

GWICHYA GWICH'IN BAND
Tsiigehtchic, NT

**CONSOLIDATED
FINANCIAL STATEMENTS**

For the Year ended March 31, 2015

GWICHYA GWICH'IN BAND

GENERAL DELIVERY
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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Gwichya Gwich'in Band are the responsibility of management.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

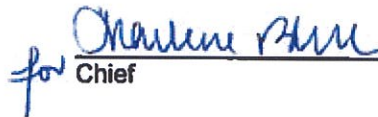
Gwichya Gwich'in Band maintain systems of internal accounting and administrative controls of high quality, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Gwichya Gwich'in Band's assets are appropriately accounted for and adequately safeguarded.

Gwichya Gwich'in Band's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by Paul Teoh Professional Corporation in accordance with Canadian generally accepted auditing standards. Its report to the members of Gwichya Gwich'in Band, stating the scope of its examination and opinion on the consolidated financial statements, follows.



Band Manager



Chief

Tsiigehtchic, NT
September 11, 2015



PAUL TEOH

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the members of Gwichya Gwich'in Band

I have audited the accompanying consolidated financial statements of Gwichya Gwich'in Band, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Gwichya Gwich'in Band as at March 31, 2015, and the consolidated results of its operations, changes in net financial assets and cash flows of the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountant

Calgary, Alberta
September 11, 2015

2.



GWICHYA GWICH'IN BAND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31,	2015	2014
Financial Assets		
Cash	\$ 728,142	\$ 628,175
Accounts receivable	87,101	29,147
Contributions receivable (note 2)	21,023	82,224
Long term Investments (note 3)	300	280
Total Financial Assets	836,566	739,826
Liabilities		
Accounts payable and accrued liabilities	83,876	36,345
Deferred contributions (note 5)	90,310	61,464
Contributions payable (note 6)	4,292	6,000
Payable to related parties (note 7)	923,363	904,746
Total Liabilities	1,101,841	1,008,555
Net Financial Assets (Debt)	(265,275)	(268,729)
Non-Financial Assets		
Tangible capital assets (note 8)	240,432	258,831
Prepaid expenses and deposits	5,609	5,096
Total Non-Financial Assets	246,041	263,927
Accumulated Surplus (Deficit) (note 9)	\$(19,234)	\$(4,802)

Approved on behalf of the Council:

Challine Blume Councillor

Danell Councillor

The accompanying notes and schedules are an integral part of these consolidated financial statements. 3.

GWICHYA GWICH'IN BAND

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

For the year ended March 31,	2015	2015	2014
Revenue	Budget	Actual	Actual
Contributions:			
- Aboriginal Affairs and Northern Development Canada	\$ 112,141	\$ 203,076	\$ 266,066
- Government of Canada	-	-	1,368
- Government of NWT	-	103,092	252,606
- Gwich'in Tribal Council	-	77,000	22,700
Other revenue and recoveries	-	18,285	14,644
Earnings from investment	-	20	86
Add opening deferred revenue	-	61,464	-
Less closing deferred revenue	-	(90,310)	(61,464)
	112,141	372,627	496,006
Expenditure			
Advertising and promotion	1,300	-	1,296
Administration	20,000	33,594	70,470
Amortization	-	19,099	20,988
Bad debts (recovered)	-	55,530	960
Bank charges and interest	1,500	8,005	1,363
Community events	300	10,750	200
Contracted services	1,000	50,985	711
Contributions repaid	-	4,885	(4,272)
Donations	9,000	4,834	3,896
Fuel	5,000	2,009	5,265
Honoraria	7,200	9,888	8,465
Insurance	9,000	8,222	9,335
Materials and supplies	13,500	29,079	10,577
Meeting and workshop	1,800	45	1,741
Miscellaneous	5,500	6,494	5,825
Office	-	364	-
Power	-	3,089	1,285
Professional fees	-	23,000	16,850
Rent	-	5,359	-
Repairs and maintenance	-	-	46
Telephone and Internet	-	3,318	-
Training and scholarships	-	502	-
Travel and accommodation	13,100	25,822	32,195
Utilities	2,700	-	-
Wages and benefits	30,860	82,186	77,554
	121,760	387,059	264,750
Annual Surplus (Deficit)	(9,619)	(14,432)	231,256
Accumulated Surplus (Deficit), beginning of year	(4,802)	(4,802)	(236,058)
Accumulated Surplus (Deficit), end of year	\$ (14,421)	\$ (19,234)	\$ (4,802)

The accompanying notes and schedules are an integral part of these consolidated financial statements. 4.

