of the Athlii Gwaii Legacy Trust, and legal fees paid by the Gwaii Trust Society on the behalf of the Haida Gwaii Community Foundation.

The advances to related parties are unsecured, non-interest bearing and are repayable on demand.

**GWAII TRUST SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2017**

**5. Long term investments**

	<i>December 31, 2017</i>		<i>December 31, 2016</i>	
	<b>Cost</b>	<b>Market</b>	Cost	Market
Cash	\$ 65,246	\$ 65,246	\$ 25,986	\$ 25,986
Treasury bills and short term investments	668,653	668,653	249,818	249,818
Government bonds	9,971,253	9,843,208	7,161,605	7,024,371
Corporate bonds	13,880,675	13,942,874	13,298,502	13,715,603
Mortgage funds	710,570	710,985	1,226,896	1,237,555
Equities	11,225,272	14,359,342	11,042,249	13,760,658
Equities - real estate investment trusts	5,840,253	11,801,299	5,920,022	10,773,279
International equities	22,165,123	36,144,078	24,764,687	37,021,205
	<b>\$ 64,527,045</b>	<b>\$ 87,535,685</b>	<b>\$ 63,689,765</b>	<b>\$ 83,808,475</b>

**GWAI TRUST SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2017**

**6. Statement of investment policies and procedures**

The investment strategies of the Gwaii Trust Society are guided by the Statement of Investment Policies and Procedures (SIPP). The SIPP has been written in order to assist the Directors in establishing the guidelines for the investment of the assets of the Society (the "Fund") and in monitoring and evaluating the investment performance achieved by the Fund. A summary of the current investment guidelines contained in the SIPP and the current asset mix of the Fund is as follows.

**Period end:**

December 31, 2017

	Portfolio Value (\$\$)		% of Portfolio		GTS Current SIPP %		
	Cost	Market	Cost	Market	Min	Target	Max
Canadian equities	\$ 11,225,272	\$ 14,359,342	17%	16%	15%	20%	25%
International equities	22,165,123	36,144,078	34%	41%	28%	33%	48%
Total equities	33,390,395	50,503,420	52%	58%	43%	53%	73%
Real return bonds	10,233,920	10,292,683	16%	12%	5%	6%	20%
Government bonds - Federal	5,796,823	5,727,012	9%	7%			
Government bonds - Provincial & municipal	4,174,430	4,116,196	6%	5%			
Corporate bonds	3,641,791	3,645,087	6%	4%			
Total nominal bonds	13,613,044	13,488,295	21%	15%	12%	17%	22%
High yield bonds	4,964	5,104	0%	0%	0%	5%	10%
Global bonds	-	-	0%	0%	0%	5%	5%
Total bonds	23,851,928	23,786,082	37%	27%	17%	33%	57%
Mortgage fund	710,570	710,985	1%	1%			
Real estate funds	5,840,253	11,801,299	9%	13%			
Total mortgage and real estate	6,550,823	12,512,284	10%	14%	5%	10%	22%
Private placement	-	-	0%	0%	0%	4%	10%
Cash	65,246	65,246	0%	0%			
Treasury bills and short term investments	668,653	668,653	1%	1%			
Cash/Short term notes	733,900	733,900	1%	1%	0%	0%	5%
	\$ 64,527,045	\$ 87,535,685	100%	100%	65%	100%	167%

**GWAII TRUST SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2017**

**7. Tangible capital assets**

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Buildings	\$ 281,151	\$ 81,043	\$ 200,108	\$ 208,445
Automotive	76,754	37,200	39,554	49,442
Computer equipment	82,050	59,714	22,336	15,203
Furniture and fixtures	56,739	38,070	18,669	15,085
	<b>\$ 496,694</b>	<b>\$ 216,027</b>	<b>\$ 280,667</b>	<b>\$ 288,175</b>

**8. Other assets**

	2017	2016
Long term land lease	\$ 37,500	\$ 37,500
Accumulated amortization	(2,787)	(2,407)
	<b>\$ 34,713</b>	<b>\$ 35,093</b>

**9. Program funding payable**

The Gwaii Trust funds projects that are in general agreement with its aims and objectives. The balance outstanding represents projects approved by the Board which were not completed as at the fiscal year end.

	2017	2016
Committed balance - beginning of period	\$ 3,158,414	\$ 3,722,875
Current project funding allocations	2,787,461	3,442,294
	<b>5,945,875</b>	<b>7,165,169</b>
Project costs paid during the year	(1,981,174)	(3,773,265)
Current project decommitments and adjustments	(200,912)	(233,490)
Committed balance - end of period	<b>\$ 3,763,789</b>	<b>\$ 3,158,414</b>

**10. Due to investment partners**

	2017	2016
Opening balance	\$ 711,940	\$ 674,922
Investment partner's share of income	56,317	37,018
	<b>\$ 768,257</b>	<b>\$ 711,940</b>

The Tl'azt'en and Binche First Nations invested funds with the Gwaii Trust to be included in the Gwaii Trust investment portfolio. This allows other Not-For-Profit and First Nations organizations to access the investment management services available to the Gwaii Trust and will reduce fees paid by all investors due to reduced fees applicable to a larger portfolio.

The periodic return for the Gwaii Trust of 7.9% (2016 - 5.5%) has been applied to the investor funds.

