

DELINE DENE BAND COUNCIL
Financial Statements
Year Ended March 31, 2014

JDP WASSERMAN & ASSOCIATES

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INDEPENDENT AUDITOR'S REPORT

To the Members of Deline Dene Band Council

I have audited the accompanying financial statements of Deline Dene Band Council, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, changes in net 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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, the financial statements present fairly, in all material respects, the financial position of Deline Dene Band Council as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Wetaskiwin, Alberta

August 20, 2014

CERTIFIED MANAGEMENT ACCOUNTANT

DELINE DENE BAND COUNCIL

Statement of Operations

Year Ended March 31, 2014

	Budget 2014	2014	2013
REVENUE			
Government of Canada	\$ 514,253	\$ 514,636	\$ 514,824
Government of Canada- Canada Parks Agency	49,550	53,366	5,508
Government of the Northwest Territories	639,605	637,906	633,633
Office services, expenditure recoveries, donations	374,933	313,887	332,764
Sahtu Dene Council	112,005	112,005	111,003
Other revenue	53,863	54,211	14,868
Deferred revenue from previous year	13,421	32,193	16,643
Deferred revenue to next year	(2,816)	(70,017)	(32,193)
	<u>1,754,814</u>	<u>1,648,187</u>	<u>1,597,050</u>
EXPENSES			
Salaries and wages	836,241	776,783	791,763
Program expenditures	148,615	138,454	176,639
Supplies	132,823	120,719	98,766
Donations	121,176	92,806	30,925
Administration and bookkeeping	71,666	78,318	70,768
Travel	47,783	78,187	132,596
Rental	63,817	45,254	31,903
Advertising and promotion	46,793	44,831	49,598
Professional fees	56,548	50,303	60,548
Honoraria	24,650	25,100	43,671
Contract services	31,980	35,274	17,504
Consulting fees	44,272	28,332	18,234
Amortization	-	21,536	25,167
Repayment of surplus	11,000	19,297	12,974
Repairs and maintenance	22,509	14,549	22,630
Utilities	8,900	14,252	14,891
Insurance	10,138	12,818	6,103
Training and registration	12,310	12,810	21,559
Employee benefits	12,527	12,706	-
Equipment rentals	25,788	11,004	17,890
Delivery, freight and express	9,230	10,446	8,466
Interest and bank charges	4,500	5,412	3,744
Security	3,000	2,916	2,592
Training	1,614	1,650	-
Office	1,698	662	-
Business taxes, licenses and memberships	500	150	-
Transfer to capital fund	-	-	(6,514)
	<u>1,750,078</u>	<u>1,654,569</u>	<u>1,652,417</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	<u>4,736</u>	<u>(6,382)</u>	<u>(55,367)</u>

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DELINE DENE BAND COUNCIL
Statement of Operations *(continued)*
Year Ended March 31, 2014

	Budget 2014	2014	2013
OTHER INCOME			
Uncollectable contribution surplus	-	(15,940)	-
Recovery of bad debts	-	22,478	52,226
	-	6,538	52,226
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 4,736	\$ 156	\$ (3,141)

DELINE DENE BAND COUNCIL
Statement of Changes in Net Assets
Year Ended March 31, 2014

	2014	2013
NET ASSETS (DEBT) - BEGINNING OF YEAR	\$ (166,414)	\$ (428,430)
Annual surplus (deficit)	156	(3,141)
Amortization of tangible capital assets	21,536	25,167
Acquisition of tangible capital assets	-	(6,514)
Prior period adjustments (<i>Note 13</i>)	-	246,504
NET ASSETS (DEBT) - END OF YEAR	\$ (144,722)	\$ (166,414)



