

Financial Statements of

AKLAVIK INDIAN BAND

Year ended March 31, 2017

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Aklavik Indian Band are the responsibility of management.

The 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 financial statements are presented fairly, in all material respects.

The Band maintains systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Band's assets are appropriately accounted for and adequately safeguarded.

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

The Council reviews and approves the Band's financial statements. The Council meets periodically with management, as well as with 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 financial statements and the external auditors' report.

The financial statements have been audited by the independent firm of KPMG LLP in accordance with Canadian generally accepted auditing standards. Their report to the members of the Band, stating the scope of their examination and opinion on the financial statements, follows.

Band Manager

Finance Officer

Aklavik, Canada
July 28, 2017



KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Members of Aklavik Indian Band

We have audited the accompanying financial statements of Aklavik Indian Band, which comprise the statement of financial position as at March 31, 2017, the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 our 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, we consider 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Aklavik Indian Band as at March 31, 2017, and its results of operations, its changes in net financial assets, its remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

July 28, 2017
Edmonton, Canada

AKLAVIK INDIAN BAND

Financial Statements

Year ended March 31, 2017

Financial Statements

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AKLAVIK INDIAN BAND

Statement of Financial Position

March 31, 2017, with comparative information for 2016

| | 2017 | 2016 |
|--|------------------|------------------|
| Financial assets: | | |
| Cash | \$ 138,947 | \$ 217,276 |
| Accounts receivable (note 12) | 336,517 | 149,426 |
| Due from Ehdiitat Gwich'in Council (note 2) | - | 49,831 |
| Due from Black Mountain Realty Incorporated (note 3) | 106,104 | 106,104 |
| Investment in Gwich'in Investments | | |
| Limited Partnership (note 4) | 168 | 257 |
| Investment in Daazraii Investments Inc. (note 5) | 1,110,806 | 1,367,981 |
| | <u>1,692,542</u> | <u>1,890,875</u> |
| Liabilities: | | |
| Accounts payable and accrued liabilities (note 12) | 72,368 | 82,993 |
| Deferred revenue (note 6) | 87,001 | 136,644 |
| Contributions repayable (note 7) | 174,192 | 64,762 |
| | <u>333,561</u> | <u>284,399</u> |
| Net financial assets | 1,358,981 | 1,606,476 |
| Non-financial assets: | | |
| Tangible capital assets (note 8) | 5,944 | 7,743 |
| Prepaid expenses and deposits | 1,480 | 2,628 |
| | <u>7,424</u> | <u>10,371</u> |
| Accumulated surplus (note 9) | \$ 1,366,405 | \$ 1,616,847 |

Commitments (note 10)

See accompanying notes to financial statements.

On behalf of the Council:

