



Independent Auditor's Report,
To the Members of

Tulita Dene Band

Qualified Opinion

I have audited the accompanying financial statements of the Tulita Dene Band which comprise the statement of financial position as at March 31, 2020, and the statement of operations, statement of changes in net assets, statement of changes in debt and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report the accompanying financial statements present fairly, in all material respects, the statement of financial position of the Tulita Dene Band as at March 31, 2020, and the results of its operations, changes in net financial assets, changes in net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

In common with many non-profit organizations, the Tulita Dene Band derives revenues from fund raising activities which are not susceptible to satisfactory audit verification. Also I was not able to obtain the necessary information to account for the investment in the Tulita District Investment Co under the modified equity method. Therefore I was not able to determine whether any adjustments might be necessary to record excess of revenues over expenses for fund raising activities and to account for the investment in the Tulita District Investment Co under the modified equity method, cash flows from operation for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019 and net assets as at April 1 and March 31 for both the 2020 and 2019 years. My audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this scope limitation.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Tulita Dene Band in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter.

Without modifying my opinion, I draw attention to note 13a to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 subsequent to year-end and its effect on the global economy. My opinion is not modified in respect of this matter.

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 Public Sector Accounting Standards, 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 Tulita Dene Band'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 either intends to liquidate the Tulita Dene Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Tulita Dene Band's financial reporting process.

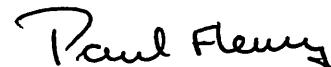
Auditor's responsibilities for the Audit of the Financial Statements

My 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 my 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 users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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 Tulita Dene Band'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 Tulita Dene Band's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Tulita Dene Band 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.

I 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 I identify during my audit.



Paul Fleury
Chartered Professional Accountant

Yellowknife, Northwest Territories
August 28, 2020

STATEMENT I**Tulita Dene Band****Statement of Financial Position****As At March 31,****2020****2019****Financial Assets**

Accounts Receivable (Note 3)	\$ 13,470	\$ 89,464
Employee advances	7,260	800
GST	49,875	45,287
Payroll remittances	61,899	-
Due from related party (Note 6)	317,731	317,731
Investments (Note 7)	541,799	534,932
Total Financial Assets	992,034	988,214

Liabilities

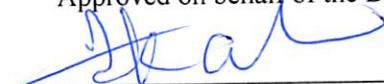
Bank indebtedness	\$ 91,351	\$ 114,793
Accounts payable and accrued liabilities	76,238	93,033
Employee Benefits Payable	2,219	2,693
Deferred income (Note 9)	59,981	108,956
Total Liabilities	229,789	319,475
Net Financial Assets	762,245	668,739

Non-Financial Assets

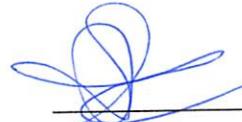
Tangible Capital Assets (Note 8)	9,623	11,654
Pepaid Expenses	4,747	6,812
Total Non Financial Assets	14,370	18,466

Accumulated Surplus	\$ 776,615	\$ 687,205
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Approved on behalf of the Directors