GWICHYA GWICH'IN BAND

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL DEBT

For the year ended March 31,	2015	2015	2014
	Budget	Actual	Actual
Annual Surplus (Deficit)	\$(9,619)	\$(14,432)	\$ 231,256
Acquisition of tangible capital assets	-	(700)	(164,341)
Amortization of tangible capital assets	-	19,099	20,988
Decrease (increase) in prepaid expenses and deposits	-	(513)	1,179
Increase (Decrease) in Net Financial Assets	(9,619)	3,454	89,082
Net Financial Debt, beginning of year	(268,729)	(268,729)	(357,811)
Net Financial Debt, end of year	\$(278,348)	\$(265,275)	\$(268,729)

The accompanying notes and schedules are an integral part of these consolidated financial statements. 5.

GWICHYA GWICH'IN BAND

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2015	2014
Operating Activities		
Cash receipts from contributions	\$ 404,700	\$ 689,738
Cash payments to suppliers and employees	(322,650)	(294,754)
	82,050	394,984
Financing Activities		
Decrease (decrease) in long term investments	(20)	(86)
Decrease (increase) in receivable from related party	-	709
Increase (decrease) in payable to related parties	18,637	(52,104)
	18,617	(51,481)
Capital Transactions		
Purchase of tangible capital assets	(700)	(164,341)
	(700)	(164,341)
Net Increase (Decrease) in Cash	99,967	179,162
Cash, beginning of year	628,175	449,013
Cash, end of year	\$ 728,142	\$ 628,175

The accompanying notes and schedules are an integral part of these consolidated financial statements. 6.

GWICHYA GWICH'IN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

The Gwichya Gwich'in Band (the "Council") is an Indian band which represents the Gwich'in people in Tsiigehtchic, Northwest Territories. It is exempt for income tax purposes under Section 149 of the *Income Tax Act*.

1. Significant Accounting Policies

(a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(b) Reporting Entity

The consolidated financial statements includes the accounts of Gwichya Gwich'in Band and Gwich'in Investment Limited Partnership, which was accounted for using the modified equity method.

(c) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

GWICHYA GWICH'IN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

1. Significant Accounting Policies (Continued)

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Amortization expense is recorded over the estimated useful lives of the assets, using the following method and annual rates:

Equipment		
- Building	10%	Declining Balance
- Computer	30%	Declining Balance
- Office	20%	Declining Balance
Tourist Centre	10%	Declining Balance

(e) Financial Instruments

The Council has elected the following classifications with respect to its financial assets and financial liabilities:

- Cash is classified as assets held-for-trading and is subsequently measured at fair value with gains and losses arising from changes in the fair value recognized in net income in the period in which they arise. The estimated fair value of cash is assumed to approximate its carrying amount.
- Accounts receivable are classified as loans and receivables and are subsequently measured at amortized cost using the effective interest method. The amortized cost using the effective interest method approximates their fair values due to the short term nature.
- Accounts payable and accrued liabilities are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest method. At inception, the estimated fair values of accounts payable and accrued liabilities are assumed to approximate their carrying amounts.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction cost incurred on acquisition and financing costs, which are amortized using the straight line method.

GWICHYA GWICH'IN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

1. Significant Accounting Policies (Continued)

(e) Financial Instruments (Continued)

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

As the Council does not have any unrealized gains or losses, a statement of remeasurement gains and losses has not been prepared.

(f) Allocation of Expenditure

Certain common expenditure have been allocated to programs based on estimate of services provided.

(g) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Contributions Receivable

	2015	2014
Aboriginal Affairs and Northern Development Canada:		
Summer Work Experience 2013/2014	\$ -	\$ 2,071
Political and Social Development 2013/2014	13,323	13,323
Election Code Updates 2014/2015	3,000	-
Election Code Ratification 2014/2015	2,500	-
Summer Work Experience 2014/2015	2,200	-
Gwich'in Tribal Council:		
Self-Government 2009/10	-	25,373
Pre-school Program 2010/11	-	13,554
Government of NWT:		
Community Wellness Initiatives 2013/2014	-	27,903
	\$ 21,023	\$ 82,224

GWICHYA GWICH'IN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

3. Long Term Investments

The Council owns 1,035 of the 4,004,150 limited partnership units in Gwich'in Investments Limited Partnership (GILP). GILP was formed on November 30, 2006 to carry a 13.34% investment in Denendeh Investments Limited Partnership. On December 31, 2007, GILP acquired a 51% interest in Mackenzie Valley Construction Ltd. for \$4,000,000.

The following summarizes the financial position and results of operations of GILP as at and for the year ended December 31, 2014.