DELINE DENE BAND COUNCIL
Statement of Financial Position
March 31, 2014

	2014	2013
FINANCIAL ASSETS		
CURRENT		
Accounts receivable (Note 5)	\$ 7,912	\$ 291,690
Goods and services tax recoverable	7,765	21,075
Payroll taxes recoverable	10,567	2,665
Contributions receivable- AAND (Note 6)	2,579	22,051
Contributions receivable- GNWT (Note 6)	740	61,743
Contributions receivable- other federal agencies (Note 6)	-	679
	<u>\$ 29,563</u>	<u>\$ 399,903</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Bank indebtedness	\$ 3,334	\$ 1,194
Accounts payable and accrued liabilities	18,570	146,741
Deferred income (Note 9)	77,780	108,292
Vehicle loan (Note 8)	17,561	25,537
Employee deductions payable	18,194	23,996
Due to related parties	-	51,639
Contribution surplus repayable- AAND (Note 7)	17,166	131,606
Contribution surplus repayable- other (Note 7)	33,408	73,116
Contribution surplus repayable- GNWT (Note 7)	35,558	51,484
	<u>221,571</u>	<u>613,605</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>(192,008)</u>	<u>(213,702)</u>
NET ASSETS		
Tangible capital asset (Note 4)	192,461	213,996
Prepaid expenses	85	87
	<u>192,546</u>	<u>214,083</u>
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ 538</u>	<u>\$ 381</u>
LEASE COMMITMENTS (Note 11)		

Approved by Chief and Council


 _____ Chief

 _____ Councilor


 _____ Councilor

 _____ Councilor

The accompanying notes form an integral part of these financial statements.
 JDP Wasserman & Associates /// Certified Management Accountants

DELINE DENE BAND COUNCIL

Statement of Cash Flows

Year Ended March 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 156	\$ (3,141)
Item not affecting cash:		
Amortization of tangible capital assets	21,536	25,167
	<u>21,692</u>	<u>22,026</u>
Changes in non-cash working capital:		
Accounts receivable	283,778	(216,701)
Accounts payable and accrued liabilities	(128,171)	(77,037)
Prepaid expenses	2	4,353
GST payable (receivable)	13,310	31,955
Payroll taxes recoverable	(7,902)	-
Contributions receivable- AAND	19,472	(47,074)
Contributions receivable- GNWT	61,003	15,512
Contributions receivable- other federal agencies	679	-
Deferred income	(30,512)	15,550
Employee deductions payable	(5,802)	(10,333)
Contribution surplus repayable- AAND	(114,440)	57,295
Contribution surplus repayable- other	(39,708)	73,116
Contribution surplus repayable- GNWT	(15,926)	(134,416)
	<u>35,783</u>	<u>(287,780)</u>
Cash flow from (used by) operating activities	<u>57,475</u>	<u>(265,754)</u>
FINANCING ACTIVITIES		
Vehicle loan	(7,976)	(7,483)
Advances to related parties	(51,639)	-
Cash flow used by financing activities	<u>(59,615)</u>	<u>(7,483)</u>
DECREASE IN CASH FLOW	<u>(2,140)</u>	<u>(273,237)</u>
Cash (deficiency) - beginning of year	<u>(1,194)</u>	<u>25,408</u>
DEFICIENCY - END OF YEAR	<u>\$ (3,334)</u>	<u>\$ (247,829)</u>
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest paid	<u>\$ 5,412</u>	<u>\$ 3,744</u>

DELINE DENE BAND COUNCIL

Notes to Financial Statements

Year Ended March 31, 2014

1. Basis of accounting

The financial statements were prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

2. Description of operations

Deline Dene Band Council ("the Council") is established pursuant to the Indian Act of Canada. Operating activities of the Council include the administration and delivery of services to the community of Deline, Northwest Territories. The council is classified as an Indian Band and as such is a non-taxable entity under Section 149 of the Income Tax Act.

3. Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Loans receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by the Council. Interest income is accrued on loans receivable to the extent it is deemed collectable.

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.

