

GWAII TRUST SOCIETY
Financial Statements
December 31, 2021

Independent Auditors' Report
Statement of Financial Position
Statement of Changes in Net Assets
Statement of Operations
Statement of Cash Flows
Notes to Financial Statements



INDEPENDENT AUDITORS' REPORT

To the Directors of the Gwaii Trust Society

Opinion

We have audited the accompanying financial statements of the Gwaii Trust Society (the "Society"), which comprise the statement of financial position as at December 31, 2021, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, the Society's financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2021, and of its financial performance and its cash flows for the year then ended. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of Opinion

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 Society 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 of our 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 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.

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

Those charged with governance are responsible for over-seeing the Society's financial reporting process.

Auditors' 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 the users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 Society'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 Society'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 Society 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.
- 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.

Report on Other Legal and 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 the prior year.

Chan Newsrad Boates Inc

Chartered Professional Accountants
Campbell River, BC

May 5, 2022

GWAII TRUST SOCIETY

Statement of Financial Position

December 31, 2021

2021

2020

ASSETS

Current Assets

Cash	\$ 1,547,763	\$ 205,119
Accounts Receivable	-	117,819
Prepaid Expenses	2,106	3,407
Advances to Athlii Gwaii Legacy Trust (Note 4)	62,500	2,100
Advances to Haida Gwaii Community Foundation (Note 4)	<u>2,310</u>	<u>18,373</u>
	1,614,679	346,818

Long Term Investments (Notes 5, 6)

94,047,971 90,336,780

Tangible Capital Assets (Note 7)

207,127 202,643

Other Assets (Note 8)

33,196 33,574

\$ 95,902,973 \$ 90,919,815

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Liabilities \$ 103,122 \$ 82,771

Program Funding Payable (Note 9)

5,152,534 8,555,451

Due to Investment Partners (Note 10)

910,456 814,781

6,166,112 9,453,003

NET ASSETS

Unrestricted

23,858,597 18,580,194

Internally Restricted (Note 11)

65,657,620 62,650,401

Invested in Tangible Capital Assets (Note 12)

240,323 236,217

89,736,861 81,466,812

\$ 95,902,973 \$ 90,919,815

Approved by the Directors:



Director

Freda Davis

Director

GWAII TRUST SOCIETY

Statement of Changes in Net Assets

Year ended December 31, 2021

	Unrestricted	Internally Restricted	Invested in Tangible Capital Assets (Note 12)	2021	2020
Net Assets - Beginning of Year	\$ 18,580,194	\$ 62,650,401	\$ 236,217	\$ 81,466,812	\$ 82,888,547
Excess (Deficiency) of Revenues over Expenditures	8,285,622	-	(15,573)	8,270,049	(1,421,735)
Investment in Tangible Capital Assets (Note 12)	(19,679)	-	19,679	-	-
Grant Inflation Protection (Note 11)	<u>(3,007,219)</u>	<u>3,007,219</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets - End of Year	<u>\$ 23,858,597</u>	<u>\$ 65,657,620</u>	<u>\$ 240,323</u>	<u>\$ 89,736,861</u>	<u>\$ 81,466,812</u>

