

Tulita Dene Band

**STATEMENT 1**

**Consolidated Statement of Financial Position**

**As At March 31,**

**2021**

**2020**

<b>Financial Assets</b>			
Cash in bank	\$ 254,535	\$ 810	
Accounts receivable (Note 3)	32,413	16,470	
Employee advances	504	7,860	
GST ( Note 4)	73,888	65,214	
Payroll remittances	-	61,899	
Investments (Note 5)	122,000	122,000	
<b>Total Financial Assets</b>	<b>483,340</b>	<b>274,253</b>	
<b>Liabilities</b>			
Bank indebtedness	\$ 3,498	\$ 91,351	
Accounts payable and accrued liabilities	122,187	181,307	
Government Payroll Remittances	2,543	2,246	
Corporate taxes	4,188	3,802	
Deferred income (Note 7)	439,158	59,981	
Current Portion of Long-Term Debt	-	46,814	
Due To Related Parties (Note 9)	205,879	205,879	
<b>Total Liabilities</b>	<b>777,453</b>	<b>591,380</b>	
<b>Net Financial Assets</b>	<b>(294,113)</b>	<b>(317,127)</b>	
<b>Non-Financial Assets</b>			
Tangible Capital Assets (Note 6)	1,181,031	1,086,703	
Prepaid Expenses	5,700	7,039	
<b>Total Non-Financial Assets</b>	<b>1,186,731</b>	<b>1,093,742</b>	
<b>Accumulated Surplus</b>	<b>\$ 892,618</b>	<b>\$ 776,615</b>	

Approved on behalf of the directors

 Chief

 Director

**Tulita Dene Band****STATEMENT 1****Consolidated Statement of Financial Position**

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Approved on behalf of the directors

Chief

Director

STATEMENT II

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

<b>YEAR ENDED MARCH 31,</b>	<b>Budget</b>	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>			
Indigenous Services	\$ 680,000	\$ 681,871	\$ 438,672
Indigenous Services	100,000	104,986	-
Deferred Revenue-Current Year	-400,000	414,620	-
Government of Northwest Territories	400,000	394,074	415,301
Deferred Revenue-Current Year	-	-	-
Sahtu Dene Council	170,000	166,910	90,910
Sahtu Divisional Education Authority	-	-	30,000
Tulita Yamoria Community Self-Government	-	-	20,000
Donations	30,000	63,000	49,810
Lottery Revenue	20,000	25,848	7,886
Miscellaneous Revenue	15,000	13,783	-
Other Funding	80,000	81,710	-
Administration and Management Fees	10,000	7,353	16,395
Dividends	-	-	20,000
	<b>1,105,000</b>	<b>1,124,915</b>	<b>1,088,974</b>
<b>EXPENDITURES</b>			
Core	250,000	249,021	187,925
Core 3	50,000	55,400	46,996
Core4	-	-	21,505
Core 5	40,000	38,000	44,716
Core 7	-	-	97,719
Core 8	-	-	38,552
Core 9	20,000	20,000	-
Band Revenue	30,000	38,212	8,831
Brighter Futures	180,000	182,677	182,899
Community Broadcasting	10,000	20,723	17,459
GNWT-Industry, Tourism, Investment	15,000	13,171	-
GNWT-Seeds Program	-	2,294	-
Community Justice Program	49,000	49,016	49,056
Victim Service	90,000	122,061	90,026
Nutrition North	-	-	29,949
Youth Center	30,000	11,750	29,001
Summer Student	15,000	17,869	15,124
Summer Student-Hamlet	12,000	20,471	11,823
SRRB-Project	-	11,250	-
SRRB-On Land Program	-	11,250	-
SRRB-On The Land	-	15,000	-
TYC-Self-Government	-	-	23,047
Out on the Land	12,000	15,000	12,201
Handgames	-	-	5,055
Cultural Language Camp	10,000	10,000	10,019
Guard	20,000	17,500	-
Healthy Snacks	50,000	49,200	-
Language Coordinator	48,000	48,405	48,507
Language Learning Activity	6,000	8,073	6,021
Language Resources	30,000	4,500	30,000
Total Expenses	967,000	1,030,843	1,006,431
Annual Operating Surplus	138,000	94,072	82,543
Income (loss) from Subsidiary	6,000	6,503	6,867
Prior Year-Adjustment-Band	-	15,428	-
Accumulated Surplus at the beginning of the year	776,615	776,615	687,205
<b>Accumulated Operating Surplus at the end of the year</b>	<b>\$ 920,615</b>	<b>\$ 892,618</b>	<b>\$ 776,615</b>

