

	<p style="text-align: center;"><b>stqa?txw4n'iwt sqilxwi</b>  <b>WESTBANK FIRST NATION</b>  515 Highway 97 South  Kelowna, B.C. V1Z 3J2  Phone: (250) 769-4999 Fax: (250) 769-4377  <a href="http://www.wfn.ca">www.wfn.ca</a>  <i>Community. Leadership. Pride.</i></p>	<p style="text-align: center;"><b>MINUTES</b>  <b>ADVISORY COUNCIL</b>  sćíkstasq̓t, ǰwí?ǰwí?tán  (Friday, August) 16th,  2024</p>
---	--	--

**ADVISORY COUNCIL MEMBERS IN ATTENDANCE:**

Rick Ould	Old Okanagan District
Steve Gilroy	Lakeridge District
Mike Wilding	Prairie District
Janice Beaton	East Boundary District
Allen Dion	Lakeshore District

**WFN STAFF MEMBERS IN ATTENDANCE:**

Alyssa Church	Recording Clerk I
Chloe Brogan	IGA Researcher
Robert Mashohn	Director of Finance
Valerie Dougans	Controller

**DELEGATES IN ATTENDANCE:**

Darcy Haw	Auditor from MNP
-----------	------------------

**REGRETS:**

Jeniffer Bellingham	On leave
---------------------	----------

<b>CALL TO ORDER</b>	<b>Agenda is attached to these minutes as EXHIBIT "A."</b>
<i>R. Ould</i>	Called the meeting to order at 8:58
	<b><u>Motion to Adopt the Agenda</u></b>
<b>MOTION</b>	<b>MOVED BY M. Wilding</b> <b>Seconded by S. Gilroy</b> <b>THAT the Advisory Council hereby approves the agenda.</b> <b>CARRIED</b>
<b>OLD BUSINESS</b>	
	<b><u>Motion to Adopt the Minutes of</u></b>
<b>MOTION</b>	<b>MOVED BY S. Gilroy</b> <b>Seconded by A. Dion</b> <b>THAT the Advisory Council hereby approves the minutes of</b> <b>CARRIED</b>
	<u>Contact Ernest in regards to the residents who weren't sent their property tax reports.</u>
<i>C. Brogan</i>	The last I heard, they were opening an investigation with Canada Post



	because, from their side, everything had been sent out. They did say they had paid for ads on social media for residents and mentioned not receiving a response. However, they have no way of knowing which letters were affected, and it doesn't sound like they plan to resend them all.
	<u>the Advisory Council email Chloe dates that work for them to have the financial team and auditors come in</u>
<i>R. Ould</i>	We are reviewing the audit today during this meeting.
	<u>Review the suggestions with Ernest and his team about creating an insert for when the taxation notices are sent out.</u>
<i>A. Church</i>	I believe all of our notes in regards to the changes we wanted to the current pamphlet have been sent off.
	<u>Connect with Graeme for the next meeting to see if the fire department has an update on their plan for the proposed multi story buildings.</u>
<i>C. Brogan</i>	Graeme will hopefully have an update at our next quarterly meeting in October.
	<u>Have the New Director of Operations join an upcoming meeting to introduce herself to the Advisory Council.</u>
<i>R. Ould</i>	Lisa Pastro came in before the meeting today and introduced herself to the Advisory Council.
<b>NEW BUSINESS</b>	
	<b>Audit Presentation is attached to these minutes as EXHIBIT "B"</b>
<i>R. Ould</i>	First of all, it's excellent to receive this material well in advance for review, as it has been an issue in the past. I want to start by saying that nothing gives me pause as I review it; I don't see anything that raises questions. One of our usual questions is whether there's anything in the report that might cause us to pause.
<i>M. Wilding</i>	I have a question will you be reviewing materiality and benchmarks.
<i>R. Ould</i>	I didn't even know what "materiality" meant. For those of you who might not be familiar, auditors operate under a certain threshold of error tolerance. For example, if I'm reviewing expenses for office supplies, I'm not concerned about two paper clips, but I would be concerned about \$10,000 spent on something else, like rubber bands. There's a certain level of tolerance that's allowed, and that's what Mike was asking about. He