GWAII TRUST SOCIETY

Statement of Operations

Year ended December 31, 2021

	Budget 2021	2021	2020
Revenue			
Investment Income (Note 13)	\$ 3,430,077	\$ 5,356,115	\$ 3,772,873
Investment Management and Regulatory Expenses			
Actuary and Consultants	30,000	14,280	14,700
Custodial Fees	37,500	33,892	33,057
Investment Management Fees	390,000	390,247	371,494
Professional Fees	80,000	74,032	38,997
	<u>537,500</u>	<u>512,451</u>	<u>458,248</u>
Net Investment Earnings	<u>2,892,577</u>	<u>4,843,664</u>	<u>3,314,625</u>
Administrative Expenditures			
Advertising and Promotion	23,000	22,944	14,830
Amortization	12,473	15,573	13,619
Bank Charges	5,500	5,452	5,772
Computer and Internet Costs	24,000	19,419	27,237
Honoraria	65,000	52,350	44,300
Insurance	17,000	18,220	14,718
Meetings and Functions	10,000	7,678	1,093
Office and Facility Costs	53,000	46,595	64,192
Repairs and Maintenance	17,000	15,988	5,673
Salaries and Wages	650,000	574,021	645,927
Supplies	43,147	19,754	27,276
Telecommunications	26,000	23,362	29,274
Training	20,000	8,930	7,577
Travel	5,000	912	844
Vehicle	6,000	6,243	5,092
	<u>977,120</u>	<u>837,441</u>	<u>907,424</u>
Administration Fees and Cost Recoveries (Note 4)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>
	<u>727,120</u>	<u>587,441</u>	<u>657,424</u>
Excess of Revenues over Expenses from Operations	<u>\$ 2,165,457</u>	<u>\$ 4,256,223</u>	<u>\$ 2,657,201</u>

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GWAII TRUST SOCIETY

Statement of Operations (continued)

Year ended December 31, 2021

	Budget 2021	2021	2020
Excess of Revenues over Expenses from Operations	\$ 2,165,457	\$ 4,256,223	\$ 2,657,201
Other Income (Expenditures)			
Other Income	-	-	118,000
CEWS Wage Subsidy	-	-	116,069
Loss on Disposal of Tangible Capital Assets	-	-	(23,373)
	-	-	210,696
Excess of Revenues over Expenses Before Program Costs	2,165,457	4,256,223	2,867,897
Program Funding (Note 14)	2,165,150	1,389,487	6,797,848
Excess (Deficiency) of Revenues over Expenditures Before Unrealized Gain on Investments	307	2,866,736	(3,929,951)
Unrealized Gain on Investments	-	5,403,313	2,508,216
Excess (Deficiency) of Revenue over Expenses	\$ 307	\$ 8,270,049	\$ (1,421,735)

GWAII TRUST SOCIETY

Statement of Cash Flows

Year Ended December 31, 2021

2021

2020

Cash Flows From Operating Activities:

Excess (Deficiency) of Revenues over Expenditures	\$ 8,270,049	\$ (1,421,735)
Items not involving cash:		
Amortization of Tangible Capital Assets	15,573	13,619
Unrealized Gains on Investments	(5,403,313)	(2,508,216)
Loss on Disposal of Assets	-	23,373
	<u>2,882,309</u>	<u>(3,892,959)</u>
Changes in non-cash working capital		
Prepaid Expenses	1,301	-
Accounts Receivable	117,819	(117,819)
Advances from (to) Athlii Gwaii Legacy Trust	(60,400)	47,329
Advances from (to) Haida Gwaii Community Foundation	16,063	(3,455)
Accounts Payable and Accrued Liabilities	<u>20,351</u>	<u>(241,625)</u>
	<u>95,134</u>	<u>(315,570)</u>
	<u>2,977,443</u>	<u>(4,208,529)</u>

Cash Flows From Investing Activities:

Purchase of Tangible Capital Assets	(19,679)	-
Due to Investment Partners	95,675	52,185
Sale (Purchase) of Long Term Investments	<u>1,692,122</u>	<u>(1,190,251)</u>
	<u>1,768,118</u>	<u>(1,138,066)</u>

Cash Flows from Financing Activities

Increase (Decrease) in Program Funding Payable	<u>(3,402,917)</u>	<u>3,153,129</u>
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Net Increase (Decrease) in Cash 1,342,644 (2,193,466)

Cash - Beginning of Year 205,119 2,398,585

Cash - End of Year \$ 1,547,763 \$ 205,119

GWAII TRUST SOCIETY

Notes to Financial Statements

December 31, 2021

1. Organization and Purpose:

The Gwaii Trust Society (the "Society") is a not-for-profit organization incorporated under the Society Act of British Columbia on September 16, 1994. The Society was established to advise and assist, economically and socially, the communities of Haida Gwaii/the 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 exempt from tax under Paragraph 149(1)(l) of the Income Tax Act.