Chief

Councilor

AKLAVIK INDIAN BAND

Statement of Operations and Accumulated Surplus

Year ended March 31, 2017, with comparative information for 2016

| | Budget | 2017 | 2016 |
|---|--------------|--------------|--------------|
| Revenues: | | | |
| Government transfers: | | | |
| Government of Canada - INAC | \$ 136,216 | \$ 305,917 | \$ 283,106 |
| Government of the NWT | 184,488 | 180,872 | 157,199 |
| Government of Canada - CanNor | - | 72,275 | - |
| Gwich'in Tribal Council | 27,360 | 54,087 | 50,449 |
| Government of Canada - Other | - | - | 1,281 |
| Net amounts deferred | - | 49,643 | (22,701) |
| Contribution and transfer repayments | - | (133,482) | (29,550) |
| | 348,064 | 529,312 | 439,784 |
| Cost recoveries (note 12) | - | 97,829 | 144,869 |
| Bingo revenue | 21,000 | 53,012 | 19,814 |
| Other revenue | 5,653 | 16,443 | 13,271 |
| | 374,717 | 696,596 | 617,738 |
| Expenses: | | | |
| Wages and benefits (notes 12 and 13) | 364,893 | 561,366 | 573,238 |
| Contracted services (note 12) | 48,800 | 67,353 | 49,686 |
| Travel and accommodations (note 12) | 9,916 | 59,033 | 28,076 |
| Rent (note 12) | 36,650 | 55,920 | 55,770 |
| Bingo expenses | - | 47,813 | 18,720 |
| Materials and supplies (note 12) | 13,450 | 40,077 | 33,115 |
| Professional fees | - | 33,146 | 50,139 |
| Contributions to related entities (note 12) | - | 29,334 | 12,500 |
| Office (note 12) | 17,313 | 15,797 | 19,891 |
| Honoraria | 17,500 | 13,250 | 11,725 |
| Donations and contributions | 10,296 | 12,857 | 11,268 |
| Community events | 4,000 | 8,244 | 600 |
| Conference registration | 3,390 | 6,140 | 4,092 |
| Communications (note 12) | 850 | 6,033 | 5,945 |
| Equipment rental | 1,000 | 5,336 | 4,087 |
| Interest and bank charges | 710 | 4,808 | 5,845 |
| Amortization of tangible capital assets | - | 1,799 | 2,452 |
| Bad debts | - | 1,053 | 5,546 |
| | 528,768 | 969,359 | 892,695 |
| Annual deficiency before the undernoted | (154,051) | (272,763) | (274,957) |
| Equity in loss of investments: | | | |
| Gwich'in Investments Limited | | | |
| Partnership (note 4) | - | (89) | (41) |
| Daazraii Investments Inc. (note 5) | - | (57,175) | (10,972) |
| Canada Post dealer fees (note 11) | 85,736 | 79,585 | 77,324 |
| Annual deficiency | (68,315) | (250,442) | (208,646) |
| Accumulated surplus, beginning of year | 1,616,847 | 1,616,847 | 1,825,493 |
| Accumulated surplus, end of year | \$ 1,548,532 | \$ 1,366,405 | \$ 1,616,847 |

See accompanying notes to financial statements.

AKLAVIK INDIAN BAND

Statement of Changes in Net Financial Assets

Year ended March 31, 2017, with comparative information for 2016

| | Budget | 2017 | 2016 |
|--|--------------|--------------|--------------|
| Annual deficiency | \$ (68,315) | \$ (250,442) | \$ (208,646) |
| Amortization of tangible capital assets | - | 1,799 | 2,452 |
| Decrease (increase) in prepaid expenses and deposits | - | 1,148 | (2,628) |
| Decrease in net financial assets | (68,315) | (247,495) | (208,822) |
| Net financial assets, beginning of year | 1,606,476 | 1,606,476 | 1,815,298 |
| Net financial assets, end of year | \$ 1,538,161 | \$ 1,358,981 | \$ 1,606,476 |

See accompanying notes to financial statements.

AKLAVIK INDIAN BAND

Statement of Cash Flows

Year ended March 31, 2017, with comparative information for 2016

| | 2017 | 2016 |
|---|-------------------|-------------------|
| Cash provided by (used in): | | |
| Operations: | | |
| Annual deficiency | \$ (250,442) | \$ (208,646) |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 1,799 | 2,452 |
| Equity in loss of Daazraii Investments Inc. | 57,175 | 10,972 |
| Equity in loss of Gwich'in Investments Limited Partnership | 89 | 41 |
| Change in non-cash operating working capital: | | |
| Increase in accounts receivable | (187,091) | (9,168) |
| (Decrease) increase in accounts payable and accrued liabilities | (10,625) | 19,792 |
| Increase (decrease) in deferred revenue | (49,643) | 22,701 |
| Increase in contributions repayable | 109,430 | 24,238 |
| Decrease (increase) in prepaid expenses and deposits | 1,148 | (2,628) |
| | <u>(328,160)</u> | <u>(140,246)</u> |
| Financing and investing: | | |
| Decrease in due from Ehdiitat Gwich'in Council | 49,831 | - |
| Decrease in investment in Daazraii Investments Inc. | 200,000 | - |
| Decrease in cash | (78,329) | (140,246) |
| Cash, beginning of year | 217,276 | 357,522 |
| Cash, end of year | <u>\$ 138,947</u> | <u>\$ 217,276</u> |
| Supplemental cash flow information: | | |
| Interest and bank charges paid | \$ 4,808 | \$ 5,845 |

See accompanying notes to financial statements.

