
**Tulita Dene Band
Consolidated Financial Statements**

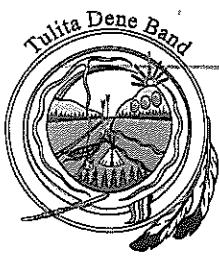
March 31, 2015

Tulita Dene Band

Consolidated Financial Statements-

March 31, 2015

	Management's Responsibility for Financial Statements	3
	Auditor's Report	4
Statement I	Consolidated Statement of Financial Position	5
Statement II	Consolidated Statement of Operation	6
Statement III	Consolidated Statement of Changes in Net Financial Assets	7
Statement IV	Consolidated Statement of Changes in Debt	8
Statement V	Consolidated Statement of Cash Flows	9
	Notes to the Financial Statements	10 15
Annex A	Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration Paid to Elected or Appointed Officials	16
Annex B	Schedule of Salaries, and Other Benefits paid to Unelected Senior Officials	16
Annex C	Funding Reconciliation	17
Schedule A	Capital Project Schedule	18
Schedules	Schedule of Revenue and Expenditures-Tulita Dene Band	1-23
Schedule	Tulita Development Ltd.	24



TULITA DENE BAND COUNCIL

BOX 118,
TULITA, NT
X0E 0K0

Management's Responsibility for Financial Reporting

To the Members
Tulita Dene Band

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian generally accepted accounting principles. Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Band's management recognizes its responsibility for conducting the Band's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a First Nation.

The auditor annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

Frank Andrew,
Chief
Tulita, NT
July 16, 2015



Independent Auditor's Report

To the Members of
Tulita Dene Band

I have audited the consolidated statement of financial position of The Tulita Dene Band as at March 31, 2015 and the consolidated statement of operations, the consolidated statement of changes in net financial assets the consolidated statement of changes in debt and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian Public Sector Accounting Standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. I am also required to comply with applicable ethical requirements.

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 preparations 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. Accordingly, the auditor expresses no such opinion. 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.

In common with many non-profit organizations, the Band derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification,

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion except for any adjustments, if any which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of donation and fundraising revenue referred to in the preceding paragraphs these financial statements present fairly, in all material respects, the consolidated financial position of the Band as at March 31, 2015 and the consolidated results of its operations, consolidated changes in net financial assets, consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature of Paul Fleury.

Paul Fleury & Co
Certified General Accountant

Yellowknife, Northwest Territories
July 16, 2015

Tulita Dene Band

STATEMENT 1

Consolidated Statement of Financial Position

As At March 31, 2015

2015

2014

Financial Assets

Accounts receivable (Note 3)	\$ 215,203	\$ 150,432
GST	26,353	23,262
Refundable Taxes	558	558
Total Financial Assets	242,114	174,252

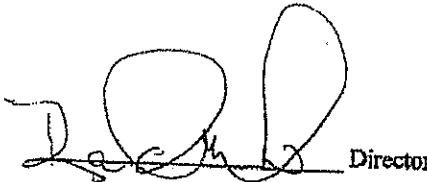
Liabilities

Bank indebtedness	\$ 87,392	\$ 39,924
Accounts payable and accrued liabilities	142,313	82,362
Government Payroll Remittances	11,539	109,135
Corporate Taxes Payable	686	686
GST	162	2,426
Deferred income (Note 6)	151,572	114,822
Current Portion of Long-Term Debt	84,759	78,893
Long-Term Debt (Note 7)	391,630	476,389
Due To Related Parties (Note 8)	205,879	205,879
Total Liabilities	1,075,932	1,110,516
Net Financial Assets	-833,818	-936,264
Non-Financial Assets		
Tangible Capital Assets (Note 5)	1,390,359	1,447,366
Investments (Note 4)	122,025	117,025
Prepaid Expenses	8,626	9,097
Deferred Interest	2,580	3,685
Total Non-Financial Assets	1,523,590	1,577,173
Accumulated Surplus	\$ 689,772	\$ 640,909