2. Significant Accounting Policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and their significant accounting policies include the following:

Cash

Cash consists primarily of funds deposited in the Society's bank account. Due to the nature of these funds, 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.

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

Revenue Recognition

The Society follows the deferral method of accounting for contributions.

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, and unrestricted investment income is recognized as revenue when earned.

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 funding amounts become known.

Controlled Organization

The Society has chosen not to consolidate the organization it controls and instead disclose select financial information about the resources of the controlled organization.

GWAII TRUST SOCIETY

Notes to Financial Statements

December 31, 2021

2. Significant Accounting Policies (continued):

Measurement Uncertainty

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Those estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Financial Instruments

Measurement of financial instruments

The Society measures its financial assets and liabilities at fair value when acquired or issued. The Society subsequently measures financial assets with actively traded markets at fair value, with any unrealized gains or losses reported in net income. All other financial instruments are reported at amortized cost. Transaction costs on the acquisition, sale, or issuance of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash. Financial liabilities measured at amortized cost include accounts payable. Financial assets measured at fair value at year-end include investments and accounts receivable.

Impairment

Financial assets measured at cost are tested for impairment at each reporting date. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Tangible Capital Assets

Tangible capital assets are recorded at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives using the declining balance method at the following annual rates:

Buildings	4%
Automotive	20%
Computer Equipment	30%
Furniture and Fixtures	20%

Other Assets

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

3. Controlled Not-For-Profit Organization:

The Athlii Gwaii Legacy Trust ("AGLT") is controlled by the Society, as the trustees of AGLT are comprised of the Society and two executive members of the Society's Board. The financial statements and accompanying notes and schedules of both entities are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

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

GWAII TRUST SOCIETY

Notes to Financial Statements

December 31, 2021

3. Controlled Not-For-Profit Organization (continued):

The summary financial statements of AGLT are as follows:

Summary Statement of Financial Position

December 31, 2021

	2021	2020
ASSETS		
Current Assets		
Cash	\$ 337,799	\$ 421,319
Prepaid Expenses	<u>1,012</u>	<u>824</u>
	338,811	422,143
Long Term Investments	<u>59,963,121</u>	<u>53,862,016</u>
	<u>\$ 60,301,932</u>	<u>\$ 54,284,159</u>
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 96,249	\$ 118,041
Advances from Gwaii Trust Society	62,500	2,100
Program Commitments	<u>-</u>	<u>39,915</u>
	158,749	160,056
NET ASSETS		
Restricted Net Assets	31,405,622	29,967,197
Unrestricted Net Assets	<u>28,737,561</u>	<u>24,156,906</u>
	<u>60,143,183</u>	<u>54,124,103</u>
	<u>\$ 60,301,932</u>	<u>\$ 54,284,159</u>

Summary Statement of Revenues and Expenses

December 31, 2021

	2021	2020
Revenues		
Investment Income	\$ 2,687,007	\$ 3,110,533
Investment Management and Regulatory Expenses	<u>(405,466)</u>	<u>(380,589)</u>
	2,281,541	2,729,944
Expenses		
Administrative Expenses	<u>256,237</u>	<u>255,581</u>
	2,025,304	2,474,363
Unrealized Gains on Investment Portfolio	<u>3,993,776</u>	<u>900,177</u>
Net Surplus for the Year	<u>\$ 6,019,080</u>	<u>\$ 3,374,540</u>

GWAII TRUST SOCIETY

Notes to Financial Statements

December 31, 2021

3. Controlled Not-For-Profit Organization (continued):

Statement of Cash Flows

December 31, 2021

	2021	2020
Operating Activities	\$ 6,017,585	\$ 3,397,634
Financing Activities	<u>(6,101,105)</u>	<u>(3,465,556)</u>
Decrease in Cash	(83,520)	(67,922)
Cash - Beginning of Year	<u>421,319</u>	<u>489,241</u>
Cash - End of Year	<u>\$ 337,799</u>	<u>\$ 421,319</u>

4. Related Party Transactions:

During the year, administrative fees of \$250,000 (2020 - \$250,000) were received from AGLT. These fees represent operating costs paid by the Society on behalf of AGLT. The administration costs have been calculated and allocated as follows to represent the actual costs of operating and administering AGLT.