AKLAVIK INDIAN BAND

Notes to Financial Statements

Year ended March 31, 2017

Aklavik Indian Band (the "Band") is an aboriginal organization that represents the aboriginal people of the Hamlet of Aklavik, Northwest Territories. The Band is registered with the Government of Canada under the Indian Act and is not subject to any federal, territorial or local government taxes or similar charges.

1. Significant accounting policies:

The financial statements of the Band have been prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Band are as follows:

(a) Revenue recognition:

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 which 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.

Cost recoveries, bingo revenue and other revenue 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 where the accruals cannot be determined with a reasonable degree of certainty or where their estimation is impracticable.

Investment income is recorded as revenue in the year earned.

(b) Investments in government business enterprises:

The Band's investments in Daazraii Investments Inc. and the Gwich'in Investments Limited Partnership have been accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the Band, and inter-organizational transactions and balances are not eliminated.

AKLAVIK INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2017

1. Significant accounting policies (continued):

(c) Tangible capital assets:

Tangible capital assets are recorded at cost and are amortized over their expected useful lives using the following methods and annual rates:

| Asset | Basis | Rate |
|-----------------------------------|-------------------|------------|
| Equipment | Declining balance | 20% |
| Computer hardware and software | Declining balance | 30% - 55% |
| Leasehold improvements | Straight-line | Lease term |

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

The Band manages and controls various works of art and non-operational historical cultural assets. These assets are not recorded as tangible capital assets and are not amortized.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, and 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 costs incurred on acquisition and financing costs, which are amortized using the straight line method.

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 and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

AKLAVIK INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2017

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

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

Fair value measurements are classified using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

Level 1 – unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2 – observable or corroborated inputs other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

(e) Allocation of expenses:

The Band records a number of its expenses by program. The cost of each program includes the personnel, premises and other expenses that are directly related to providing the program. The Band allocates certain of its general support expenses by identifying the appropriate basis of allocating each expense.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

AKLAVIK INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2017

1. Significant accounting policies (continued):

(g) Employee future benefits:

The Band sponsors a defined contribution plan providing pension benefits for its employees, where the employee and the Band each contribute a specified percentage of pensionable earnings. The Band also provides employees with basic life, accidental death and dismemberment, long-term disability and extended health and vision benefits through benefits carriers.

(h) Budget:

The budget information has been derived from the budget approved by the Band and amended to include government transfers from the Government of the NWT, Government of Canada, and Gwich'in Tribal Council.

(i) Change in accounting policies:

In March, 2015 the Public Sector Accounting Board issued PS2200 - Related Party Disclosures and PS3420 - Inter-entity Transactions. These accounting standards are effective for fiscal years starting on or after April 1, 2017. PS2200 - Related Party Disclosures, defines a related party and identifies disclosures for related parties and related party transactions, including key management personnel and close family members. PS3420 - Inter-entity Transactions establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

In June 2015, the Public Sector Accounting Board issued PS 3210 - Assets, PS3320 - Contingent Assets, PS3380 - Contractual Rights and PS3430 - Restructuring Transactions. PS3210, PS3320 and PS3380 are effective for fiscal years starting on or after April 1, 2017 and PS3430 is effective for fiscal years starting on or after April 1, 2018. PS 3210 - Assets provides guidance for applying the definition of assets set out in PS1000 - Financial Statement Concepts and establishes general disclosure standards for assets. PS3320 - Contingent Assets defines and establishes disclosure standards on contingent assets. PS3380 - Contractual Rights defines and establishes disclosure standards on contractual rights. PS3430 - Restructuring Transactions provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related programs or operating responsibilities.

The Band's management is currently assessing the impact of these new accounting standards on its financial statements.

AKLAVIK INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2017

2. Due from Ehdiitat Gwich'in Council:

The amount due from Ehdiitat Gwich'in Council, was unsecured and non-interest bearing. The outstanding amount due was repaid during the year.

