

**DELINE DENE BAND COUNCIL
Financial Statements
Year Ended March 31, 2015**

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Deline Dene Band Council are the responsibility of management and have been approved by the Council.

The consolidated financial statements have been prepared by management 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 and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, JDP Wasserman & Associates, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Deline Dene Band Council and meet when required.

Chief

Marie Neyelle
Councilor
Joe P. Jr.
Councilor

Stella
Councilor
Mary Rose Yuka
Councilor

Deline, NT

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, 2015 and the statements of revenues and expenditures and cash flow 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.

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Independent Auditor's Report to the Members of Deline Dene Band Council *(continued)*

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, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.



Wetaskiwin, Alberta

September 11, 2015

CERTIFIED MANAGEMENT ACCOUNTANT

DELINE DENE BAND COUNCIL
Statement of Revenues and Expenditures
Year Ended March 31, 2015

	2015	2014
REVENUE		
Government of Canada	\$ 323,141	\$ 514,636
Government of Canada- Canada Parks Agency	53,750	53,366
Government of the Northwest Territories	581,873	637,906
Office services, expenditure recoveries, donations	266,201	313,887
Sahtu Dene Council	200,713	112,005
Other revenue	129,633	54,211
	1,555,311	1,686,011
CONTRIBUTION DEFERRAL		
Deferred revenue from previous year	77,780	39,956
Deferred revenue to next year	(44,968)	(77,780)
	32,812	(37,824)
EXPENSES		
Salaries and wages	722,859	776,783
Supplies	165,949	120,719
Program expenditures	135,378	165,354
Travel	92,789	78,187
Consulting fees	56,560	28,332
Donations	53,142	92,806
Rental	33,478	45,254
Professional fees	31,321	50,303
Network and system maintenance	30,371	171
Contract services	24,090	35,274
Equipment rentals	23,665	11,004
Training and registration	18,039	12,810
Amortization	17,567	21,536
Utilities	15,169	14,252
Delivery, freight and express	14,978	10,446
Insurance	13,668	12,818
Employee benefits	13,057	12,706
Repairs and maintenance	9,017	14,549
Repayment of surplus	34,961	19,297
Telephone	6,399	-
Office	3,130	491
Vehicle	1,951	-
Advertising and promotion	911	44,831
Security	860	2,916
Interest and bank charges	425	5,412
	1,519,734	1,576,251
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS		
	68,389	71,936

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DELINE DENE BAND COUNCIL
Statement of Revenues and Expenditures (continued)
Year Ended March 31, 2015

	2015	2014
OTHER INCOME (EXPENSES)		
Recovery of bad debts	71,495	22,478
Interest from other sources	40	-
Uncollectible contribution surplus	(8,825)	(15,940)
Program administration	<u>(141,013)</u>	<u>(78,318)</u>
	<u>(78,303)</u>	<u>(71,780)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (9,914)	\$ 156

DELINE DENE BAND COUNCIL

Statement of Financial Position

March 31, 2015

	2015	2014
FINANCIAL ASSETS		
Accounts receivable (<i>Note 5</i>)	\$ 370,800	\$ 7,912
Goods and services tax recoverable	8,060	7,765
Payroll taxes recoverable	-	10,567
Contributions receivable- AAND	13,518	2,579
Contributions receivable- GNWT	45,859	740
Contributions receivable- SDC	31,295	-
	<hr/>	<hr/>
	\$ 469,532	\$ 29,563
LIABILITIES		
Bank indebtedness	\$ 22,824	\$ 3,334
Accounts payable and accrued liabilities	475,449	18,570
Short term debt (<i>Note 7</i>)	20,000	-
Employee deductions payable	43,974	18,194
Contribution surplus repayable- AAND	28,224	17,166
Contribution surplus repayable- other	648	33,408
Contribution surplus repayable- GNWT	8,672	35,558
	<hr/>	<hr/>
LONG TERM DEBT (<i>Note 10</i>)	599,791	126,230
DEFERRED INCOME (<i>Note 11</i>)	9,060	17,561
	<hr/>	<hr/>
NET FINANCIAL DEBT	44,968	77,780
	<hr/>	<hr/>
NON- FINANCIAL ASSETS	653,819	221,571
Prepaid expenses	16	85
Capital assets	174,894	192,460
	<hr/>	<hr/>
ACCUMULATED SURPLUS (DEFICIT)	174,910	192,545
	<hr/>	<hr/>
\$ (9,377)	\$	537

Approved by Chief and Council

Chiet

Mary Neyell Councilor

Counselor

Councilor

See notes to financial statements

DELIN DENE BAND COUNCIL

Statement of Changes in Net Financial Assets

Year Ended March 31, 2015

	2015	2014
NET FINANCIAL ASSETS - BEGINNING OF YEAR	\$ (192,008)	\$ (213,700)
Deficiency of revenue over expenses	(9,914)	156
Amortization of capital assets	17,567	21,536
Use of prepaids	<u>69</u>	-
NET FINANCIAL ASSETS - END OF YEAR	<u>\$ (184,286)</u>	\$ (192,008)