	2021	2020
Athlii Gwaii Legacy Trust		
Advertising and Promotion	\$ 5,000	\$ 5,000
Bank Charges	-	1,000
Board Honoraria	16,250	20,000
Community Consultation	20,000	20,000
Meetings	5,000	20,000
Office and Facility Costs	17,000	15,000
Supplies	5,750	-
Travel	5,000	15,000
Vehicle Expense	2,250	4,000
Wages and Benefits	<u>173,750</u>	<u>150,000</u>
	<u>\$ 250,000</u>	<u>\$ 250,000</u>

Balances outstanding consist of the administration fees and other operating costs paid by the Society on behalf of AGLT and expenses paid by the Society on behalf of the Haida Gwaii Community Foundation.

The advances to related parties are unsecured, non-interest bearing and are repayable on demand, and are repaid to the Society on an annual basis.

GWAI TRUST SOCIETY

Notes to Financial Statements

December 31, 2021

5. Long Term Investments:

	2021		2020	
	Cost	Market	Cost	Market
Cash	\$ 5,641	\$ 5,641	\$ 66,179	\$ 66,179
Treasury Bills and Short Term Investments	595,580	595,665	376,963	376,970
Corporate Bonds	25,395,909	25,226,297	22,111,851	22,710,962
Equities	13,884,919	17,296,837	15,577,121	16,237,783
Real Estate Investment Trust Units	8,708,350	20,198,954	8,715,370	17,951,702
International Equities	21,025,930	30,724,577	24,448,924	32,993,184
	<u>\$ 69,616,329</u>	<u>\$ 94,047,971</u>	<u>\$ 71,296,408</u>	<u>\$ 90,336,780</u>

6. Statement of Investment Policies and Procedures:

The Society's investment strategies are guided by the Statement of Investment Policies and Procedures (the "SIPP"). The SIPP has been written in order to assist the Board in establishing the guidelines for the investment of the Society's assets and in monitoring and evaluating the investment performance achieved by the Society. A summary of the investment guidelines outlined in the SIPP and the portfolio's asset mix at December 31, 2021 is as follows:

	Portfolio Value		% of Portfolio		Current SIPP %		
	Cost	Market	Cost	Market	Min.	Target	Max.
Canadian Equities	\$ 13,884,919	\$ 17,296,837	20%	18%	15%	20%	25%
International Equities	<u>21,025,930</u>	<u>30,724,577</u>	<u>30%</u>	<u>33%</u>	<u>28%</u>	<u>33%</u>	<u>48%</u>
Total Equities	<u>34,910,849</u>	<u>48,021,414</u>	<u>50%</u>	<u>51%</u>	<u>43%</u>	<u>53%</u>	<u>73%</u>
Real Return Bonds	6,092,985	6,394,621	8%	7%	-%	10%	15%
Total Nominal Bonds	<u>19,302,924</u>	<u>18,831,676</u>	<u>28%</u>	<u>20%</u>	<u>17%</u>	<u>23%</u>	<u>42%</u>
Total Bonds	<u>25,395,909</u>	<u>25,226,297</u>	<u>36%</u>	<u>27%</u>	<u>17%</u>	<u>33%</u>	<u>57%</u>
Total Real Estate and Mortgage	<u>8,708,350</u>	<u>20,198,954</u>	<u>13%</u>	<u>21%</u>	<u>5%</u>	<u>10%</u>	<u>22%</u>
Total Cash and Short Term Notes	<u>601,221</u>	<u>601,306</u>	<u>1%</u>	<u>1%</u>	<u>-%</u>	<u>4%</u>	<u>15%</u>
	<u>\$ 69,616,329</u>	<u>\$ 94,047,971</u>	<u>100%</u>	<u>100%</u>			