3. Due from Black Mountain Realty Incorporated:

The amount due from Black Mountain Realty Incorporated, an entity under common management control, is non-interest bearing, unsecured and has no specified terms of repayment.

4. Investment in Gwich'in Investments Limited Partnership:

The Band owns 1,035 of 4,004,150 (.026%) units in Gwich'in Investments Limited Partnership (GILP). The partnership's principal activity is to hold an investment in Denendeh Investments Limited Partnership. The following summarizes the financial position and results of operations of GILP as at and for the year ended December 31, 2016:

| | 2017 | 2016 |
|--|-----------|-----------|
| Financial position: | | |
| Current assets | \$ 2,916 | \$ 2,639 |
| Non-current assets | 713,575 | 1,052,426 |
| | 716,491 | 1,055,065 |
| Current liabilities | 60,475 | 55,375 |
| Partners' equity | 656,016 | 999,690 |
| | 716,491 | 1,055,065 |
| Share of partners' equity attributable to the Band | \$ 168 | \$ 257 |
| Financial performance: | | |
| Revenues | \$ - | \$ - |
| Expenses | (343,674) | (159,417) |
| Total loss for the year | (343,674) | (159,417) |
| Loss for the year attributable to the Band | \$ (89) | \$ (41) |

AKLAVIK INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2017

5. Investment in Daazraii Investments Inc.:

The Band owns all of the outstanding shares of Daazraii Investments Inc. (the "Company"), a private company incorporated under the laws of the Northwest Territories. The Company owns 51% of a local charter company that flies into and out of the Gwich'in Settlement Area - Aklavik, Northwest Territories. The following summarizes the consolidated financial position and results of operations of Daazraii Investments Inc. as at March 31, 2017:

| | 2017 | 2016 |
|---|--------------------|--------------------|
| Financial position: | | |
| Current assets | \$ 279,464 | \$ 284,508 |
| <u>Non-current assets</u> | <u>893,903</u> | <u>1,130,390</u> |
| | 1,173,367 | 1,414,898 |
| Current liabilities | 62,561 | 46,917 |
| <u>Due to Aklavik Indian Band</u> | <u>223,938</u> | <u>423,938</u> |
| | 286,499 | 470,855 |
| <u>Total equity attributable to the Band</u> | <u>\$ 886,868</u> | <u>\$ 944,043</u> |
| Financial performance: | | |
| Revenues | \$ 98,379 | \$ 160,040 |
| Expenses | 155,554 | 171,012 |
| <u>Loss for the year attributable to the Band</u> | <u>\$ (57,175)</u> | <u>\$ (10,972)</u> |

The net investment in Daazraii Investments Inc. is comprised of equity of \$886,868 (2016 - \$944,043) and amounts due to Aklavik Indian Band of \$223,938 (2016 - \$423,938). The amount due from Daazraii Investments Inc., an entity under common management control, is non-interest bearing, unsecured and has no specified terms of repayment.

AKLAVIK INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2017

6. Deferred revenue:

| | | 2017 | 2016 |
|--|-----------------|------------------|------|
| Government of Canada - INAC: | | | |
| Consultation and Policy Development | \$ - | \$ 46,855 | |
| Professional and Institutional Development Program | - | 17,000 | |
| Government of the NWT: | | | |
| Community Wellness Initiatives | 87,001 | 72,789 | |
| | <hr/> \$ 87,001 | <hr/> \$ 136,644 | |

7. Contributions repayable:

| | | 2017 | 2016 |
|-------------------------------|--|------------------|-----------------|
| Government of Canada - INAC | | \$ 138,592 | \$ 34,871 |
| Government of Canada - other: | | | |
| New Horizons for Seniors | | 13,467 | 13,467 |
| Government of the NWT: | | | |
| Ice Road | | 15,000 | 12,000 |
| Employment Officer | | 4,424 | 4,424 |
| Parenting Workshop | | 2,709 | - |
| | | <hr/> 22,133 | <hr/> 16,424 |
| | | <hr/> \$ 174,192 | <hr/> \$ 64,762 |