	<p>actually asked me to contact Chloe, who would then reach out to the auditors, but I never did that because I thought it would be better to ask the auditors directly when they were here. Another issue I have, which I'm not quite sure about, involves contributions to various funds like the capital fund, contingency fund, and stabilization fund. There's a note stating that these funds are set at 10% and can only be changed by law. We did change them by law, but I'm unsure if those changes were made after this notation.</p>
<i>V. Dougans</i>	<p>No, we changed them the previous year. Specifically, the contingency fund was adjusted, and now it can be a range between 1% and 10% whatever we feel is needed within that range. It used to be fixed at 10%, as was the case with the capital fund.</p>
<i>R Ould</i>	<p>I don't know if you'd prefer to just take questions, or if you'd like to go through it and explain your general feelings and how you want to approach it.</p>
<i>D. Haw</i>	<p>I mean, normally, I would just briefly discuss the audit report itself.</p> <p>We use a benchmark of revenue to determine an appropriate materiality base. As a firm, we prescribe a range of 3% to 5% of revenue for these types of engagements. For your case, we applied a factor of 5%, which sets the materiality threshold at \$1.5 million. It's a large number, but when you're dealing with \$32 million in income, that's the relevant factor. We also have what's called a trivial threshold. Anything below a 2% level isn't tracked, but anything above that is noted. If we find a possible error, we list it on a schedule and present it to the finance team, asking if they agree that these items do not materially impact the financial statements or their users. The materiality concept focuses on whether the presence of an error would affect the users of the financial statements. If an error is over \$1.5 million, we believe it might impact users; if it's below that, like \$1.4 million, we're likely to discuss it with the finance team to determine if it should be corrected. This is why our assurance standards require us to have formally approved and documented unadjusted errors.</p>
<i>S. Gilroy</i>	<p>Did we have any adjusted errors?</p>
<i>D. Haw</i>	<p>There was a possible difference involving some audit efficiency issues. Specifically, there was an amount of \$500,000 that wasn't easily supportable, so we decided not to pursue further work on it. Sometimes, we encounter balances that have historically been difficult to support, and in those cases, we pass on them because they fall below our thresholds.</p>



V. Dougans	There's a working paper that we've supported in previous years, so it's possible that we simply carried it forward from the prior year.
D. Haw	This is what is written in the file; Late comer amounts relate to balances specifically for developers who initially covered the development costs of major projects, such as sewer and water connections, and are being reimbursed over time as new connections are made. According to discussions with Eric, these balances have not been tracked consistently from year to year, and adequate support for the balances is not available. WFN staff will be working on reconciling that balance.
V. Dougans	A latecomer fee is something a developer pays into. When a new developer comes in, they would pay a total fee, which includes contributions for any existing development. This means that the new developer has to contribute to the costs of the development that was already completed. So, essentially, they're paying their share because the development was done before they arrived.
R. Mashohn	How would we track this if we don't have explicit backup? If we're lacking detailed documentation, would developers need to provide their own proof to show they've fulfilled their obligations? What happens when a developer wants to extinguish their liability? How do we manage and verify that process?
V. Dougans	That's a question I need to bring up with Graeme. As I mentioned, Eric and Graeme have been working on reconciling those funds and ensuring accuracy. Graeme has maintained pretty good records, but there has been a disconnect in the past. However, I have confidence in Graeme's ability to manage this.
R. Mashohn	As we continue to develop our financial systems, we'll have better integration, which might address the issue. This has been an ongoing situation year over year, and we're working to resolve it.
S. Gilroy	Would it be part of this year, or was it all backed up?
D. Haw	Last year's balance was \$707,000, and it has now been reduced to \$574,000.  Review the audit with the table
S. Gilroy	May I ask what the Water Settlement is?