GWAI TRUST SOCIETY

Notes to Financial Statements

December 31, 2021

7. Tangible Capital Assets:

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Buildings	\$ 281,151	\$ 111,190	\$ 169,961	\$ 177,042
Automotive	76,754	60,553	16,201	20,251
Computer Equipment	19,677	3,422	16,255	-
Furniture and Fixtures	8,400	3,690	4,710	5,350
	<u>\$ 385,982</u>	<u>\$ 178,855</u>	<u>\$ 207,127</u>	<u>\$ 202,643</u>

8. Other Assets:

	2021	2020
Long Term Land Lease	\$ 37,500	\$ 37,500
Accumulated Amortization	<u>(4,304)</u>	<u>(3,926)</u>
	<u>\$ 33,196</u>	<u>\$ 33,574</u>

9. Program Funding Payable:

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

	2021	2020
Committed Balance - Beginning of Year	\$ 8,555,451	\$ 5,402,322
Current Project Funding Allocations	<u>2,139,301</u>	<u>6,834,126</u>
	10,694,752	12,236,448
Project Costs Paid During the Year	(4,792,404)	(3,644,720)
Current Project Decommittments and Adjustments	<u>(749,814)</u>	<u>(36,277)</u>
Committed Balance - End of Year	<u>\$ 5,152,534</u>	<u>\$ 8,555,451</u>

10. Due to Investment Partners:

The Tl'azt'en and Binche First Nations have invested funds with the Society which are included in the Society's investment portfolio. This allows the Nations to access the investment management services available to the Society and reduces fees paid by all investors due to preferential rates applicable to a larger portfolio.

GWAI TRUST SOCIETY

Notes to Financial Statements

December 31, 2021

10. Due to Investment Partners (continued):

The annual return for the Society of 11.54% (2020 - 6.84%) has been applied to the investor funds and prorated based on timing of redemptions.

	2021	2020
Balance - Beginning of Year	\$ 814,781	\$ 762,596
Investment Partners' Share of Income	99,660	52,185
Investment Partners' Share of Fees	<u>(3,985)</u>	<u>-</u>
Balance - End of Year	<u>\$ 910,456</u>	<u>\$ 814,781</u>

11. Internally Restricted Net Assets:

The Society's internally restricted net assets represents the initial endowment of \$38.2 million received from the Government of Canada. The amount is adjusted annually by the inflation rate for the year to protect the value of the original grant for future generations. The amount received 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 Consumer Price Index (CPI). The change for the current year has been calculated at the published CPI index of 4.8% (2020 - 0.7%) for the year.

12. Net Assets Invested in Tangible Capital Assets:

	2021	2020
Net Assets Invested in Tangible Capital Assets		
Tangible Capital Assets	\$ 385,982	\$ 366,305
Land Lease	37,500	37,500
Tangible Capital Assets - Accumulated Amortization	(178,855)	(163,662)
Land Lease - Accumulated Amortization	<u>(4,304)</u>	<u>(3,926)</u>
	<u>\$ 240,323</u>	<u>\$ 236,217</u>
Change in Net Assets Invested in Tangible Capital Assets		
Purchase of Tangible Capital Assets	\$ 19,679	\$ -
Loss on Disposal of Tangible Capital Assets	<u>-</u>	<u>(23,373)</u>
	19,679	(23,373)
Amortization Expense	<u>(15,573)</u>	<u>(13,619)</u>
	<u>\$ 4,106</u>	<u>\$ (36,992)</u>

GWAII TRUST SOCIETY

Notes to Financial Statements

December 31, 2021

13. Investment Income:

	<u>2021</u>	<u>2020</u>
Interest Received and Accrued	\$ 582,926	\$ 1,477,009
Dividends Received and Accrued	1,695,679	717,653
Gain on Disposal of Investments	3,173,185	264,616
Other Investment Income	<u>-</u>	<u>1,365,780</u>
	5,451,790	3,825,058
Investment Partner's Share of Income	<u>(95,675)</u>	<u>(52,185)</u>
	<u>\$ 5,356,115</u>	<u>\$ 3,772,873</u>