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DELINE DENE BAND COUNCIL

Notes to Financial Statements

Year Ended March 31, 2014

3. Summary of significant accounting policies *(continued)*

Measurement uncertainty

The preparation of financial statements for the Council, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Segment Reporting

Deline Dene Band Council provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by Education, Health, Economic Development, Housing, Social Services, Band Government, Community Services and Other. Refer to Note 14 for disclosure

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Buildings	5%	declining balance method
Equipment	20%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	30%	declining balance method

The Council regularly reviews its Tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

4. Tangible capital assets

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Buildings	\$ 370,084	\$ 217,052	\$ 153,032	\$ 161,086
Computer equipment	142,684	134,063	8,621	12,316
Equipment	96,132	76,998	19,134	23,917
Motor vehicles	40,041	28,367	11,674	16,677
	<u>\$ 648,941</u>	<u>\$ 456,480</u>	<u>\$ 192,461</u>	<u>\$ 213,996</u>

DELINE DENE BAND COUNCIL

Notes to Financial Statements

Year Ended March 31, 2014

5. Accounts receivable		
	2014	2013
Deline Renewable Resources Council	\$ 5,000	\$ -
Deline Self-Government	2,012	32,925
Deline Land Corporation	740	2,865
Deline Housing Association	25	25
Other	440	451,478
Payroll advances	-	4,440
Sahtu Dene Council	-	1,902
Sahtu Secretariat Inc.	-	(974)
	8,217	492,661
Allowance for doubtful accounts receivable	(305)	(200,971)
	\$ 7,912	\$ 291,690

6. Due from Government and Other Government Organizations

	2014	2013
Aboriginal Affairs and Northern Development Canada	\$ 2,579	\$ 22,051
Government of the Northwest Territories	740	61,743
	\$ 3,319	\$ 83,794

7. Due to Government and Other Government Organizations

Deline Dene Band Council provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by Education, Health, Economic Development, Housing, Social Services, Band Government, Community Services and Other.

	2014	2013
Aboriginal Affairs and Northern Development Canada	\$ 17,166	\$ 131,606
Government of the Northwest Territories	35,558	51,484
Other government organizations	33,408	73,116
	\$ 86,132	\$ 256,206

DELINE DENE BAND COUNCIL

Notes to Financial Statements

Year Ended March 31, 2014

8. Long term debt

Vehicle Loan, payable in monthly instalments of \$781.00.
Interest rate: 6.39% per year, due on demand, secured by a
vehicle with net book value- \$11,674

	<u>2014</u>		<u>2013</u>
	\$ 17,561		\$ 25,537

Principal repayment terms are approximately:

2015	\$ 8,501
2016	9,060
	<u>\$ 17,561</u>

9. Deferred Revenue

Federal Government

Aboriginal Affairs and Northern Development Canada

	<u>2014</u>		<u>2013</u>
	\$ -		\$ 16,805

Government of the Northwest Territories

Health and Social Services
Education, Culture and Employment
Other

	\$ 36,167		\$ -
	8,129		7,903
	-		2,578
	<u>44,296</u>		<u>10,481</u>

Other

Social/ Emergency Fund
Sahtu Dene Council
Other

	\$ 21,749		\$ 13,421
	4,985		60,160
	6,750		7,425
	<u>33,484</u>		<u>81,006</u>

Grand total

	<u>\$ 77,780</u>		<u>\$ 108,292</u>
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10. Contingent liability

The Council has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

DELINE DENE BAND COUNCIL

Notes to Financial Statements

Year Ended March 31, 2014

11. Lease commitments

The Council has entered into a lease agreement with Xerox Canada Ltd. for a lease of a printer/scanner. The lease commenced June 18, 2012 and requires quarterly payments of \$2,836. Estimated commitment as follows:

2015	\$	11,344
2016		11,344
2017		8,508
	\$	<u>31,196</u>

12. Government Transfers

	2014	2013
Government of Canada- AANDC	\$ 514,636	\$ 514,824
Government of Canada- Canada Parks Agency	53,366	5,508
Government of the Northwest Territories	<u>637,906</u>	<u>633,633</u>
	\$ 1,205,908	\$ 1,153,965

13. Prior period adjustment

Prior period allowance is being adjusted. These amount were accumulated over the past years. They were deemed uncollectible due to the amount of time outstanding.

14. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

15. Budgeted Figures

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Program and Finance Director.

DELINE DENE BAND COUNCIL

Notes to Financial Statements

Year Ended March 31, 2014

16. Segment Disclosure

	Education			Health			Economic Development		
	Budget 2014	Actual 2014	Actual 2013	Budget 2014	Actual 2014	Actual 2013	Budget 2014	Actual 2014	Actual 2013
Revenue									
Federal Government operating transfers	-	91,975	95,000	-	-	-	-	75,345	29,200
Territorial Government operating transfers	-	159,727	129,524	-	198,407	218,837	-	177,989	182,472
Other Revenue	-	112,495	88,873	-	(36,167)	2,361	-	52,476	69,932
	-	364,197	313,397	-	162,240	221,198	-	305,810	281,604
Expenditures									
Other Expense	-	170,042	136,865	-	70,192	122,965	-	183,085	170,983
Salaries and benefits	-	194,256	176,586	-	92,048	97,187	-	122,725	112,929
	-	364,298	313,451	-	162,240	220,152	-	305,810	283,912
Excess revenue (expenditures)	-	(101)	(54)	-	-	1,046	-	-	(2,308)

DELINE DENE BAND COUNCIL

Notes to Financial Statements

Year Ended March 31, 2014

17. Segment Disclosure- (continued)

	Housing			Social Services			Band Government		
	Budget 2014	Actual 2014	Actual 2013	Budget 2014	Actual 2014	Actual 2013	Budget 2014	Actual 2014	Actual 2013
Revenue									
Federal Government operating transfers	-	-	-	-	900	9,690	-	396,866	383,574
Territorial Government operating transfers	-	-	-	-	80,100	80,100	-	-	1,000
Other Revenue	-	-	-	-	1,050	12,806	-	260,793	248,054
	-	-	-	-	82,050	102,596	-	657,659	632,628
Expenditures									
Other Expense	-	-	-	-	25,885	50,353	-	376,290	327,008
Salaries and benefits	-	-	-	-	56,192	55,719	-	297,029	306,743
	-	-	-	-	82,077	106,072	-	673,319	633,751
Excess revenue (expenditures)	-	-	-	-	(27)	(3,476)	-	(15,660)	(1,123)

DELINE DENE BAND COUNCIL

Notes to Financial Statements

Year Ended March 31, 2014

18. Segment Disclosure- (continued)

	Community Services			Other		
	Budget 2014	Actual 2014	Actual 2013	Budget 2014	Actual 2014	Actual 2013
Revenue						
Federal Government operating transfers	-	-	-	-	2,916	2,868
Territorial Government operating transfers	-	20,705	21,700	-	978	-
Other Revenue	-	485	-	-	38,565	21,058
	-	21,190	21,700	-	42,459	23,926
Expenditures						
Other Expense	-	7,745	8,473	-	39,096	12,628
Salaries and benefits	-	13,445	17,551	-	-	10,716
	-	21,190	26,024	-	39,096	23,344
Excess revenue (expenditures)	-	-	(4,324)	-	3,363	582

DELINE DENE BAND COUNCIL

Notes to Financial Statements

Year Ended March 31, 2014

19. Segment Disclosure- (continued)

	Total Before Adjustments			Consolidation Adjustments			Consolidated Totals		
	Budget 2014	Actual 2014	Actual 2013	Budget 2014	Actual 2014	Actual 2013	Budget 2014	Actual 2014	Actual 2013
Revenue									
Federal Government operating transfers	-	568,002	520,332	-	-	.	-	568,002	520,332
Territorial Government operating transfers	-	637,906	633,633	-	-	.	-	637,906	633,633
Other Revenue	-	429,697	443,084	-	-	.	-	429,697	443,084
	-	1,635,605	1,597,049	-	-	.	-	1,635,605	1,597,049
Expenditures									
Other Expense	-	872,335	829,275	-	-	.	-	872,335	829,275
Salaries and benefits	-	775,695	777,431	-	-	.	-	775,695	777,431
	-	1,648,030	1,606,706	-	-	.	-	1,648,030	1,606,706
Excess revenue (expenditures)	-	(12,425)	(9,657)	-	-	.	-	(12,425)	(9,657)