AKLAVIK INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2017

8. Tangible capital assets:

| | | | | 2017 | | 2016 |
|-----------------------------------|-----------|-----------|-----------------------------|-------------------|--|-------------------|
| | | Cost | Accumulated amortization | Net book value | | Net book value |
| Equipment | \$ 47,555 | \$ 42,955 | \$ 4,600 | \$ 5,750 | | |
| Computer hardware and software | 27,093 | 25,749 | 1,344 | 1,993 | | |
| Leasehold improvements | 6,016 | 6,016 | - | - | | |
| | \$ 80,664 | \$ 74,720 | \$ 5,944 | \$ 7,743 | | |

9. Accumulated surplus:

| | | 2017 | 2016 |
|-------------------------------------|--------------|--------------|------|
| Investment fund | \$ 1,110,974 | \$ 1,368,238 | |
| Unrestricted net assets | 249,487 | 240,866 | |
| Invested in tangible capital assets | 5,944 | 7,743 | |
| | \$ 1,366,405 | \$ 1,616,847 | |

10. Commitments:

The Band rents its premises from Black Mountain Realty Incorporated, an entity under common management control, which requires fixed monthly payments of \$2,585 for the Band Office and \$2,000 for the Post Office. The lease contract contains contributions towards estimated common costs including heating, fuel, and property taxes.

AKLAVIK INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2017

11. Canada Post dealer fees:

Effective July 1, 2013, the Band entered into a new agency dealership agreement with Canada Post to operate a Canada Post outlet in the Hamlet of Aklavik, Northwest Territories. The agreement does not expire until terminated by the parties in accordance with the agreement. The Band is obligated to provide a suitable and accessible location for the postal outlet and to operate for a minimum number of days and hours in accordance with Canada Post's operating policies. Every item supplied by Canada Post under this agreement remains the property of Canada Post. All funds received from customers are held in trust on behalf of Canada Post and remitted periodically by way of pre-authorized debit. The Band is entitled to an annual fee of \$71,028 (2016 - \$71,028) plus a percentage of the gross annual sales. The transactions processed by the Band on behalf of Canada Post are as follows:

| | 2017 | 2016 |
|----------|-----------------|-----------------|
| Revenues | \$ 298,905 | \$ 267,514 |
| Expenses | (219,320) | (190,190) |
| | <hr/> \$ 79,585 | <hr/> \$ 77,324 |

AKLAVIK INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2017

12. Related party transactions:

The following table summarizes the Band's transactions with related parties during the year:

| | 2017 | 2016 |
|--|---------------|---------------|
| Revenues: | | |
| Cost recoveries: | | |
| Ehdiitat Renewable Resource Council | \$ 19,579 | \$ 28,466 |
| Ehdiitat Gwich'in Council | 27,740 | 28,167 |
| Daazraii Investments Inc. | 23,500 | 59,520 |
| <u>Black Mountain Realty Incorporated</u> | <u>27,010</u> | <u>28,716</u> |
| | 97,829 | 144,869 |
| Expenses: | | |
| Rent: | | |
| Black Mountain Realty Incorporated | 55,920 | 55,770 |
| Communications: | | |
| Ehdiitat Gwich'in Council | 270 | 1,188 |
| <u>Ehdiitat Renewable Resource Council</u> | <u>263</u> | <u>273</u> |
| | 533 | 1,461 |
| Materials and supplies: | | |
| Black Mountain Realty Incorporated | 432 | - |
| Ehdiitat Gwich'in Council | 437 | - |
| <u>Ehdiitat Renewable Resource Council</u> | <u>114</u> | <u>-</u> |
| | 983 | - |
| Contracted services: | | |
| Ehdiitat Gwich'in Council | 1,920 | - |
| <u>Ehdiitat Renewable Resource Council</u> | <u>500</u> | <u>-</u> |
| | 2,420 | - |
| Office: | | |
| Ehdiitat Gwich'in Council | 2,124 | - |
| Travel and Accommodation: | | |
| Ehdiitat Gwich'in Council | 1,984 | - |
| Contributions to related entities: | | |
| Ehdiitat Gwich'in Council | 12,500 | 12,500 |
| <u>Daazraii Investments Inc.</u> | <u>16,834</u> | <u>-</u> |
| | 29,334 | 12,500 |