	2014	2013
Financial Position		
Current assets	\$ 2,436	\$ 2,202
Non-current assets	1,207,048	1,125,334
Total assets	1,209,484	1,127,536
Total liabilities	(50,377)	(45,601)
Total partners' equity (capital deficiency)	\$ 1,159,107	\$ 1,081,935
Financial Performance		
Revenue	\$ 81,714	\$ 334,760
Expenses	(4,542)	(4,541)
Net earnings (loss)	\$ 77,172	\$ 330,219
Net earnings attributable to the Council	\$ 20	\$ 85
Investments:		
Investment at cost	\$ 1,035	\$ 1,035
Investment impairment	(1,034)	(1,034)
Accumulated earnings	299	279
Total net investments	\$ 300	\$ 280

4. Bank Indebtedness

The Council has operating line of credit up to \$50,000 with a bank. It bears interest at prime plus 0.50%.

GWICHYA GWICH'IN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

5. Deferred Contributions

	2015	2014
Government of NWT: Community Wellness	\$ 90,310	\$ 61,464

6. Contributions Repayable

	2015	2014
Aboriginal Affairs and Northern Development Canada: Election Code Update Project 2014/2015	\$ 4,292	\$ -
Government of NWT: Healthy Children Initiative 2011/12	-	6,000
	\$ 4,292	\$ 6,000

7. Payable to Related Parties

	2015	2014
Red River Incorporated Band Ltd. - common control	\$ 15,445	\$ 14,700
Tsiigehtchic Charter Community - common management control	907,918	890,046
	\$ 923,363	\$ 904,746

Amounts payable to related parties are unsecured, non-interest bearing and repayable on demand though there is no set term of repayment.

GWICHYA GWICH'IN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

8. Tangible Capital Assets

Cost	Balance, beginning of year	Additions	Disposals	Balance, end of year
Land	\$ 14,000	\$ -	\$ -	\$ 14,000
Computer equipment	16,330	700	-	17,030
Office equipment	52,128	-	-	52,128
Tourist Centre	241,967	-	-	241,967
Total	\$ 324,425	\$ 700	\$ -	\$ 325,125

Accumulated Amortization	Balance, beginning of year	Disposals	Current Charge	Balance, end of year
Land	\$ -	\$ -	\$ -	\$ -
Computer equipment	8,514	-	1,481	9,995
Office equipment	36,204	-	2,613	38,817
Tourist Centre	20,876	-	15,005	35,881
Total	\$ 65,594	\$ -	\$ 19,099	\$ 84,693

	Balance beginning of year		Balance, end of year
Net Book Value	\$ 258,831	\$ -	\$ 240,432

9. Accumulated Surplus (Deficit)

	2015	2014
Unrestricted		
General Operating Fund	\$(259,966)	\$(263,913)
Investment Fund	300	280
Equity in Tangible Capital Assets	240,432	258,831
	\$(19,234)	\$(4,802)

GWICHYA GWICH'IN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

10. Economic Dependence

The Council receives a major portion of its revenue from the Aboriginal Affairs and Northern Development Canada of the Government of Canada and the Government of NWT. The nature and extent of this revenue is of such significance that the Council is economically dependent on this source of revenue.

11. Comparative Figures

Certain figures presented for comparative purposes have been reclassified to conform with current year's presentation.

12. Related Party Transactions

	2015	2014
<hr/>		
The Council's transactions with related parties during the year are summarized as follows:		
Tsiigehtchic Charter Community - common control		
- Administration	\$ 24,000	\$ 69,000
- Rent	5,359	-
Red River Incorporated Band Ltd. - common management control		
- Rent and property taxes - Radio room rent	\$ 6,000	\$ 6,000
<hr/>		

The transactions are in the normal course of operations and are measured at the exchange amount, being the amount of considerations established and agreed to by both parties.

13. Capital Management

The Council's capital is composed of its working capital. The Council's objectives in managing capital are to safeguard the Council's ability to operate as a going concern and have adequate cash flows so that it can continue to provide services in accordance to contribution agreements with funding agencies. To maintain adequate working capital, the Council monitors its expenditure in accordance with contribution cash flows from funding agencies.

GWICHYA GWICH'IN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015

14. Financial Instruments and Risk Management

The Council's financial instruments are exposed to certain risks, which include credit risk, market risk, interest rate risk and liquidity risk.

Credit Risk - Credit risk refers to the potential that the funding agencies or counter party to a financial instrument will fail to discharge its contractual obligations. The Council is exposed mainly to credit risk from funding agencies' refusal to contribute the full funding due to the Council's non-compliance to the contribution agreements. The Council manages credit risk by ensuring that it complies with the terms and conditions of the contribution agreements.

Interest Rate Risk - Interest rate risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Council is exposed from time to time to interest rate risk in respect of the bank indebtedness due to changes in interest rate.

Liquidity Risk - Liquidity risk is the risk that the Council will not be able to meet its financial obligations as they fall due. The Council manages liquidity risk through the management of its capital structure.

Unless otherwise noted, it is management's opinion that the Council is not exposed to other significant interest, currency or credit risks arising from these financial instruments.