**GWAII TRUST SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2017**

**11. Internally restricted net assets**

The Gwaii Trust Society Investment Fund represents the initial endowment of \$38,200,000 received from the Government of Canada. The Fund is adjusted annually by the inflation rate for the year to protect the value of the original grant for future generations. The fund has been established as a perpetual investment fund and, as such, the original endowment with the accumulated inflation adjustments can never be touched, allocated or expended.

The annual inflation adjustment is based on the Canadian Consumer Price Index (CPI). The change for the year ended December 31, 2017 has been calculated at the published CPI index of 1.9% (December 31, 2016 - 1.5%) for the year.

**12. Net assets invested in tangible capital assets**

	2017	2016
<b>Net asset invested in tangible capital assets</b>		
Tangible capital assets	\$ 496,694	\$ 472,276
Land lease	37,500	37,500
Tangible capital assets - accumulated amortization	(216,027)	(184,100)
Land lease amortization	(2,787)	(2,407)
	<b>\$ 315,380</b>	<b>\$ 323,269</b>
<b>Change in net assets invested in tangible capital assets</b>		
Purchase of tangible capital assets	\$ 24,420	\$ 14,304
Gain (Loss) on disposal of tangible capital assets		(3,041)
Subtotal	24,420	11,263
Amortization Expense	(32,309)	(31,175)
	<b>\$ (7,889)</b>	<b>\$ (19,912)</b>

**13. Investment income**

	2017	2016
Interest received and accrued	\$ 696,243	\$ 648,035
Dividends received and accrued	401,897	437,629
Other investment income	4,477,445	3,154,719
Gain on disposal of investments	1,786,382	1,153,625
	<b>7,361,967</b>	<b>5,394,008</b>
Investment partner's share of income	(56,317)	(37,018)
	<b>\$ 7,305,650</b>	<b>\$ 5,356,990</b>

**GWAII TRUST SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2017**

**14. Program funding allocations**

Program funding allocations for the year were as follows:

	Budget	2017	2016
Major Contribution	\$ 650,000	\$ <b>650,000</b>	\$ 589,222
Food Security Program	215,800	<b>215,800</b>	181,000
Arts Program	53,941	<b>53,941</b>	71,184
Arts workshops	26,059	<b>26,059</b>	15,000
Christmas Allocation	60,000	<b>60,000</b>	60,000
Travel Assistance Program	200,000	<b>200,000</b>	200,000
Continuing Education Grant Program	350,000	<b>350,000</b>	300,000
Community Innovation	130,000	<b>105,481</b>	132,628
University Tours Program	40,000	<b>40,000</b>	40,000
High School Scholarships	45,000	<b>45,000</b>	45,000
Haida Language	150,000	<b>50,000</b>	45,000
Youth Program	100,000	<b>109,388</b>	56,823
Community Events	35,000	<b>35,000</b>	35,000
Vibrant Haida Gwaii	1,750,000	<b>615,792</b>	621,437
Contingency and special projects	110,000	<b>211,000</b>	1,050,000
	3,915,800	<b>2,767,461</b>	3,442,294
Program de-commitments and adjustments		<b>(200,912)</b>	(233,490)
	\$ 3,915,800	\$ <b>2,566,549</b>	\$ 3,208,804

**15. Haida Parity**

The annually approved Haida Parity amounts are commitments of the Gwaii Trust Society even if not fully allocated to approved projects during any given fiscal year. Of the original Parity amount of \$12,300,000, there is a balance remaining of \$943,198 to be included in the annual budgets of the Gwaii Trust. In addition to this, there are allocated but undisbursed funds of \$887,021 outstanding at December 31, 2017 for a total of \$1,830,219 in Haida Parity funds remaining to be paid.

**GWAI TRUST SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2017**

**16. Society Act Disclosures**

Director remuneration

Board of directors members and their respective alternates are reimbursed in the amounts of \$150 - \$250 per meeting attended in their capacity as board members. The board members and the respective amounts paid during the year are as follows:

	Number	Total amount paid
<u>Directors and Alternate Directors</u>		
Jason Alsop		\$ 5,700
Lisa Bell		2,500
Tyler Bellis		1,650
Robert Bennett		2,300
Joyce Chisholm		3,700
Vincent Collison		250
James Cowpar		7,250
Reg Davidson		1,550
Ellen Foster		1,050
Warren Foster		5,050
Lyndale George		1,800
Ian Gould		800
Charles Greenough		4,550
Lareina Grosse		2,200
Lisa Gyorgy		400
Bret Johnston		3,750
John Jones		1,800
Sheila Karrow		950
Jack Litrell		850
Michelle Pineault		2,700
Sandra Price		250
Ken Rea		1,750
Barb Rowsell		700
Lloyd West		2,500
Albertus Wijdeven		5,550
Billy Yovanovich		1,200
	<b>26</b>	62,750
Youth Board and others	<b>20</b>	6,375
	<b>46</b>	<b>\$ 69,125</b>

Employees and contractors

The employees and persons under contract for services with the Society whose remuneration was at least \$75,000 and the total amount of remuneration paid during the year are as follows:

	Total amount paid
Carla Lutner - Chief Operating Officer	\$ 104,346
Errol Winter - Chief Investment Officer	127,900
	<b>\$ 232,246</b>



**GWAII TRUST SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2017**

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**17. Financial instruments**

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2017.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Society is mainly exposed to currency risk and other price risk.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is exposed to foreign currency exchange risk on cash, accounts receivable, and investments held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its investment in quoted shares.

**18. Comparative figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.