Approved on behalf of the Directors



Al Chief



Director

Tulita Dene Band**STATEMENT 11****Consolidated Statement of Operations**

YEAR ENDED MARCH 31, 2015	2015	2014
REVENUE		
DIAND-Core	\$ 211,766	\$ 184,852
DIAND-Other	24,000	171,166
Deferred Revenue	68,579	18,539
Government of Northwest Territories	372,140	297,670
Sahtu Dene Council	93,588	73,505
Personal Credits	97,374	0
Bingo Revenue	25,556	37,403
Donations	19,818	26,215
Miscellaneous Revenue	10,532	24,160
Administration and Management Fees	25,771	40,162
	949,124	873,672
EXPENDITURES		
Wages and Benefits	362,172	397,209
Honoraria	15,600	15,100
Administration Fees	25,771	16,307
Advertising and promotion	1,664	9,653
Amortization	3,785	3,605
Bank charges and interest	3,876	6,904
Communications	31,648	29,974
Donations and Funerals	1,240	2,450
Meetings and Workshops	3,610	2,275
Computers	14,608	0
Office Supplies, Photocopies	7,797	7,819
Refreshments, Food, Snacks	9,099	13,215
Rent	27,940	27,493
Miscellaneous	1,465	26,685
Travel	23,342	46,108
Utilities	41,134	37,342
Materials, Crafts and Supplies	6,635	1,788
Maintenance	2,000	2,045
Cultural Activities	0	36,413
Insurance	796	796
Facilitators, Resource People and Subcontractors	9,370	37,211
Registration	0	4,735
Program Disbursement	5,000	6,248
Freight postage and Local transportation	1,563	8,860
Auditing and bookkeeping	10,575	8,535
Prior Year Adjustment	12,164	0
Community projects and Child care expenses	169,184	37,187
Deferred Expenses	105,328	68,558
	897,366	854,515
EXCESS REVENUE (EXPENDITURES)	51,758	19,157
Net Income of Subsidiary	-1,302	52,562
Net Income	50,456	71,719

Tulita Dene Band**STATEMENT III****Consolidated Statement of Changes in Net Financial Assets**

<u>Year Ended March 31, 2015</u>	<u>2015</u>	<u>2014</u>
Surplus (Deficit)	\$ 50,456	\$ 71,719
Prior Year Adjustment	-14,978	
(Acquisition) Disposal of capital assets	0	-4,839
Investments	-5,000	
Amortization of tangible capital assets	70,392	69,597
	100,870	136,477
Decrease in prepaid expenses	471	2,729
Increase in deferred interest	1,105	1,579
Increase (Decrease) in Net Financial Assets	102,446	140,785
Net Financial Assets, beginning of year	-936,264	-1,077,049
Net Financial Assets end of year	\$ -833,818	\$ -936,264

Tulita Dene Band**STATEMENT IV****Consolidated Statement of Change in Net Debt**

Year Ended March 31, 2015	2015	2014
Balance March 31, 2014		
Current Liabilities	\$ 349,355	\$ 444,142
Long-Term Debt	555,282	633,637
Related Parties	205,879	205,879
	1,110,516	1,283,658
Balance March 31, 2015		
Current Liabilities	393,664	349,355
Long-Term Debt	476,389	555,282
Due To Related Parties	205,879	205,879
	1,075,932	1,110,516
Decrease (Increase) in Net Debt	\$ 34,584	173,142