Chief



Director

Tulita Dene Band**STATEMENT II****Statement of Operations**

YEAR ENDED MARCH 31,	Budget	2020	2019
REVENUE			
Diand-Core	\$ 440,000	\$ 438,672	\$ 399,774
Diand-Other	-	-	32,443
Deferred Revenue - Current Year	-	-	(65,938)
Government of Northwest Territories	415,000	415,301	429,861
Deferred Revenue - Prior Year	-	-	-
Deferred Revenue - Current Year	-	-	(18,480)
Sahtu Dene Council	90,000	90,910	98,471
Sahtu Divisional Education Authority	30,000	30,000	29,800
Tulita Yamoria Community Self-Government	20,000	20,000	24,027
Yamoria	-	-	50,000
Donations	30,000	49,810	32,152
Lottery revenue	8,000	7,886	-
Expense recoveries	-	-	28,283
Administration and Management Fees	20,000	16,395	6,698
Dividends and interest	20,000	20,000	55,000
	1,073,000	1,088,974	1,102,091
EXPENDITURES			
Core	200,000	187,925	217,347
Core 3	47,000	46,996	62,349
Core 4	2,200	21,505	87,062
Core 5	45,000	44,716	-
Core 7	98,000	97,719	-
Core 8	39,000	38,552	-
Band Revenue	90,000	8,831	96,340
Brighter Future	180,000	182,899	157,526
Community Broadcasting	10,000	17,459	10,601
Nib Cultural	-	-	15,125
Cultural Project	-	-	29,800
Community Justice Program	49,000	49,056	49,021
Victim Service	90,000	90,026	90,012
Nutrition North	30,000	29,949	29,930
Youth Center	30,000	29,001	-
Summer Student	15,000	15,124	15,081
Summer Student Hamlet	12,000	11,823	-
Tate Lake	-	-	33,520
Traditional Tate Lake Trail	-	-	25,409
tyc Self-Government	20,000	23,047	74,476
Out on the Land	12,000	12,201	29,835
Handgames	5,000	5,055	-
Cultural Language Camp	10,000	10,019	6,020
Language coordinator	48,000	48,507	65,316
Language Learning Activity	6,000	6,021	-
Language Resources	30,000	30,000	-
Total Expenses	1,068,200	1,006,431	1,094,770
Annual Operating Surplus	4,800	82,543	7,321
Income from subsidiary	6,000	6,867	(10,094)
Prior year adjustment - subsidiary	-	-	(5,552)
Prioe year adjustment -Band	-	-	5,583
Accumulated Surplus at beginning of the year	689,947	687,205	689,947
Accumulated Surplus at end of year	\$ 700,747	\$ 776,615	\$ 687,205

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

Year Ended March 31, 2020	2020	2019
Surplus (Deficit)	\$ 89,410	\$ (2,773)
Amortization	2,031	4,468
Prior Year Adjustment	-	31
	91,441	1,726
(Increase) Decrease in prepaid expenses	2,065	(6,312)
Increase (Decrease) in Net Financial Assets	93,506	(4,586)
Net Financial Assets, beginning of year	668,739	673,325
Net Financial Assets end of year	\$ 762,245	\$ 668,739

Tulita Dene Band

STATEMENT IV

Statement of Change in Net Debt

<u>Year Ended March 31,</u>	<u>2020</u>	<u>2019</u>
Balance as April 1 2019		
Current Liabilities	\$ 319,475	\$ 308,661
	319,475	308,661
Balance March 31, 2020		
Current Liabilities	229,789	319,475
	229,789	319,475
Increase (Decrease) in net debt	\$ (89,686)	\$ 10,814

Statement of Cash Flows

Statement of Cash Flows	2020	2019
Cash provided by (used in)		
Operating activities		
Net income (loss)	\$ 89,410	\$ (2,773)
Items not affecting cash		
Amortization	2,031	4,468
Prior year adjustment	-	31
Change in non-cash operating working capital		
Accounts receivable	75,994	(4,646)
Employee advances	(6,460)	(800)
GST	(4,588)	(6,130)
Payroll remittances	(61,899)	-
Prepaid expenses and deposits	2,065	(6,312)
Accounts payable and accrued liabilities	(16,795)	(69,107)
Employee Benefits	(474)	(32,728)
Deferred income	(48,975)	84,418
	30,309	(33,579)
Financing activities		
Advances from (to) related parties	-	(10,298)
Investing Activities		
Investing Activities	(6,867)	15,646
Cash increase (decrease)	23,442	(28,231)
Cash and cash equivalent, beginning of year	(114,793)	(86,562)
Cash and cash equivalent, end of year	\$ (91,351)	\$ (114,793)
Represented by		
Bank indebtedness	\$ (91,351)	\$ (114,793)

Tulita Dene Band
Notes to the Financial Statements

March 31, 2020

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) **Cash and cash equivalents**

Cash consists of a current business bank account. The Band does not hold any term deposits.

(b) **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.

(c) **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.

(d) **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.

March 31, 2020

(e) Revenue recognition

The Band 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 revenues when received or receivable if the amount to be received can be reasonably estimated and its collection is reasonable assured. Contributions which are not expensed in the current year are set up as deferred funding or refundable contributions that must be repaid to the contributor.

(f) General revenues

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

(g) Contributed services

Hours contributed by volunteers to assist the entities in carrying out its service delivery activities are not recognized in the financial statements because of the difficulty in determining their fair value.

(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.

March 31, 2020

(m) Financial instruments

All 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.

(n) Going concern

The financial statements are prepared on a going concern basis

(o) Employee future benefits

Provision is made for obligations relating to unused vacation in the statement of financial position. However, no provision is made for severance pay.