<i>V. Dougans</i>	It was a court case involving prior litigation, with three payments already made and one more payment expected to come in.
<i>D. Haw</i>	Continued to review
<i>R. Ould</i>	<p>On page 5 under the reserve funds, we just recommend changing the wording to 1 - 10% because we already have changed the law</p> <p>And another comment is what do you mean by measurement uncertainty?</p>
<i>D. Haw</i>	<p>What we're really getting at here is that certain balances involve estimations and uncertainties. For example, with your accounts receivable, there's a chance that some of it might not be collected, introducing measurement uncertainty within that balance. Similarly, when amortizing your assets, it's a matter of estimation. We can amortize an asset like a truck, but we'll never get it exactly right; for instance, the truck's value might be estimated at \$10,000 or \$12,500. It's all about making the best guess given the circumstances.</p>
<i>R. Ould</i>	<p>On page 12, the budgeted amounts show a surplus. Is the surplus budget per finance referring to the total level for the entire year? Specifically, the last number indicates that we were \$395,000 under budget. Is that correct?</p>
<i>D. Haw</i>	<p>If we look at the income statements, specifically on page 2, you can see that in the 2024 budget column, the budget surplus was \$5.6 million. Of that surplus, \$5.2 million was budgeted for transfer to other departments. The remaining \$395,000 is what's left over.</p>
<i>M. Wilding</i>	Did you review internal controls?
<i>D. Haw</i>	<p>Yes, we need to evaluate the overall control environments. This means we look at the controls around revenue collection, payment of payables, and payroll processing. However, we don't test these controls and rely on them as assurance. Instead, we examine the underlying data to ensure the numbers are accurate. Relying solely on the assumption that controls operate perfectly is risky. For instance, if we test 10 instances of control and find one failure, we consider the entire control set ineffective. Even if nine out of ten controls work, we may need to expand our sample size or revert to the standard approach to ensure accuracy. Thus, it's more prudent to start with a robust approach from the beginning.</p>
<i>M. Wilding</i>	If you were to test an internal control, you'd need to examine various instances and possibly look for outliers. If you encounter a problem, you



	might have to discard the entire set of controls. This means that even if most instances are functioning correctly, a single issue can lead to questioning the effectiveness of the whole control system.
<i>D. Haw</i>	Alternatively, you might need to expand your sample population to make it significantly larger. This way, instances of failure become much smaller relative to the overall sample, providing a more accurate assessment of the control's effectiveness.
<i>M. Wilding</i>	Your approach is to identify and focus on key controls, ensuring they are in place and functioning as intended. This involves monitoring these critical controls to confirm their effectiveness, rather than relying solely on a broad or potentially flawed sample.
<i>D. Haw</i>	And we need to ensure there's no significant failure in these key controls that would impact our approach. If key controls are solid, our substantive approach involves examining revenue samples, expense samples, capital additions, and various ledgers. Even with poor controls, we could still accurately assess the financial data through this detailed substantive testing.
<b>MOTION</b>	<b>MOVED BY M. Wilding</b> <b>SECONDED BY J. Beaton</b> <b>THAT</b> the Advisory Council approve of the Audit report. <b>CARRIED</b>
<i>R. Ould</i>	Thank you very much. We had a bit of an issue last year because we received the materials late, and there wasn't enough time to thoroughly review them. This wasn't your fault or anyone else's fault but rather an internal issue. This time, with a whole week to review everything, I spent about an hour on it on two different occasions just to get a brief overview. That really helped. There were just a few minor points. For the sake of the minutes, I'll ask: Did anything in this audit give you pause?
<i>D. Haw</i>	No
<i>R. Ould</i>	I don't know how many people actually read the minutes from our meetings, but there are definitely some who do. Are the minutes currently being posted? I haven't checked in a while. We had issues with posting them due to staffing shortages before the AGM, but they were all up to date after that. I was going to direct people to read them, but I realized they need to be available first. I'm not sure where we stand with this process now, so if it's still not happening, we'll need to address it.