Tulita Dene Band**STATEMENT V****Consolidated Statement of Cash Flow**

Year Ended March 31, 2015	2015	2014
Cash provided by (used in)		
Operating activities		
Net income (loss)	\$ 50,456	\$ 71,719
Items not affecting cash		
Amortization	70,392	69,597
Prior Year Adjustment	-14,978	
Change in non-cash operating working capital		
Accounts Receivable	-64,771	37,309
GST Receivable	-3,091	-4,952
Deferred Interest	1,105	1,579
Prepaid expenses and deposits	471	2,729
Accounts payable and accrued liabilities	57,687	-22,585
Government Payroll Remittances	-97,596	-26,315
Corporate Taxes	0	-345
Deferred income	36,750	10,317
	36,425	139,053
Financing activities		
Long-Term Debt	-78,893	-78,355
Contribution-Diand	0	42,000
Changes in bank indebtedness	47,468	-55,859
	-31,425	-92,214
Investing Activities		
Investments	-5,000	
(Purchase) Disposal of capital assets		-46,839
Cash increase	0	0
Cash, beginning of year	Nil	0
Cash, end of year	\$ 0	\$ 0

Tulita Dene Band
Consolidated Financial Statements
Notes to the Financial Statements

March 31, 2015

1. Nature of Operations

The Tulita Band Council ("Band") is an aboriginal organization that is registered under the *Indian Act*. Its purpose is to administer the affairs of the Tulita Dene Band.

2. Accounting Policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) **Basis of presentation**

The Band follows reporting guidelines for First Nations as set out by Indian and Northern Affairs Canada. These financial statements are prepared in accordance with Canadian generally accepted accounting principles. These financial statements reflect the operations of the Band.

(b) **Measurement uncertainty**

The preparation of financial statements in accordance with Public Sector Accounting Standards requires the Band to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. At the time of the preparation of these statements, Tulita Dene Band believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to amortization, non-monetary Transactions, and revenue accruals.

(c) **Tangible capital property**

Property and equipment are recorded at cost and amortized by the declining balance method at the rates set out in Note 7.

(d) **Deferred government assistance**

Government assistance in the form of grants is capitalized and amortized at the same rate as the assets to which they relate.

Capital asset grants are accounted for in a reduction of their costs. Operational grants are accounted for in a reduction of operating expenses.

(e) **Deferred revenue**

Deferred revenue consists of amounts that have been deferred as a result of project completion dates extending beyond the fiscal year end. It will be taken into income in the year end for which additional expenditures are incurred.

March 31, 2015

(f) General revenues

Administrative fees, donations, interest income and other miscellaneous income are recognized on an accrual basis as they are earned.

(g) Project income and deferred project income

Tulita Dene Band receives contributions from the Government of Canada and the Government of the Northwest Territories for the delivery of projects.

(h) Contract services

Contract services acquired by the Council are recognized as expenses in the year the services are rendered.

(i) Contingent liabilities

A contingent liability is a potential liability which may become an actual liability when one or more future events occur or fail to occur, and a reasonable estimate of the loss can be made. An estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(j) Prepaid expenses

Prepaid expenses are charged to expenses over the period expected to benefit from them.

(k) Funds and reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.

(l) Income taxes

The Band is exempt from federal, territorial, and local government taxes except federal Goods and Services Tax. Taxes reported on the accompanying consolidated financial statements represent the taxes of Tulita Developments Ltd.

(m) Financial instruments

A significant financial assets, financial liabilities and equity instruments of the Band are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to the fair value has been disclosed.

Tulita Dene Band
Consolidated Financial Statements
Notes to the Financial Statements

March 31, 2015

(n) Going concern

The financial statements are prepared on a going concern basis.

3. Accounts Receivable

	2015	2014
Contributions	\$ 164,648	\$ 94,035
Other	5,580	10,522
Services	44,975	45,875
	<hr/> \$ 215,203	<hr/> \$150,432

4. Investments

	2015	2014
Tulita District Investment Company	\$ 5,000	\$ -
Caribou Camp Services Ltd.	\$ 25	\$ 25
25 Class A common shares (25% interest)	\$ 117,000	\$ 117,000
Two Rivers Development Group Ltd.		
117 Class A common shares (19% interest)	<hr/> \$122,025	<hr/> \$117,025

All investments are owned by Tulita Developments Ltd. The \$117,000 investment in Two Rivers Development Group Ltd. consists of 234 Class A voting shares for a 20% interest.