AKLAVIK INDIAN BAND

Notes to Financial Statements (continued)

Year ended March 31, 2017

12. Related party transactions (continued):

The Band shares office infrastructure assets and financial management personnel with Ehdiitat Gwich'in Council, Ehdiitat Renewable Resource Council, Black Mountain Realty Incorporated and Daazraii Investments Inc. On April 30, 2014 an inter-organization cost share agreement was implemented to distribute the cost of communal resources amongst the group of related parties. Shared costs include wages of various employees that provide services to more than one entity, the costs of various office resources such as internet and telephone, office rents and other shared resources.

Accounts receivable includes \$4,216 (2016 - \$8,308) from Black Mountain Realty Incorporated, \$15,963 (2016 - \$27,279) from Daazraii Investments Inc., \$7,354 (2016 - \$10,801) from Ehdiitat Gwich'in Council, and \$4,166 (2016 - \$15,838) from Ehdiitat Gwich'in Renewable Resource Council and accounts payable and accrued liabilities includes \$5,785 (2016 - \$2,620) due to Black Mountain Realty Incorporated, \$2,413 (2016 - \$72) due to Ehdiitat Gwich'in Council, \$16,834 (2016 - \$nil) due to Daazraii Investments Inc. and \$nil (2016 - \$317) due to Ehdiitat Gwich'in Renewable Resource Council related to transactions with related parties.

13. Employee future benefits:

During the year, the Band contributed \$32,545 (2016 - \$17,496), representing 5.5% of pensionable earnings, to a defined contribution plan.

14. Financial risks and concentration of credit risk:

It is management's opinion that the Band is not exposed to significant credit, interest or currency risks arising from its financial instruments.

AKLAVIK INDIAN BAND
 Schedule 1 : Program Revenues and Expenses
 Year ended March 31, 2017

