



**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, 2023, 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, 2023, 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, 2023 and 2022, current assets as at March 31, 2023 and 2022 and net assets as at March 31 for both the 2023 and 2022 years.. My audit opinion on the financial statements for the year ended March 31, 2023 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.



Paul Fleury
Chartered Professional Accountant

Yellowknife, Northwest Territories
July 27, 2023

Tulita Dene Band**STATEMENT 1****Consolidated Statement of Financial Position****As At March 31,****2023****2022****Financial Assets**

Cash in bank	\$	-	\$	245,080
Accounts receivable (Note 3)		7,645		19,732
GST		11,313		4,948
Investments (Note 5)		937,993		942,935
Total Financial Assets		956,951		1,212,695

Liabilities

Bank indebtedness	\$	26,560	\$	-
Accounts payable and accrued liabilities		61,637		108,769
Government Payroll Remittances		2,854		3,128
Deferred income (Note 9)		70,259		335,266

Total Liabilities		161,310		447,163
--------------------------	--	----------------	--	----------------

Net Financial Assets		795,641		765,532
-----------------------------	--	----------------	--	----------------

Non-Financial Assets

Tangible Capital Assets (Note 8)		122,864		135,013
Prepaid Expenses		9,463		6,874

Total Non-Financial Assets		132,327		141,887
-----------------------------------	--	----------------	--	----------------

Accumulated Surplus	\$	927,968	\$	907,419
----------------------------	----	----------------	----	----------------

Approved on behalf of the directors

Chief

Director

STATEMENT II

Tulita Dene Band
Consolidated Statement of Operations

YEAR ENDED MARCH 31,	Budget	2023	2022
REVENUE			
Indigenous Services	\$ 440,000	\$ 245,023	\$ 434,772
Indigenous Services	250,000	438,686	251,979
Deferred Revenue-Current Year	-45,721	-45,721	-297,128
Government of Northwest Territories	500,000	492,565	423,221
Deferred Revenue-Prior Year	311,000	311,128	401,020
Sahtu Dene Council	125,000	125,652	87,010
Donations	25,000	23,426	-
Lottery Revenue	12,000	11,732	8,133
Miscellaneous Revenue	10,000	7,724	30,725
Other Funding	15,000	15,304	31,120
Prior Year Adjustment	-	-	11,851
Administration and Management Fees	20,000	41,455	-
	1,662,279	1,666,974	1,382,703
EXPENDITURES			
Core	250,000	245,046	251,988
Core 1 Family Violence	-	-	10,000
Core 2	90,000	90,000	-
Core 3	27,396	30,926	16,754
Core 3 Fix	76,500	76,503	-
Inac P&D Core 5	-	-	20,000
Core 8	75,000	75,106	-
Core 13 Fixed Contribution	346,895	346,895	83,903
Diand Computers	-	-	4,815
Indigenous Services-Gov't of Canada	-	-	319,500
Band Revenue	40,000	84,719	40,141
Brighter Futures	192,000	191,007	189,404
Canol Hike	60,000	60,001	-
Canada/Treaty	-	-	81,555
Community Broadcasting	10,000	10,297	10,002
GNWT-Industry, Tourism, Investment	55,500	55,502	19,200
GNWT-T&R	2,500	2,536	-
Community Justice Program	49,000	49,001	49,045
Victim Service	140,000	140,138	140,212
Nutrition North	30,000	29,944	14,990
Youth Center	10,000	11,677	9,162
Summer Student	15,000	15,166	15,000
Anti-Poverty	10,000	10,000	-
SRRB-Maintenance	47,834	47,833	-
Out on the Land	-	-	8,400
Cultural Language Camp	10,000	9,999	8,400
Guard	10,000	10,001	-
Old Band Hall Triler Lot	937	937	-
Language Cordinator	47,710	47,725	47,711
Language Learning Activity	9,542	9,542	-
Language Resources	8,400	8,400	-
Total Expenses	1,624,214	1,658,901	1,340,182
Annual Operating Surplus	38,065	8,073	42,521
Income (loss) from Subsidiary	6,000	12,832	-37,141
Prior Year-Adjustment-Band	-	-356	9,421
Accumulated Surplus at the beginning of the year	907,419	907,419	892,618
Accumulated Operating Surplus at the end of the year	\$ 951,484	\$ 927,968	\$ 907,419

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

Year Ended March 31,	2023	2022
Balance March 31, 2022		
Current Liabilities	447,163	501,523
	447,163	501,523
Balance March 31, 2023		
Current Liabilities	161,310	447,163
	161,310	447,163
Decrease (Increase) in Net Debt	\$ 285,853	\$ -54,360

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

<u>Year Ended March 31,</u>	<u>2023</u>	<u>2022</u>
Cash provided by (used in)		
Operating activities		
Net income (loss)	\$ 20,905	\$ 5,380
Prior year adjustment	-356	9,421
Items not affecting cash		
Amortization	12,149	1,805
Change in non-cash operating working capital		
Accounts receivable	12,087	5,760
GST	-6,365	51,046
Payroll remittances	-274	593
Prepaid expenses and deposits	-2,589	-1,861
Accounts payable and accrued liabilities	-47,132	48,939
Deferred income	-265,007	-103,892
	<u>-276,582</u>	<u>17,191</u>
Financing activities		
Acquisition of capital assets		-35,785
Investing activities	4,942	9,141
	<u>4,942</u>	<u>-26,646</u>
Cash increase	-271,640	-9,455
Cash and cash equivalents, beginning of year	245,080	254,535
Cash and cash equivalents, end of year	\$ -26,560	\$ 245,080
REPRESENTED BY		
Cash in Bank	\$ -26,560	\$ 245,080

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

March 31, 2023

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, 2023

(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, 2023

(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

	2023	2022
Contributions	\$ 7,645	\$ 19,732

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, 2023

5. Investments

	2023	2022
	\$	\$
Tulita District Investment Company	5,000	5,000
<u>Tulita Development Ltd</u>	<u>932,993</u>	<u>937,935</u>
	937,993	\$952,076

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, 2023

	2023	2022
Financial Position	\$	\$
Current assets	44,390	47,920
Non-current assets	1,111,816	1,153,410
Total assets	1,156,206	1,201,330
Current liabilities	17,334	57,516
Non-current liabilities	619,879	637,653
Total shareholder's equity	518,993	506,161
Financial Performance		
Revenues	380,970	362,089
Expenses	368,138	387,371
Prior year adjustment	-	11,859
Net earnings (loss)	12,832	(37,141)
Investments:		
Investment at cost	10	10
Receivable from Corporation	414,000	431,774
Accumulated equity earnings	518,983	506,151
Investment in Corporation	932,993	937,935

Tulita Dene Band
Consolidated Financial Statements
Notes to the Financial Statements

March 31, 2023

8. Tangible Capital Assets

	Rate	Cost \$	Accumulated Amortization \$	2023 Net Book Value \$	2022 Net Book Value \$
Buildings					
Old Band Hall Trailer	45%	84,754	-	84,754	84,754
Garage	4%	38,197	27,864	10,333	10,763
Office Furniture	20%	61,957	61,501	456	570
Telephone system	20%	4,841	4,256	585	731
Computer equipment	30%	40,647	24,411	16,236	23,195
Truck	30%	15,000	4,500	10,500	15,000
		245,396	122,532	122,864	135,013

9. Deferred Revenue

	2022	Taken into Revenue \$	Amount Returned \$	Additional \$	2023 \$
Cultural Committee-Building Fund	24,538	-	-	-	24,538
GNWT Education & Culture	13,600	(13,600)	-	-	-
Government of Canada Indigenous Services	297,128	(297,128)	-	45,721	45,721
	335,266	(310,728)	-	45,721	70,259

10. Government Contribution

	\$	\$
Operating Contributions-Indigenous Services Canada	683,709	686,751
Project Contribution-GNWT	492,565	423,221
	1,176,274	1,109,972

11. Budget

Budgets were prepared by the Band and are not audited.

Tulita Dene Band
Consolidated Financial Statements
Notes to the Financial Statements

March 31, 2023

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,	2023	2022
EXPENDITURES	\$	\$
Wages and Benefits	663,849	587,328
Honoraria	97,300	-
Administration fees	48,858	55
Audit fees	9,850	9,225
Advertising and promotion	29,430	53,068
Amortization	12,149	1,805
Bank charges and interest	4,363	8,151
Communications	25,148	27,475
Donations and funerals	2,196	4,955
Equipment rental	2,325	1,134
Equipment purchases	4,034	46,526
Miscellaneous expenses	-	24,528
Office supplies, photocopies	18,050	16,565
Professional fees	2,738	9,000
Refreshments, food, snacks	29,612	14,674
Rent	6,000	6,000
Travel	170,254	12,634
Utilities	15,168	19,260
Materials, crafts and supplies	21,342	43,950
Maintenance	5,177	20,734
Cultural activities	90,772	10,187
Insurance	1,144	1,072
Facilitators, resource people and subcontractors	266,504	266,972
Freight postage and local transportation	5,612	7,189
Community projects	127,026	147,696
	1,658,901	1,340,183