A. Church	I will check with the Communication department as I believe they are the ones that post the minutes on the website, I will also talk to Brayden about it.
R. Ould	Next month, Ernest has requested a meeting, and we understand that you've allotted half an hour for this. I'm assuming we'll be discussing and approving a law during this time. Do you have any details on what the general gist of that law is or what it entails?
V. Dougans	Yes, around September 16th, we'll be discussing a local bylaw concerning the allocation of money from our capital or reserve funds for capital projects.
R. Ould	The last couple of times, it was about vehicles, where the issue was purchasing a vehicle that wasn't included in the budget. I'm wondering if this upcoming bylaw will be similar or if it involves something more complex.
C. Brogan	I asked Ernest for a report two weeks in advance, and he said he would do his best to provide it.
M. Wilding	Do we know if the bylaw will affect all three of the reserve funds?
S. Gilroy	I believe it's just capital.
V. Dougans	It could be related to Development Cost Charges (DCCs), so it might be either a bylaw or a local revenue law. A local revenue law would involve taking money from our reserves, while a bylaw would pertain to withdrawing funds from our tax reserves. In any case, it will be reviewed by the Advisory Council, as Ernest will bring it forward for their review.
	Darcy left at 9:32
	<b><u>District Reports</u></b>
	<u>Lakeridge</u>
S. Gilroy	Many people have concerns about the building being proposed in front of roughly 6 homes. I sent a quick email to Graham to see what he has to say. As usual, he mentioned that they are reviewing it and will get back to us. This will be beneficial for the West Harbor project, as they will revert with more information. We're still waiting to hear whether they will increase the height of the condo complex from 8 stories to 15 stories as part of their fitness and amenities area. Additionally, I'm concerned if this change will trigger any fire safety requirements. Hopefully they will revert back to townhomes rather than the 6-story building
	<u>Prairie</u>
M. Wilding	I have an issue bubbling right now and I think id like to talk to chair and Jen



	before we take it public.
	<u>Lakeshore</u>
A. Dion	No contact at this time
	<u>East Boundary</u>
J. Beaton	No contact at this time.
	<u>Old Okanagan</u>
R. Ould	<p>We have a berm above our complex, with a retaining wall below it and weeds growing quite high. Traditionally, WFN has come through once a year to handle this, which our landscapers appreciate because it saves them the trouble. This year, the work did get done, but only along the sidewalk between the sidewalk and the retaining wall. Our landscaper reached out to WFN, and they responded quickly, saying they were behind but would address it. They managed to clear the sidewalk, but the berm wasn't done, which is acceptable to me since I don't think they should be responsible for that.</p> <p>During our conversation, snow removal was brought up. It seems that some complexes are required to clear snow in front of their properties, while others are not. Our contact was told by someone in utilities that we are not required to clear snow because there are bus stops along the street, and if bus stops are present, WFN clears the snow in those areas. I haven't heard this directly from the source, so it's a bit of hearsay. Other than that, I didn't have any further issues to report.</p>
	The next meeting will take place on September 17 in the IGA Boardroom
<b>ADJOURNMENT MOTION</b>	<p><b>MOVED BY J. Beaton</b>  <b>Seconded by S. Gilroy</b>  <b>THAT</b> the Advisory Council meeting be adjourned.  <b>CARRIED</b>          The meeting adjourned at 9:39</p>

<b>Items Requiring Closure</b>
<p>Items that still require closure include the following:</p> <ul style="list-style-type: none"> <li>• Talk to Brayden and the Communications department and check to see if the Advisory Meeting minutes are being posted on the website.</li> <li>• Connect with Graeme for the next meeting to see if the fire department has an update on their plan for the proposed multi story buildings.</li> </ul>

<sup>i</sup> stqa?txʷ4niwt sqilxʷ (Westbank First Nation) The people (sqilxʷ) living where wind blows (niw̓t) and forms swamps or puddles alongside a large lake (stqá?tkʷ4). Being a windy area, the winds would wash along the shore creating puddles which would either seep into the land, creating wet, marshy areas or





stqa?k<sup>w</sup>4n<sup>w</sup>t  
Westbank First Nation  
*Community. Leadership. Pride.*

MINUTES  
ADVISORY COUNCIL  
s<sup>c</sup>lkstasqt, x<sup>w</sup>i?x<sup>w</sup>i?tan (Friday, August) 16<sup>th</sup>,  
2024

---

wash back into the lake. This area has been identified as the portion of syilx territory from Hardy Falls to around the Gellatly/Green Bay area but in reality, it includes a few other areas, including x<sup>w</sup>ał mnik, the area closer to IR#10 and many other areas that have specific place names.