Caribou Camp Services Ltd is presently inactive

Two Rivers Development Group Ltd is now operating at a profit..

Tulita Dene Band
 Consolidated Financial Statements
 Notes to the Financial Statements

March 31, 2015

5. Tangible Capital Assets

	Rate	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Land		\$ 24,903	\$ -	\$ 24,903	\$ 24,903
Harbour		71,016	-	71,016	71,016
Buildings	4%	2,469,197	1,201,157	1,268,040	1,320,366
Equipment	20%	38,104	34,766	3,338	4,198
Office equipment	20%	61,957	58,334	3,623	4,529
Telephone system	20%	4,841	1,356	3,485	4,357
Computer Equipment	30%	21,337	6,800	14,537	3,167
Automotive	30%	58,091	30,018	28,073	40,664
Snowmachine	30%	12,000	7,002	4,998	7,139
		2,761,446	1,339,433	1,422,013	1,480,339
Deferred gov't assistance		(45,700)	(14,046)	(31,654)	(32,973)
		\$2,715,746	\$1,325,387	\$1,390,359	\$ 1,447,366

6. Deferred Revenue

	2015	2014
Sahtu Dene Council-Language Program	\$ 21,706	\$ 21,706
-Dream Catchers	-	26,578
-Cultural Committee	24,538	24,538
Leadership	27,437	42,000
Brighter Futures	31,534	-
Victim Services	22,537	-
Diand-Summer Employment	24,000	-
	\$ 151,572	\$ 114,822

Tulita Dene Band
 Consolidated Financial Statements
 Notes to the Financial Statements

March 31, 2015

	2015	2014
7. Long-term Debt		
Business Development and Investment Corporation Loan, repayable in monthly blended payments of \$ 8,167.55 bearing interest at 9% compounded semi-annually maturing July 1, 2013, secured by promissory note, corporate guarantee, general security agreement, and collateral mortgage.	\$ 413,157	\$ 470,943
Secured by a building which has a book value of \$ 1,255,805		
Business Development and Investment Corporation Loan, repayable in monthly blended payments of \$ 814.25 bearing interest at 6.25% compounded semi-annually maturing April 1, 2013, secured by promissory note, corporate guarantee, general security agreement, and collateral mortgage.	41,970	48,906
Secured by a building which has a book value of \$ 1,362,637		
 Ford Credit Canada Ltd. loan agreement due repayable in blended monthly installments of \$ 1,268.07. Secured by a Ford F350.		
Secured by a vehicle which has a book value of \$ 28,073	21,262	35,433
	476,389	555,282
Current Portion	84,759	78,893
	<u>\$391,630</u>	<u>\$476,389</u>
 The estimated principal repayments on long-term debt in each of the three five years are as follow:		
2,015	78,892	
2016	84,759	84,759
2017	84,080	84,080
2018	83,983	83,983
2019	91,614	91,614
2020	32,009	32,009
Remaining	<u>99,944</u>	<u>99,945</u>
	<u>\$ 476,389</u>	<u>\$ 555,282</u>

Tulita Dene Band
Consolidated Financial Statements
Notes to the Financial Statements

March 31, 2015

8. Due to Related Parties

	2015	2014
Tulita Financial Corporation	\$ 205,879	\$ 205,879

The amounts due to related parties are non-interest bearing and have no fixed terms of repayment. Where the related company has indicated that they will not require payment within the next fiscal year, the amounts have been classified as long-term debt in the accompanying financial statements. The fair value of these amounts cannot be readily determined.

9 Going Concern

Operating deficits over the past years, particularly for the year ended March 31, 2009, have created severe liquidity problems for the Tulita Dene Band. This problem was somewhat alleviated during the current year because of the surplus.. Nevertheless, the Band still has payroll remittances arrears which must be settled.

Therefore it is important that the Band recovers some of the amount of \$ 294,066 which is owed by Tulita Developments Ltd.