

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Nahanni Butte Dene Band

#### *Opinion*

We have audited the consolidated financial statements of the Nahanni Butte Dene Band, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Nahanni Butte Dene Band as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Matter*

The Band's consolidated financial statements for the year ended March 31, 2018, were audited by another audited that expressed an unqualified audit opinion on October 1, 2018.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Band's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

## INDEPENDENT AUDITOR'S REPORT, continued

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Yellowknife, NWT  
October 1, 2019

*EPR Yellowknife Accounting Professional Corporation*  
Chartered Professional Accountants

**NAHANNI BUTTE DENE BAND  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As At March 31, 2019**

**Statement I**

	<b>2019</b>	<b>2018</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 86,989	\$ 53,487
Restricted deposits ( <i>Note 2</i> )	1,762,320	1,781,253
Accounts receivable ( <i>Note 3</i> )	326,943	68,809
Contributions receivable ( <i>Note 4</i> )	1,507,381	726,317
<b>TOTAL ASSETS</b>	<b>3,683,633</b>	<b>2,629,866</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities ( <i>Note 5</i> )	365,623	114,130
Contributions repayable ( <i>Note 6</i> )	36,817	44,006
Deferred contributions ( <i>Note 7</i> )	3,280,316	2,383,232
<b>TOTAL LIABILITIES</b>	<b>3,682,756</b>	<b>2,541,368</b>
<b>NET FINANCIAL ASSET</b>	<b>877</b>	<b>88,498</b>
<b>NON FINANCIAL ASSETS</b>		
Long term investments ( <i>Note 8</i> )	763,512	728,445
Tangible capital assets ( <i>Note 9</i> )	3,656,950	3,761,003
Prepaid expenses and deposits	22,469	22,469
<b>TOTAL NON FINANCIAL ASSETS</b>	<b>4,442,931</b>	<b>4,511,917</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 4,443,808</b>	<b>\$ 4,600,415</b>

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_  
Chief

\_\_\_\_\_  
Councillor

The accompanying notes and schedules form an integral part of the consolidated financial statements.

**NAHANNI BUTTE DENE BAND  
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
For the Year Ended March 31, 2019**

**Statement II**

	<b>Budget</b>	<b>2019</b>	<b>2018</b>
<b>REVENUE</b>			
Contributions - MACA	\$ 2,029,793	\$ 1,997,793	
Contributions - AANDC	344,961	92,784	
Contributions - DFN	22,002	27,010	
Contributions - GNWT	398,945	235,506	
Other revenue and recoveries	482,551	237,005	
Add opening deferred revenue	2,383,232	1,647,137	
Less closing deferred revenue	(3,280,316)	(2,383,232)	
<b>TOTAL REVENUE</b>	<b>-</b>	<b>2,381,168</b>	<b>1,854,003</b>
<b>EXPENSES</b>			
<b>Municipal Services:</b>			
Municipal administration	801,402	830,595	
Utilities and operating	208,442	253,369	
Recreation	27,964	14,669	
Water and sewage	382,667	275,646	
Youth programs	26,793	28,085	
<b>Band Member Services:</b>			
Band support administration	63,340	98,813	
Political and institutional development	217,527	36,440	
Summer and youth work experience	57,916	83,966	
<b>Dehcho First Nation Funded Programs:</b>			
Language and culture	-	5,940	
Resource management	22,002	32,119	
<b>GNWT Funded Programs:</b>			
Education, cultural and employment	75,356	12,207	
Health and social services	118,410	109,519	
Hunters and trappers assistance	33,375	35,830	
Economic development	5,727	24,127	
Environment and natural resources	88,727	67,462	
Transportation	53,038	19,419	
<b>Others:</b>			
Office administration	291,260	214,925	
Other programs	84,581	955	
<b>TOTAL EXPENSES</b>	<b>-</b>	<b>2,558,527</b>	<b>2,144,086</b>
Operating Surplus (Deficit)	-	(177,359)	(290,083)
Earnings (loss) from subsidiaries	\$ 20,752	\$ (22,568)	
Annual Surplus (Deficit)	-	(156,607)	(312,651)
<b>Accumulated Surplus at the beginning of year</b>		<b>4,600,415</b>	<b>4,913,066</b>
<b>Accumulated Surplus at the end of year</b>	<b>-</b>	<b>\$ 4,443,808</b>	<b>\$ 4,600,415</b>

The accompanying notes and schedules form an integral part of the financial statements.

**NAHANNI BUTTE DENE BAND  
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS  
For the Year Ended March 31, 2019**

**Statement III**

			<b>2019</b>	<b>2018</b>
<b>Annual Surplus (Deficit)</b>	\$	-	\$ (156,607)	\$ (312,651)
Acquisition of tangible capital assets		-	(49,488)	(19,530)
Amortization of tangible capital assets		-	153,541	155,488
Decrease (increase) in long term investments		-	(35,067)	5,441
			(87,621)	(171,252)
Decrease (increase) in prepaid expenses and deposits		-	-	300
<b>Changes in net financial debts</b>		-	(87,621)	(170,952)
<b>Net financial assets at beginning of year</b>		-	<b>88,498</b>	<b>259,450</b>
<b>Net financial assets at end of year</b>		-	<b>\$ 877</b>	<b>\$ 88,498</b>

The accompanying notes and schedules form an integral part of the financial statements.

**NAHANNI BUTTE DENE BAND  
CONSOLIDATED STATEMENT OF CASH FLOWS  
For the Year Ended March 31, 2019**

**Statement IV**

	<b>2019</b>	<b>2018</b>
<b>Cash Flows from Operating Activities</b>		
Cash receipts from government transfers	\$ 2,007,450	\$ 2,142,626
Cash receipts from contributions and other recoveries	224,415	305,175
Cash paid to supplier and employees	(2,153,493)	(2,100,919)
	78,372	346,882
<b>Cash Flows from Investing Activities</b>		
Decrease (increase) in advance to subsidiary companies	(14,315)	(17,127)
	(14,315)	(17,127)
<b>Capital Transactions</b>		
Purchase of tangible capital assets	(49,488)	(19,530)
	(49,488)	(19,530)
<b>NET INCREASE IN CASH POSITION</b>	14,569	310,225
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	1,834,740	1,524,515
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR</b>	<b>\$ 1,849,309</b>	<b>\$ 1,834,740</b>
<b>Cash consists of :</b>		
Cash	\$ 86,989	\$ 53,487
Restricted cash	1,762,320	1,781,253
	<b>\$ 1,849,309</b>	<b>\$ 1,834,740</b>

The accompanying notes and schedules form an integral part of the financial statements.

**NAHANNI BUTTE DENE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2019**

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The Nahanni Butte Dene Band (the "Council") is an Indian Band registered under the Indian Act. It provides services to the band members of Nahanni Butte Dene Band. It is also recognized by Department of Municipal and Community Affairs, the Government of NWT, as the designated authority responsible for the provision of municipal services to the Community of Nahanni Butte.

The Council is exempt for income tax purposes under Section 149 of the Income Tax Act.

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards 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 Nahanni Butte Dene Band and Nahanni Butte Dene Band Society and its following subsidiary and associated companies using the modified equity method

	<b>Percentage Owned</b>	<b>Year End</b>
Naha Dehe Development Corporation	100%	March 31, 2019
Nahanni Butte General Store Ltd.	50%	March 31, 2019
Deh Cho Helicopters Regional Limited Partnership	14.3%	May 31, 2019

**(c) Fund Accounting**

The Nahanni Butte Dene Band follows the deferral method of accounting for capital contributions. Externally restricted contributions are recognized as revenue when the related capital expenditures are incurred. Contributions received in advance of making the related expenditures is recorded as deferred revenue.

The General Operating Fund reports the core operating accounts of the Council and other programs in accordance with contribution agreements with funding agencies.

The Enterprise Fund reports the assets, liabilities, revenue and expenditure relating to investments held by the Council.

**(d) Long Term Investments**

Long term investments are recorded at amortized costs plus adjustments for accumulated earnings and loss less any permanent decline in value.

**(e) Revenue Recognition**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenues as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipts of goods or services and /or legal obligations to pay. Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

**NAHANNI BUTTE DENE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

**(e) Revenue Recognition**

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

**(f) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

**(i) Tangible Capital Assets**

Land and building is stated at nominal value. Purchased tangible capital assets are recorded at cost. Amortization expense is recorded over the estimated useful lives of the assets, using the following method and annual rates:

**Buildings:**

- Community office	2%-5%	Declining Balance
- Trailers	10%	Declining Balance
- Garages	4%	Declining Balance
Land improvements	2.5%	Declining Balance
Landfills and lagoon	4%-10%	Declining Balance
Automotive equipment	30%	Declining Balance
Office equipment and furniture	10%-30%	Declining Balance
Heavy equipment	10%	Declining Balance

**(ii) Inventories**

Inventories held for consumption are recorded at the lower of cost and replacement cost. There is no significant inventory at year end.

**(g) Cash and Cash Equivalents**

Cash includes cash and demand deposits. Cash equivalents includes highly liquid investments that can be readily converted into cash for a fixed amount and that matures less than three months from the date of acquisition

**(h) Allocation of Expenditure**

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

**NAHANNI BUTTE DENE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

**(i) Financial instruments - Recognition and Measurement**

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

- Cash and restricted cash are 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.

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

**(j) Government Transfers**

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

**(k) Use of Estimates**

The preparation of financial statements in conformity 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.

**NAHANNI BUTTE DENE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2019

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**2. Restricted Deposits**

	<b>2019</b>	<b>2018</b>
Bank account - Community Public Infrastructure (CPI)	\$ 510,143	\$ 728,679
Bank account - Gas Tax Fund (GTF)	997,622	943,916
Bank account - Nahanni Butte Trust	254,555	108,658
	<b>\$ 1,762,320</b>	<b>\$ 1,781,253</b>

Interest on CIBC Business Interest Account are paid monthly at rates ranging from 0.10% to 0.65% per annum depending on monthly average account balance.

	Community Public Infrastructure	Federal Gas Tax Funding	Total
Deferred contributions	\$ 1,452,027	\$ 1,423,244	\$ 2,875,271
Less contributions receivable	(915,000)	(491,172)	(1,406,172)
Required balance	537,027	932,072	1,469,099
Restricted cash deposits	510,143	997,622	1,507,765
Excess (shortfall)	\$ (26,884)	\$ 65,550	\$ 38,666

Sufficient funds must be deposited to separate bank accounts to correspond with the respective restricted cash balances. Interest earned on these accounts is credited to the appropriate restricted bank accounts.

**3. Accounts Receivable**

	<b>2019</b>	<b>2018</b>
Trade and other GST refundable	\$ 396,580	\$ 132,349
	41,645	32,742
Less allowances for doubtful accounts	438,225 (111,282)	165,091 (96,282)
	<b>\$ 326,943</b>	<b>\$ 68,809</b>

**NAHANNI BUTTE DENE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2019**

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**4. Contributions Receivable**

	<b>2019</b>	<b>2018</b>
Government of NWT:		
MACA - Federal Gas Tax Funding (2014-15)	\$ 87,172	\$ 87,172
MACA - Federal Gas Tax Funding (2015-16)	174,000	174,000
MACA - Federal Gas Tax Funding (2016-17)	75,000	75,000
MACA - Federal Gas Tax Funding (2017-18)	75,000	75,000
MACA - Federal Gas Tax Funding (2018-19)	80,000	-
MACA - CPI (2017-18)	250,000	250,000
MACA - CPI (2018-19)	665,000	-
INAC - Lands and Resource Management	8,709	-
INAC - Community Development Consultant	25,000	-
INAC - Community Development & