

**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, 2024, 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, 2024, 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, 2024 and 2023, current assets as at March 31, 2024 and 2023 and net assets as at March 31 for both the 2024 and 2023 years.. My audit opinion on the financial statements for the year ended March 31, 2024 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 30, 2024

  
Paul Fleury  
Chartered Professional Accountant

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

<b>As At March 31,</b>	<b>2024</b>	<b>2023</b>
<b>Financial Assets</b>		
Cash in bank	\$ 692,640	\$ -
Accounts receivable (Note 3)	10,563	7,645
GST	19,403	11,313
Investments (Note 5)	968,202	937,993
<b>Total Financial Assets</b>	<b>1,690,808</b>	<b>956,951</b>
<b>Liabilities</b>		
Bank indebtedness	\$	\$ 26,560
Accounts payable and accrued liabilities	81,937	61,637
Government Payroll Remittances	2,841	2,854
Deferred income (Note 9)	802,128	70,259
<b>Total Liabilities</b>	<b>886,906</b>	<b>161,310</b>
<b>Net Financial Assets</b>	<b>803,902</b>	<b>795,641</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 8)	192,164	122,864
Prepaid Expenses	9,244	9,463
<b>Total Non-Financial Assets</b>	<b>201,408</b>	<b>132,327</b>
<b>Accumulated Surplus</b>	<b>\$ 1,005,310</b>	<b>\$ 927,968</b>

Approved on behalf of the directors

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Chief\_\_\_\_\_  
Director

**STATEMENT II**

**Tulita Dene Band  
Consolidated Statement of Operations  
YEAR ENDED MARCH 31,**

	<b>Budget</b>	<b>2024</b>	<b>2023</b>
<b>REVENUE</b>			
Indigenous Services	\$ 330,000	\$ 324,325	\$ 245,023
Indigenous Services	520,000	947,916	438,686
Deferred Revenue-Current Year	-60,000	-777,590	-45,721
Government of Northwest Territories	500,000	664,730	492,565
Deferred Revenue-Prior Year	45,721	45,721	311,128
Sahtu Dene Council	125,000	75,992	125,652
Donations	25,000	34,983	23,426
Lottery Revenue			11,732
Miscellaneous Revenue	10,000	28,950	7,724
Other Funding	60,000	56,527	15,304
Administration and Management Fees	40,000	32,663	41,455
	<b>1,595,721</b>	<b>1,434,217</b>	<b>1,666,974</b>
<b>EXPENDITURES</b>			
Core	330,000	324,328	245,046
Core 1 Family Violence	45,721	45,941	-
Core 2	-	-	90,000
Core 3	-	-	30,926
Core 3 Fix	-	-	76,503
Core 8	-	-	75,106
Core 9	200,000	195,631	
Core 13 Fixed Contribution	-	-	346,895
Band Revenue	90,000	40,013	84,719
Brighter Futures	306,000	306,325	191,007
Canol Hike	20,000	-	60,001
Events Community	16,250	16,250	-
Inherent Right	23,280	2,666	-
Men's Healing	80,000	64,593	-
Community Broadcasting	10,000	10,067	10,297
GNWT-Industry, Tourism, Investment	-	-	55,502
GNWT-T&R	2,500	2,500	2,536
Community Justice Program	50,000	50,078	49,001
Victim Service	140,000	144,004	140,138
Nutrition North	30,000	29,944	29,944
Youth Center	10,000	28,210	11,677
Summer Student	-	-	15,166
Anti-Poverty	-	-	10,000
SRRB-Maintenance	-	-	47,833
Mackenzie Valley Highway	97,049	7,436	-
Cultural Language Camp	10,000	10,599	9,999
Guard	-	-	10,001
Old Band Hall Triler Lot	6,000	6,000	937
Language Coordinator	47,000	47,018	47,725
Language Learning Activity	10,000	10,000	9,542
Language Resources	8,400	8,400	8,400
Youth/Men Handgames	53,000	84,050	-
Total Expenses	<b>1,595,200</b>	<b>1,434,053</b>	<b>1,658,901</b>
Annual Operating Surplus	521	164	8,073
Income (loss) from Subsidiary	6,000	2,709	12,832
Funding-Building	-	74,470	-357
Accumulated Surplus at the beginning of the year	907,419	927,967	907,419
<b>Accumulated Operating Surplus at the end of the year</b>	<b>\$ 913,940</b>	<b>\$ 1,005,310</b>	<b>\$ 927,967</b>

**Consolidated Statement of Change in Net Financial Assets**

<b>Year Ended March 31,</b>	<b>2024</b>	<b>2023</b>
Surplus (Deficit)	\$ 2,873	\$ 20,905
Amortization of tangible capital assets	8,642	12,149
Prior year adjustment		-356
	11,515	32,698
(Increase ) decrease in capital assets	-3,473	-
(Increase ) decrease in prepaid expenses	219	-2,589
	8,261	30,109
Net Financial Assets, beginning of year	795,641	765,532
<b>Net Financial Assets end of year</b>	<b>\$ 803,902</b>	<b>\$ 795,641</b>

<b>Tulita Dene Band</b>	<b>STATEMENT IV</b>	
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<b>Consolidated Statement of Change in Net Debt</b>
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<b>Year Ended March 31,</b>	<b>2024</b>	<b>2023</b>
Balance March 31, 2023		
Current Liabilities	161,310	447,163
	<b>161,310</b>	<b>447,163</b>
Balance March 31, 2024		
Current Liabilities	886,906	161,310
	<b>886,906</b>	<b>161,310</b>
<b>Decrease (Increase) in Net Debt</b>	<b>\$ -725,596</b>	<b>\$ 285,853</b>

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

<b>Year Ended March 31,</b>	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income (loss)	\$ 2,873	\$ 20,905
Funding-Building	74,470	-356
Items not affecting cash		
Amortization	8,642	12,149
<b>Change in non-cash operating working capital</b>		
Accounts receivable	-2,918	12,087
GST	-8,090	-6,365
Payroll remittances	-13	-274
Prepaid expenses and deposits	219	-2,589
Accounts payable and accrued liabilities	20,300	-47,132
Deferred income	731,869	-265,007
	<b>827,352</b>	<b>-276,582</b>
<b>Financing activities</b>		
Acquisition of capital assets	-77,943	-
Investing activities	-30,209	4,942
	<b>-108,152</b>	<b>4,942</b>
<b>Cash increase</b>	<b>719,200</b>	<b>-271,640</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>-26,560</b>	<b>245,080</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 692,640</b>	<b>\$ -26,560</b>
<b>REPRESENTED BY</b>		
<b>Cash in Bank</b>	<b>\$ 692,640</b>	<b>\$ -26,560</b>

**March 31, 2024**

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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. 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, 2024**

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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**  
**Notes to the Financial Statements**

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**March 31, 2024**

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- (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**

2024	2023
\$ 10,563	\$ 7,645

**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**  
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**March 31, 2024**

**5. Investments**

	2024	2023
	\$	\$
Tulita District Investment Company	5,000	5,000
Tulita Development Ltd	962,790	932,993
	<u>967,790</u>	<u>997,993</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, 2023

	2024	2023
	\$	\$
<b>Financial Position</b>		
Current assets	81,426	44,390
Non-current assets	1,107,638	1,111,816
<b>Total assets</b>	<b>1,189,064</b>	<b>1,156,206</b>
Current liabilities	25,983	17,334
Non-current liabilities	641,379	619,879
<b>Total shareholder's equity</b>	<b>521,702</b>	<b>518,993</b>
<b>Financial Performance</b>		
Revenues	512,982	380,970
Expenses	368,138	368,138
Corporate taxes	3,383	-
<b>Net earnings (loss)</b>	<b>2,709</b>	<b>12,832</b>
<b>Investments:</b>		
Receivable from Corporation	441,500	414,000
<b>Accumulated equity earnings</b>	<b>521,702</b>	<b>518,983</b>
<b>Investment in Corporation</b>	<b>963,202</b>	<b>932,993</b>

**Tulita Dene Band**  
**Consolidated Financial Statements**  
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**March 31, 2024**

**8. Tangible Capital Assets**

				2024	2023
	Rate	Cost	Accumulated Amortization	Net Book Value	Net Book Value
		\$	\$	\$	\$
Old Band Hall Tra	4%	88,226	-	88,226	84,754
Youth Center	4%	74,470	-	74,470	-
Garage	4%	38,197	28,277	9,920	10,333
Office Furniture	20%	61,957	61,593	364	456
Telephone system	20%	4,841	4,374	467	585
Computer equipment	30%	40,647	29,282	11,365	16,236
Truck	30%	15,000	7,650	7,350	10,500
		<b>323,338</b>	<b>131,176</b>	<b>192,162</b>	<b>122,864</b>

**9. Deferred Revenue**

	2024	Taken into Revenue	Amount Returned	Additional	2023
	\$	\$	\$	\$	\$
Cultural Committee-Building Fund	24,538	-	-	-	24,538
GNWT-Maca	-	-	-	20,000	20,000
-Aboriginal Affairs	-	-	-	15,407	15,407
Government of Canada Indigenous Services	45,721	( 45,721)	-	742,183	741,183
	<b>70,259</b>	<b>( 45,721)</b>	<b>-</b>	<b>777,590</b>	<b>802,128</b>

**10. Government Contribution**

	\$	\$
Operating Contributions-Indigenous Services Canada	1,272,241	683,709
Project Contribution-GNWT	664,730	492,565
	<b>1,936,971</b>	<b>1,176,274</b>

**11. Budget**

Budgets were prepared by the Band and are not audited.

**March 31, 2024**

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**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.