DELINE DENE BAND COUNCIL

Statement of Cash Flow

Year Ended March 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (9,914)	\$ 156
Item not affecting cash:		
Amortization of capital assets	<u>17,567</u>	21,536
	<u>7,653</u>	21,692
Changes in non-cash working capital:		
Accounts receivable	(362,888)	283,778
Accounts payable and accrued liabilities	456,875	(128,171)
Prepaid expenses	69	2
Goods and services tax payable	(295)	13,310
Payroll taxes recoverable	10,567	(7,902)
Contributions receivable- AAND	(10,939)	19,472
Contributions receivable- GNWT	(45,119)	61,003
Contributions receivable- other federal agencies	-	679
Contributions receivable- SDC	(31,295)	-
Deferred income	(32,812)	(30,512)
Employee deductions payable	25,780	(5,802)
Contribution surplus repayable- AAND	11,058	(114,440)
Contribution surplus repayable- other	(32,760)	(39,708)
Contribution surplus repayable- GNWT	(26,886)	(15,926)
	<u>(38,645)</u>	35,783
Cash flow from (used by) operating activities	<u>(30,992)</u>	57,475
FINANCING ACTIVITIES		
Short term debt	20,000	-
Advances to related parties	-	(51,639)
Vehicle loan	<u>(8,501)</u>	(7,976)
Cash flow from (used by) financing activities	<u>11,499</u>	(59,615)
DECREASE IN CASH FLOW	<u>(19,493)</u>	(2,140)
Deficiency - beginning of year	<u>(3,334)</u>	(1,194)
DEFICIENCY - END OF YEAR	<u>\$ (22,827)</u>	\$ (3,334)
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest paid	<u>\$ 425</u>	\$ 5,412

DELINE DENE BAND COUNCIL
Statement of Changes in Net Financial Assets
Year Ended March 31, 2015

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DELIN DENE BAND COUNCIL

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CASH FLOW SUPPLEMENTARY INFORMATION		
Interest paid	<u>\$ 425</u>	<u>\$ 5,412</u>

DELINE DENE BAND COUNCIL

Notes to Financial Statements

Year Ended March 31, 2015

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, 2015

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management 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

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	2015 Net book value	2014 Net book value
Buildings	\$ 370,084	\$ 224,704	\$ 145,380	\$ 153,032
Computer equipment	142,684	136,649	6,035	8,621
Equipment	96,132	80,825	15,307	19,134
Motor vehicles	40,041	31,870	8,171	11,674
	\$ 648,941	\$ 474,048	\$ 174,893	\$ 192,461

DELINE DENE BAND COUNCIL

Notes to Financial Statements

Year Ended March 31, 2015

5. Accounts receivable	2015	2014
Personal credit	\$ 363,000	\$ -
Deline Renewable Resources Council	5,000	5,000
K'asho Got'ine Community Council	1,638	-
Other	1,297	440
Deline Self-Government	-	2,012
Deline Land Corporation	-	740
Deline Housing Association	-	25
	<hr/>	<hr/>
	370,935	8,217
Allowance for doubtful accounts receivable	<hr/>	<hr/>
	(135)	(305)
	<hr/>	<hr/>
	\$ 370,800	\$ 7,912

The personal credits are a part of the truth and reconciliation residential school program, Dene Nation alongside Crawford Class Action Law Suit filed a class action law suit against the Gov't of Canada. Each individual or member who attended any residential school in the north is now eligible to receive a \$3,000 personal credit. These credits can be used for education purposes or on the land programs.

An offsetting payable of an equivalent amount is also reported. This represents the amount payable to individuals and/or members.

6. Accounts payable

Personal credit payable	\$ 363,000	\$ -
Trade payable	112,296	18,570
Pension plan payable	100	-
Insurance Payable	49	-
	<hr/>	<hr/>
	\$ 475,445	\$ 18,570

7. Short term debt

This amount represent a short term interest free borrowing from Charter Community of Deline.

8. Due from Government and Other Government Organizations

	2015	2014
Aboriginal Affairs and Northern Development Canada	\$ 13,518	\$ 2,579
Government of the Northwest Territories	<hr/>	<hr/>
	45,859	740
	<hr/>	<hr/>
	\$ 59,377	\$ 3,319

DELINE DENE BAND COUNCIL**Notes to Financial Statements****Year Ended March 31, 2015**

9. 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.

	2015	2014
Aboriginal Affairs and Northern Development Canada	\$ 28,224	\$ 17,166
Government of the Northwest Territories	8,672	35,558
Other government organizations	<u>648</u>	<u>33,408</u>
	<u>\$ 37,544</u>	<u>\$ 86,132</u>

10. 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- \$8,172.00

	2015	2014
	<u>\$ 9,060</u>	<u>\$ 17,561</u>

Principal repayment terms are approximately:

2016	<u>\$ 9,060</u>
	<u>\$ 9,060</u>

DELIN DENE BAND COUNCIL
Notes to Financial Statements
Year Ended March 31, 2015

11. Deferred Revenue

	2015	2014
Government of the Northwest Territories		
Health and Social Services	\$ 21,082	\$ 36,167
Education, Culture and Employment	9,426	8,129
Other	<u>2,751</u>	-
	<u>33,259</u>	<u>44,296</u>
Other		
Social/ Emergency Fund	\$ 599	\$ 21,749
Sahtu Dene Council	<u>8,000</u>	4,985
Other	<u>3,110</u>	6,750
	<u>11,709</u>	<u>33,484</u>
Grand total	<u>\$ 44,968</u>	<u>\$ 77,780</u>

12. Contingent liability

The company 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.

13. 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:

2016	\$ 11,344
2017	<u>8,508</u>
	<u>\$ 19,852</u>

14. Government Transfers

	2015	2014
Government of Canada- AANDC	\$ 323,141	\$ 514,636
Government of Canada- Canada Parks Agency	<u>53,750</u>	53,366
Government of the Northwest Territories	<u>581,873</u>	637,906
	<u>\$ 958,764</u>	<u>\$ 1,205,908</u>

15. Comparative figures

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