| | CORE | Band Employee Benefits Program | Consultation and Policy Development | Consultation and Policy Development | Professional and Institutional Development Program | Youth Employment | Nutrition North Program | Ice Road Employment Officer | Community Wellness Initiatives |
|---|------------|--------------------------------|-------------------------------------|-------------------------------------|--|------------------|-------------------------|-----------------------------|--------------------------------|
| Revenues: | | | | | | | | | |
| Government transfers: | | | | | | | | | |
| Government of Canada - AANDC | \$ 134,763 | \$ 38,785 | \$ 105,000 | \$ 5,269 | \$ 22,100 | \$ 7,606 | \$ 30,000 | \$ 25,000 | \$ 78,296 |
| Government of Canada - NWT | - | - | - | - | 22,369 | - | - | - | - |
| Government of Canada - CanNor | 72,275 | - | - | - | - | - | - | - | - |
| Gwich'in Tribal Council | 29,345 | - | - | - | - | - | - | - | - |
| Government of Canada - Other | - | - | - | - | - | - | - | - | - |
| Net amounts deferred - opening | - | - | - | 46,855 | - | - | - | - | - |
| Net amounts deferred - closing | - | - | - | - | 17,000 | - | - | - | 72,789 |
| Contribution and transfer repayments | - | - | - | - | (117,000) | - | - | - | (87,001) |
| Cost recoveries | 236,333 | 38,785 | 41,082 | 5,269 | 44,469 | 7,606 | (3,000) | 27,000 | 49,742 |
| Bingo revenue | 97,829 | - | - | - | - | - | - | - | - |
| Other revenue | 53,012 | - | - | - | - | - | - | - | - |
| Other revenue | 16,443 | - | - | - | - | - | - | - | - |
| | 403,667 | 38,785 | 41,082 | 5,269 | 44,469 | 7,606 | - | 27,000 | 49,742 |
| Expenses: | | | | | | | | | |
| Wages and benefits | 362,760 | 38,785 | - | - | 53,686 | - | - | - | - |
| Contracted services | 6,840 | - | - | - | - | - | - | - | - |
| Travel and accommodations | 28,899 | - | - | 7,961 | 5,269 | - | - | - | - |
| Rent | 19,980 | - | - | - | - | - | - | - | - |
| Bingo expenses | 47,813 | - | - | - | - | - | - | - | - |
| Materials and supplies | 36,370 | - | - | 32,222 | - | - | - | - | - |
| Professional fees | 924 | - | - | - | - | - | - | - | - |
| Contributions to related entities | 29,334 | - | - | - | - | - | - | - | - |
| Office | 7,260 | - | - | - | - | 680 | - | - | 59 |
| Honoria | 13,250 | - | - | - | - | - | - | - | - |
| Donations and contributions | 12,857 | - | - | - | - | - | - | - | - |
| Community events | 4,360 | - | - | - | - | - | - | - | 3,645 |
| Conference registration | 3,597 | - | - | - | - | - | - | - | - |
| Communications | 5,942 | - | - | - | - | - | - | - | - |
| Equipment rental | 5,336 | - | - | - | - | - | - | - | - |
| Interest and bank charges | 3,908 | - | 899 | - | - | - | - | - | - |
| Amortization of tangible capital assets | 1,799 | - | - | - | - | - | - | - | - |
| Bad debts | 1,053 | - | - | - | - | - | - | - | - |
| | 562,292 | 38,785 | 41,082 | 5,269 | 53,686 | 7,606 | - | 27,000 | 44,513 |
| Annual surplus (deficiency) before the undepreciated | | | | | (9,217) | - | - | - | 64,084 |
| Equity in earnings of Gwich'in Investment Limited Partnership | | (188,625) | - | - | - | - | - | - | - |
| Equity in earnings of Daazraai Investments Inc. | | (89) | - | - | - | - | - | - | - |
| Canada Post dealer fees | | (57,175) | - | - | - | - | - | - | - |
| Annual surplus (deficiency) | | \$ (245,889) | \$ - | \$ - | \$ (9,217) | \$ - | \$ - | \$ 5,229 | \$ - |

See accompanying notes to financial statements.

AKLAVIK INDIAN BAND
 Schedule 1: Program Revenues and Expenses
 Year ended March 31, 2017

| | Parenting Workshop | National Aboriginal Day | North of 60 Conference | Facilitator's Training | Postal Services | Total |
|---|--------------------|-------------------------|------------------------|------------------------|-----------------|--------------|
| Revenues: | | | | | | |
| Government transfers: | | | | | | |
| Government of Canada - AANDC | 6,933 | \$ 1,000 | \$ 5,668 | \$ 4,000 | \$ - | \$ 305,917 |
| Government of the NWT | - | - | - | - | - | 180,872 |
| Government of Canada - CanNor | - | - | - | - | - | 72,275 |
| Gwich'in Tribal Council | - | - | - | - | - | 54,087 |
| Government of Canada - Other | - | - | - | - | - | - |
| Net amounts deferred - opening | - | - | - | - | - | 136,644 |
| Net amounts deferred - closing | - | - | - | - | - | (87,001) |
| Contribution and transfer repayments | (2,709) | - | - | - | - | (133,482) |
| Cost recoveries | 4,224 | 1,000 | 5,668 | 4,000 | - | 529,312 |
| Bingo revenue | - | - | - | - | - | 97,829 |
| Other revenue | - | - | - | - | - | 53,012 |
| | 4,224 | 1,000 | 5,668 | 4,000 | - | 696,596 |
| Expenses: | | | | | | |
| Wages and benefits | - | - | - | - | - | 51,922 |
| Contracted services | 2,400 | 1,150 | - | - | 4,643 | 67,353 |
| Travel and accommodations | 558 | - | 5,142 | - | - | 55,033 |
| Rent | 900 | - | - | - | - | 55,920 |
| Bingo expenses | - | - | - | - | - | 47,813 |
| Materials and supplies | 33 | 648 | - | - | - | 40,077 |
| Professional fees | - | - | - | - | - | 33,146 |
| Contributions to related entities | - | - | - | - | - | 29,334 |
| Office | 333 | - | - | - | - | 15,787 |
| Honoraria | - | - | - | - | - | 13,250 |
| Donations and contributions | - | - | - | - | - | 12,857 |
| Community events | - | - | - | - | - | 8,244 |
| Conference registration | - | - | 2,543 | - | - | 6,140 |
| Communications | - | 91 | - | - | - | 6,033 |
| Equipment rental | - | - | - | - | - | 5,336 |
| Interest and bank charges | - | - | - | - | - | 4,808 |
| Amortization of tangible capital assets | - | - | - | - | - | 1,789 |
| Bad debts | - | - | - | - | - | 1,053 |
| | 4,224 | 2,128 | 7,685 | 4,643 | 76,362 | 969,399 |
| Annual surplus (deficiency) before the undernoted | - | (1,128) | (2,017) | (643) | (76,362) | (272,763) |
| Equity in earnings of Gwich'in Investment Limited Partnership | - | - | - | - | - | (89) |
| Equity in earnings of Dazzrall Investments Inc. | - | - | - | - | - | (57,175) |
| Canada Post dealer fees | - | - | - | - | 79,585 | 79,585 |
| Annual surplus (deficiency) | \$ - | \$ (1,128) | \$ (2,017) | \$ (643) | \$ 3,223 | \$ (250,442) |