14. Program Funding Allocations

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
Major Contribution	\$ 400,000	\$ 400,000	\$ 400,000
Food Security Program	267,150	272,370	225,720
Food Sovereignty	65,000	14,500	-
All-Island Table Protocol	60,000	60,000	100,000
Arts Program	50,000	23,038	49,113
Arts Workshops	5,000	3,000	30,887
Christmas Allocation	-	-	66,000
Emergency Community Support Fund	-	-	109,859
Kids Camps	45,000	45,000	90,000
Travel Assistance Program	-	27,113	200,000
Staycation	110,000	48,944	-
Continuing Education Grant Program	400,000	377,925	400,000
Community Innovation	150,000	148,979	56,290
University Tours Program	-	-	77,000
High School Scholarships	45,000	45,000	45,000
Haida Language	180,000	120,000	120,000
Youth Program	120,000	95,490	122,625
Community Events	96,000	96,000	35,000
Vibrant Haida Gwaii	-	251,791	3,133,618
Contingency and Special Projects	<u>172,000</u>	<u>110,151</u>	<u>1,573,013</u>
	2,165,150	2,139,301	6,834,125
Program Decommittments and Adjustments	<u>-</u>	<u>(749,814)</u>	<u>(36,277)</u>
	<u>\$ 2,165,150</u>	<u>\$ 1,389,487</u>	<u>\$ 6,797,848</u>

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15. Haida Parity:

The annually approved Haida Parity amounts are commitments of the Society even if not fully allocated to approved projects during a given fiscal year. Of the original Parity amount of \$12.3 million, there is a balance remaining of \$1,830,219 to be included in the Society's annual budgets. There are no allocated but undisbursed funds outstanding at December 31, 2021 for a total of \$1,830,219 in Haida Parity funds remaining to be paid.

16. Society Act Disclosures:

Director Remuneration

Board members and their respective alternates are reimbursed in the amounts of \$50 - \$250 per meeting attended in their capacity as board members. The board members and their respective remuneration paid during the year are as follows:

	2021 Remuneration
Jason Alsop	\$ 1,450
Maureen Bailey	5,650
Cecil Brown	1,750
Terry Carty	3,150
Joyce Chrisholm	3,850
Jade Collison	1,150
Elizabeth Condrotte	2,700
James Cowpar	2,750
Freda Davis	1,650
Warren Foster	550
Jacqueline Goetzinger	3,600
Clyde Greenough	5,700
Bret Johnston	3,250
Michelle Pineault	2,900
Trevor Russ	2,100
Shelley Sansome	3,800
Alfie Setso Sr.	1,000
William Yovanovich	2,350
	<u>\$ 49,350</u>

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December 31, 2021

17. Society Act Disclosures (continued):

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:

	<u>2021</u> <u>Remuneration</u>
Christine Carty - Finance/Administration Manager	\$ 75,730
Carla Lutner - Chief Operating Officer	<u>120,000</u>
	<u>\$ 195,730</u>

17. Financial Risks:

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.

Liquidity risk

Liquidity risk is the risk that the Society will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements; the Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfil its obligations. There has been no change to the risk exposures during the year ended December 31, 2021.

Market risk

Market risk is the risk that the value of a financial instrument might be adversely affected by changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

Currency risk

Currency risk is the risk that the value of a financial instrument might be adversely affected by changes in foreign exchange rates. The Society enters into transactions denominated in US dollars for which the related revenues, expenses, accounts receivable, and accounts payable balances are subject to exchange rate fluctuations.

During the year, the value of the Canadian Dollar depreciated by \$0.0034 against the US dollar. The Society has significant investments in US dollars.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Society is exposed to interest rate cash flow risk through its investment portfolio.

Other price risk

Other price risk is the risk that the value of a financial instrument might be adversely affected by 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.

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Notes to Financial Statements

December 31, 2021

18. COVID-19:

As of the date of these financial statements, the global outbreak of the coronavirus disease (COVID-19) continues to cause economic uncertainties. The extent of these uncertainties are unknown but could have a material impact on the revenue and expenditures of the Society in the year ending December 31, 2022.