(p) Long-term investments

The Band uses the equity method to record investments in entities subject to significant influence. The investment is initially recorded at cost and adjustments are made to include the Band's share of the investee's net earnings or losses. These adjustments are included in net earnings. The amount of the investment is reduced by any dividends received or receivable from the investment.

The Band uses the cost method to record investments in all other companies.

3. Accounts Receivable

	2020	2019
Contributions	\$ 13,470	\$ 89,464
Other	-	-
	<hr/> \$ 13,470	<hr/> \$ 89,464

4. GST Receivable

This represents a series of previous year amounts which Canada Revenue Agency neglects to refund for no valid reason in spite of numerous attempts to bring the matter to their attention.

5. Payroll Remittances.

Again these represent amounts which Canada Revenue Agency collected through third party demand without adequate explanations. Attempts are being made to have these amounts refunded.

5 Bank line of credit

The Band has an overall line of credit of \$ 50,000.00 with the Canadian Imperial Bank of Commerce. This line of credit is secured by the accounts receivables.

Tulita Dene Band
Notes to the Financial Statements

March 31, 2020

		2020	2019
6. Due From Related Party.			
Tulita Development Ltd		\$ 317,731	\$ 317,731
7. Investments			
Tulita Development Ltd		\$ 536,799	\$ 529,932
Tulita District Investment Co.		5,000	5,000
		<u>\$ 541,799</u>	<u>\$ 534,932</u>

Investment in Tulita Development Ltd is subject to significant influence (100% of voting shares) and is accounted for using the equity method.

Because of lack of information the Investment in Tulita District Investment is recorded at historical cost.

8. Tangible Capital Assets

	Rate	Cost	Accumulated Amortization	Net Book Value	
				2020	2019
Buildings	4%	\$ 30,193	\$ 26,183	\$ 4,010	\$ 5,013
Equipment	20%	61,957	61,067	890	1,484
Telephone System	20%	4,841	3,699	1,142	1,426
Computer Equipment	30%	19,859	16,278	3,581	3,731
		<u>\$116,850</u>	<u>\$ 107,227</u>	<u>\$ 9,623</u>	<u>\$ 11,654</u>

9. Deferred Revenue

	2019	Taken into Revenue	Amount Returned	Additional	2020
Cultural Committee -Bingo Funds	\$ 24,538	\$ -	\$ -	\$ -	\$ 24,538
Core 4	20,938	20,938	-	-	-
Core 5	45,000	45,000	-	-	-
TYC-Self Government	-	-	-	16,963	16,963
GNWT-Tate Lake	18,480	-	-	-	18,480
	<u>\$ 108,956</u>	<u>\$ 65,938</u>	<u>\$ -</u>	<u>\$ 16,963</u>	<u>\$ 59,981</u>

Tulita Dene Band
Notes to the Financial Statements

March 31, 2020

10.. Government Contributions

Operating Contributions-Diand	\$ 438,672	\$ 366,279
Project Contribution-GNWT	415,301	411,381
	\$ 853,973	\$ 777,660

11. Budget

The Band does not prepare a budget

12. Financial Instruments

The Band is exposed to interest, credit and liquidity risks from its financial instruments

Interest rate risk

The Band is exposed to interest risk with respect to the following financial instruments:

- Cash and cash equivalents;
- Bank indebtedness;
- Long-term loans.

The Band has no means to mitigate this risk

Credit risk

The Band's exposure to credit risk consists primarily of cash and accounts receivable. The Company maintains its cash with reputable and major financial institutions. Accounts receivable are from debtors with good repayment history.

Liquidity risk

Liquidity risk is dependent on receipt of funds from revenues and continued access to sufficient facilities to be able to pay liabilities as they become due. Management estimates this risk to be minimal.

13. Pension plan

The Band does not participate in a pension plan for its employees.

13A COVID 19

Before year-end, there was a global outbreak of a novel coronavirus known as Covid-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. The extent of the impact the COVID-19 outbreak may have on the Organization will depend on future developments that are highly uncertain, and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographical spread of the disease, the duration of the outbreak, including the length of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are or may, be put in place by Canada, U.S. or other countries to fight the virus. The Organization's activities have not been significantly impacted thus far; however the Organization continues to assess the impact COVID-19 will have on its operations.