See accompanying notes to financial statements.

AKLAVIK INDIAN BAND
 Schedule 2: CanNor Program Revenues and Expenses
 (Unaudited)

Year ended March 31, 2017

| | Community Readiness and Opportunities Planning Stream (2014-2015) | Community Readiness and Opportunities Planning Stream (2015-2016) | Community Readiness and Opportunities Planning Stream (2016-2017) | Total |
|---|---|---|---|---------------------|
| Revenues: | | | | |
| Government of Canada - CanNor | \$ 138,213 | \$ 190,422 | \$ 72,275 | \$ 72,275 |
| Other government grants | 4,961 | 22,652 | 305,917 | 634,552 |
| Own source funding | 143,174 | 213,074 | 3,967 | 31,580 |
| Cost recoveries | - | - | - | 738,407 |
| Bingo revenue | - | - | - | - |
| Other revenue | - | - | - | - |
| | 143,174 | 213,074 | 382,159 | 738,407 |
| Expenses: | | | | |
| Wages and benefits | 215,596 | 232,690 | 397,598 | 845,884 |
| Contracted services | - | - | - | - |
| Travel and accommodations | 11,481 | 11,188 | 18,105 | 40,774 |
| Rent | - | - | - | - |
| Bingo expenses | - | - | - | - |
| Materials and supplies | 17,475 | 15,580 | 6,029 | 39,084 |
| Professional fees | 25,117 | 8,424 | 1,259 | 34,800 |
| Contributions to related entities | - | - | - | - |
| Office | - | - | - | - |
| Honoraria | - | - | - | - |
| Donations and contributions | - | - | - | - |
| Community events | - | - | - | - |
| Conference registration | - | - | - | - |
| Communications | - | - | - | - |
| Equipment rental | - | - | - | - |
| Interest and bank charges | - | - | - | - |
| Amortization of tangible capital assets | 35,219 | 36,386 | 71,605 | - |
| Administration | 304,888 | 304,268 | 427,066 | 1,036,222 |
| Annual surplus (deficiency) before the undemoted | (161,714) | (91,194) | (44,907) | (297,815) |
| Equity in earnings of Gwich'in Investment Limited Partnership | - | - | - | - |
| Equity in earnings of Daazraii Investments Inc. | - | - | - | - |
| Canada Post dealer fees | - | - | - | - |
| Annual surplus (deficiency) | \$ (161,714) | \$ (91,194) | \$ (44,907) | \$ (297,815) |

See accompanying notes to financial statements.