**STATEMENT 11A**

**TulitaDene Band**  
**Consolidated Financial Statements**  
**Statement of Operations-Tulita Development Ltd**

<b>Year-ended March 31,</b>	<b>Budget</b>	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>			
Fees for Services	\$ 180,000	\$ 169,488	\$ 175,523
Rental Income	165,000	148,900	160,712
Dividends	-	-	15,000
Miscellaneous	-	10,000	-
	345,000	328,388	351,235
<b>EXPENSES</b>			
Forestry Contract	170,000	132,447	169,768
RDC Building	165,000	173,719	168,286
Miscellaneous	-	386	1,672
Motor Vehicles	5,000	15,333	4,642
	340,000	321,885	344,368
Annual operating surplus (deficit)	5,000	6,503	6,867
Accumulated operating surplus beginning of	526,799	536,799	529,932
	\$ 531,799	\$ 543,302	\$ 536,799

**Tulita Dene Band**

**STATEMENT IV**

**Consolidated Statement of Change in Net Debt**

<b>Year Ended March 31,</b>	<b>2021</b>	<b>2020</b>
Balance March 31,		
Current Liabilities	\$ 338,687	\$ 499,935
Long-Term Debt	46,814	61,567
Related Parties	205,879	205,879
	<b>591,380</b>	<b>767,381</b>
Balance March 31,		
Current Liabilities	571,574	338,687
Long-Term Debt	-	46,814
Due To Related Parties	205,879	205,879
	<b>777,453</b>	<b>591,380</b>
<b>Decrease (Increase) in Net Debt</b>	<b>\$ (186,073)</b>	<b>\$ 176,001</b>

**Tulita Dene Band**

**STATEMENT V**

**Consolidated Statement of Cash Flow**

**Year Ended March 31,**

**2021**

**2020**

<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income (loss)	\$ 116,003	\$ 89,410
Prior year adjustment	-	-
Items not affecting cash		
Amortization	57,351	56,693
<b>Change in non-cash operating working capital</b>		
Accounts receivable	(8,587)	85,418
GST receivable	(8,674)	(7,358)
Payroll Remittances	61,899	(61,899)
Prepaid expenses and deposits	1,339	(227)
Accounts payable and accrued liabilities	(59,120)	27,253
Short term loan	-	(30,000)
Government payroll remittances	297	(525)
Corporate taxes	386	1,037
Deferred income	379,177	(55,287)
	540,071	104,515
<b>Financing activities</b>		
Long-term debt	(46,814)	(90,037)
Acquisition of capital assets	(151,679)	
<b>Cash increase</b>	341,578	14,478
<b>Cash and cash equivalents, beginning of year</b>	(90,541)	(105,019)
<b>Cash and cash equivalents, end of year</b>	\$ 251,037	\$ (90,541)
<b>REPRESENTED BY</b>		
Cash in Bank	254,535	810
Bank indebtedness	(3,498)	(91,351)
	\$ 251,037	\$ (90,541)

**Tulita Dene Band**  
**Consolidated Financial Statements**  
**Notes to the Financial Statements**

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**March 31, 2021**

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**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. Tulita Developments Ltd ('company') As its 100% subsidiary functions as the business arm of the Tulita Dene Band. The major business activities of the company are forestry services and commercial rentals.

**2. Significant Accounting Policies**

These financial statements have been prepared by management in accordance with Public Sector Accounting Standards as issued by the Public Sector Accounting Board (PSAB). The Band follows guidelines for First Nations as set out by Indian and Northern Affairs Canada.

**a) Cash and cash equivalents**

Cash consists of current business bank accounts. The entity does not hold any term deposits.

**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.

**Tulita Dene Band  
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**March 31, 2021**

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**(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 reasonably 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.

**Tulita Dene Band**  
**Consolidated Financial Statements**  
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**March 31, 2021**

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**(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.

**(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) Investments**

Investments subject to significant influence are recorded under the modified equity method. 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 cost method is used to record investments in all other companies.

**3. Accounts Receivable**

	2021	2020
Contributions	\$ 25,492	\$ -
Other	-	13,470
Services	6,921	3,000
	<hr/> 32,413	<hr/> 16,470

**4. GST Receivable**

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

**Tulita Dene Band**  
**Consolidated Financial Statements**  
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**March 31, 2021**

**5. Investments**

	2021	2020
Tulita District Investment Company	\$ 5,000	\$ 5,000
Two Rivers Development Group Ltd. 117 Class A common shares (19% interest)	117,000	117,000
	<u>\$122,000</u>	<u>\$122,000</u>

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. Information is not available to present this investment under the modified equity method.

**6. Tangible Capital Assets**

	Rate	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Land		\$ 24,903	\$ -	\$ 24,903	\$ 24,903
Arbour		129,936	47,819	82,117	36,361
Buildings	4%	2,567,044	1,479,655	1,087,389	1,036,742
Equipment	20%	38,104	37,229	875	1,094
Office equipment	20%	61,957	61,245	712	890
Telephone system	20%	4,841	3,926	915	1,142
Computer equipment	30%	24,671	21,231	3,440	3,584
Automotive	30%	58,091	53,221	4,870	6,957
Snowmachine	30%	12,000	11,412	588	840
		2,921,547	1,715,738	1,205,809	1,112,513
Deferred gov't assistance		( 45,700)	( 20,922)	( 24,778)	( 25,810)
		<b>\$2,875,847</b>	<b>\$ 1,694,816</b>	<b>\$1,181,031</b>	<b>\$ 1,086,703</b>

**Tulita Dene Band**  
**Consolidated Financial Statements**  
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**March 31, 2021**

<b>7. Deferred Revenue</b>	<b>2020</b>	<b>Taken into Revenue</b>	<b>Amount Returned</b>	<b>Additional</b>	<b>2020</b>
-Cultural Committee-Building Fund	\$ 24,538	\$ -	\$ -	\$ -	24,538
TYC-Self Government	16,963	( 16,963)	-	-	-
GNWT-Tate Lake	18,480	( 18,480)	-	-	-
Heritage Treaty Day	-	-	-	81,520	81,520
GNWT Education & Culture	-	-	-	13,600	13,600
<b>Government of Canada Indigenous Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>319,500</b>	<b>319,500</b>
	<b>\$ 59,981</b>	<b>\$ ( 65,938)</b>	<b>\$ -</b>	<b>\$414,620</b>	<b>\$ 439,158</b>

	<b>2021</b>	<b>2020</b>
<b>8. Long-term Debt</b>		
Business Development and Investment Corporation Loan, repayable in monthly payments of \$ 7,330.00 plus interest at 6 % fixed rate ,secured by promissory note, corporate guarantee, general security agreement, and collateral mortgage secured by a building which has a book value of \$ 1,230,476	\$ -	\$ 46,814
<b>Current Portion</b>		<b>( 46.814)</b>
	\$ -	\$ -

**9. Due to Related Parties**

	<b>2021</b>	<b>2020</b>
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.

**10. Government Contribution**

Operating Contributions-Indigenous Services Canada	\$ 786,857	\$ 438,672
Project Contribution-GNWT	394,074	415,301
	<b>\$ 1,180,931</b>	<b>\$ 852,973</b>

**Tulita Dene Band**  
**Consolidated Financial Statements**  
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**March 31, 2021**

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**11. Budget**

Budgets were prepared by the Band and are not audited.

**12. Financial Instruments**

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

**Interest rate risk**

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

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

The company has no means to mitigate this risk

**Credit risk**

The company'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.

**13. Comparative figures,**

The financial statements have been reclassified where applicable to conform to current year presentation.

**Tulita Dene Band**  
**Consolidated Financial Statements**  
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**March 31, 2021**

**14. Income tax reconciliation**

The reconciliation of income taxes is as follows	2021	2020
Net income (loss) before income taxes	6,889	7,904
Amortization differences between accounting and tax purposes	(12,565)	13,131
<u>Non-taxable dividend</u>	<u>18,000</u>	<u>( 15,000)</u>
Income	13,324	6,035
<u>Donations</u>	<u>9,243</u>	<u>-</u>
Taxable income	3,281	6,035
Statutory rates	38%	38%
Expected income tax expenses	1,171	2,293
Refundable Tax	-	73
Small business deduction	( 585)	( 1,017)
<u>Federal abatement</u>	<u>( 308)</u>	<u>( 604)</u>
 Federal tax	278	745
Provincial tax	108	292
<u>Tax adjustment of prior year</u>	<u>-</u>	<u>-</u>
 <u>Tax Expense</u>	<u>386</u>	<u>1,037</u>

**15. Management fees paid by Tulita Development**

	2021	2020
Executive Staff of the Tulita Dene Band	31,000	30,000

**16. COVID-19**

Since March 2020, there has been 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. Until now the COVID-19 outbreak has had little impact on the Organization. While the spread of the disease has been controlled, future impact if any cannot be predicted with confidence.