



Paul Fleury

Chartered Professional Accountant

**Independent Auditor's Report,
To the Members of the Tulita Dene Band**

Qualified Opinion

I have audited the accompanying consolidated financial statements of the Tulita Dene Band which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, consolidated statement of changes in net assets, and consolidated 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 consolidated financial position of the Tulita Dene Band as at March 31, 2022, 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.

Basis for Qualified Opinion

In common with many non-profit organizations, the Tulita Dene Band derives revenues from donations and 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., cash flows from operation for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021 and net assets as at March 31 for both the 2022 and 2021 years. My audit opinion on the financial statements for the year ended March 31, 2022 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.

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.

INDEPENDENT AUDITOR'S REPORT, continued

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'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.

Yellowknife, Northwest Territories
July 20,2022

Paul Fleury
Paul Fleury
Chartered Professional Accountant

Consolidated Statement of Financial Position

As At March 31,	2022	2021
Financial Assets		
Cash in bank	\$ 245,080	\$ 254,535
Accounts receivable (Note 3)	19,732	25,492
GST	4,948	55,994
Investments (Note 5)	942,935	952,076
Total Financial Assets	1,212,695	1,288,097
Liabilities		
Bank indebtedness	\$	\$
Accounts payable and accrued liabilities	108,769	59,830
Government Payroll Remittances	3,128	2,535
Deferred income (Note 9)	335,266	439,158
Total Liabilities	447,163	501,523
Net Financial Assets	765,532	786,574
Non-Financial Assets		
Tangible Capital Assets (Note 8)	135,013	101,031
Prepaid Expenses	6,874	5,013
Total Non-Financial Assets	141,887	106,044
Accumulated Surplus	\$ 907,419	\$ 892,618

Approved on behalf of the directors

Chief_____
Director

STATEMENT II

Tulita Dene Band
Consolidated Statement of Operations

YEAR ENDED MARCH 31,	Budget	2022	2021
REVENUE			
Indigenous Services	\$ 440,000	\$ 434,772	\$ 681,871
Indigenous Services	250,000	251,979	104,986
Deferred Revenue-Current Year	-300,000	-297,128	-414,620
Government of Northwest Territories	400,000	423,221	394,074
Deferred Revenue-Prior Year	401,000	401,020	-
Sahtu Dene Council	90,000	87,010	166,910
Donations	-	-	63,000
Lottery Revenue	20,000	8,133	25,848
Miscellaneous Revenue	15,000	30,725	13,783
Other Funding	30,000	31,120	81,710
Prior Year Adjustment	-	11,851	-
Administration and Management Fees	5,000	-	7,353
	1,351,000	1,382,703	1,124,915
EXPENDITURES			
Core	250,000	251,988	249,021
Core 1 Family Violence	10,000	10,000	-
Core 3 Inac Fixed	20,000	16,754	55,400
Core 5 Inac/Fix	20,000	20,000	38,000
Core 9	-	-	20,000
Core 13 Fixed Contribution	80,000	83,903	-
Diand Computers	5,000	4,815	-
Indigenous Services-Gov't of Canada	320,000	319,500	-
Band Revenue	40,000	40,141	38,212
Brighter Futures	180,000	189,404	182,677
Canada/Treaty	80,000	81,555	-
Community Broadcasting	10,000	10,002	20,723
GNWT-Industry, Tourism, Investment	15,000	19,200	13,171
GNWT-Seeds Program	-	-	2,294
Community Justice Program	49,000	49,045	49,016
Victim Service	140,000	140,212	122,061
Nutrition North	15,000	14,990	-
Youth Center	10,000	9,162	11,750
Summer Student	15,000	15,000	17,869
SummerStudent-Hamlet	-	-	20,471
SRRB-Project	-	-	11,250
SRRB-On Land Program	-	-	11,250
SRRB-On The Land	-	-	15,000
Out on the Land	8,400	8,400	15,000
Cultural Language Camp	8,400	8,400	10,000
Guard	-	-	17,500
Healthy Snacks	-	-	49,200
Language Cordinator	48,000	47,711	48,405
Language Learning Activity	-	-	8,073
Language Resources	-	-	4,500
Total Expenses	1,323,800	1,340,182	1,030,843
Annual Operating Surplus	27,200	42,521	94,072
Income (loss) from Subsidiary	6,000	-37,141	6,503
Prior Year-Adjustment-Band	-	9,421	15,428
Accumulated Surplus at the beginning of the year	892,618	892,618	776,615
Accumulated Operating Surplus at the end of the year	\$ 925,818	\$ 907,419	\$ 892,618

Consolidated Statement of Change in Net Financial Assets

Year Ended March 31,	2022	2021
Surplus (Deficit)	\$ 5,380	\$ 100,575
Amortization of tangible capital assets	1,805	1,352
Prior year adjustment	9,421	15,428
	16,606	117,355
(Increase) decrease in capital assets	-35,787	-92,760
(Increase) decrease in prepaid expenses	-1,861	-266
	-21,042	24,329
Net Financial Assets, beginning of year	786,574	762,245
Net Financial Assets end of year	\$ 765,532	\$ 786,574

Consolidated Statement of Change in Net Debt

<u>Year Ended March 31,</u>	<u>2022</u>	<u>2021</u>
Balance March 31,		
Current Liabilities	501,523	229,789
	501,523	229,789
Balance March 31,		
Current Liabilities	447,163	501,523
	447,163	501,523
Decrease (Increase) in Net Debt	\$ -54,360	\$ 271,734

Consolidated Statement of Cash Flow

Year Ended March 31,	2022	2021
Cash provided by (used in)		
Operating activities		
Net income (loss)	\$ 5,380	\$ 116,003
Prior year adjustment	9,421	-
Items not affecting cash		
Amortization	1,805	1,352
Change in non-cash operating working capital		
Accounts receivable	5,760	-12,022
Employee advances	-	7,260
GST	51,046	-6,119
Payroll remittances	593	61,899
Prepaid expenses and deposits	-1,861	-266
Accounts payable and accrued liabilities	48,939	-16,408
Employee benefits	-	316
Deferred income	-103,892	379,178
	17,191	531,193
Financing activities		
Acquisition of capital assets	35,787	-92,760
Investing activities	9,141	-92,547
	-26,646	-185,307
Cash increase	-9,455	345,886
Cash and cash equivalents, beginning of year	254,535	-91,351
Cash and cash equivalents, end of year	\$ 245,080	\$ 254,535
REPRESENTED BY		
Cash in Bank	\$ 245,080	\$ 254,535

March 31, 2022

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. Amortization was not recorded on assets acquired in the current year.

(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, 2022

(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
Notes to the Financial Statements

March 31, 2022

(l) Income taxes

The Band is exempt from federal, territorial, and local government taxes except federal Goods and Services Tax.

(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

2022 2021

Contributions	\$ 19,732	\$ 25,492
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4. 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 receivable.

Tulita Dene Band
Consolidated Financial Statements
Notes to the Financial Statements

March 31, 2022

5. Investments

	2022	2021
Tulita District Investment Company	\$ 5,000	\$ 5,000
<u>Tulita Development Ltd</u>	<u>937,935</u>	<u>947,076</u>
	<u>942,935</u>	<u>\$952,076</u>

6.. Tulita District Investment Company

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

7. Tulita Developments Ltd

The Tulita Dene Band owns 100% of Tulita Developments Ltd, a private company incorporated under the Business Corporation Act of the Northwest Territories.

The following summarizes the financial position and results of operations of the Corporation as at the end for the year ended March 31, 2022

	2022	2021
Financial Position		
Current assets	47,920	26,006
Non-current assets	1,153,410	1,197,000
 Total assets	 1,201,330	 1,223,006
 Current liabilities	 57,516	 70,051
Non-current liabilities	637,653	609,653
 Total shareholder's equity	 506,161	 543,302
 Financial Performance		
Revenues	362,089	328,388
Expenses	387,371	321,885
Prior year adjustment	11,859	-
Net earnings (loss)	(37,141)	6,503
 Investments:		
Investment at cost	10	10
Receivable from Corporation	431,774	403,774
Accumulated equity earnings	506,151	543,292
 Investment in Corporation	 937,935	 947,076

Tulita Dene Band
Consolidated Financial Statements
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March 31, 2022

8. Tangible Capital Assets

	Rate	Cost	Accumulated Amortization	2022 Net Book Value	2021 Net Book Value
Buildings					
Old Band Hall Trailer	45%	84,754	-	84,754	84,754
Garage	4%	38,197	27,434	10,763	11,212
Office Furniture	20%	61,957	61,387	570	712
Telephone system	20%	4,841	4,110	731	915
Computer equipment	30%	40,647	17,452	23,195	3,438
Truck	30%	15,000	-	15,000	-
		\$ 245,396	\$ 110,383	\$ 135,013	\$ 101,031

9. Deferred Revenue

	2021	Taken into Revenue	Amount Returned	Additional	2022
-Cultural Committee-Building Fund	\$ 24,538	\$ -	\$ -	\$ -	24,538
Heritage Treaty Day	81,520	(81,520)	-	-	-
GNWT Education & Culture	13,600	-	-	-	13,600
Government of Canada Indigenous Services	319,500	(319,500)	-	297,128	297,128
	\$439,158	\$ (401,020)	\$ -	\$297,128	\$ 335,266

10. Government Contribution

Operating Contributions-Indigenous Services Canada	\$ 686,751	\$ 786,857
Project Contribution-GNWT	423,221	394,074
	\$ 1,109,972	\$ 1,180,931

11. Budget

Budgets were prepared by the Band and are not audited.

March 31, 2022

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****14. Expenses by object-Tulita Dene Band**

The following is a summary of expenses by object

YEAR ENDED MARCH 31,	2022	2021
EXPENDITURES		
Wages and Benefits	587,328	544,698
Honoraria	-	10,400
Administration fees	55	7,348
Audit fees	9,225	9,225
Advertising and promotion	53,068	21,837
Amortization	1,805	1,352
Bank charges and interest	8,151	4,119
Communications	27,475	29,808
Donations and funerals	4,955	697
Equipment rental	1,134	-
Equipment purchases	46,526	5,434
Miscellaneous expenses	24,528	-
Office supplies, photocopies	16,565	24,548
Program delivery	-	49,200
Professional fees	9,000	3,417
Refreshments, food, snacks	14,674	2,294
Rent	6,000	12,500
Travel	12,634	6,255
Utilities	19,260	22,093
Materials, crafts and supplies	43,950	2,887
Maintenance	20,734	40,151
Cultural activities	10,187	7,450
Insurance	1,072	980
Facilitators, resource people and subcontractors	266,972	103,400
Freight postage and local transportation	7,189	523
Community projects	147,696	120,227
	\$ 1,340,183	\$ 1,030,843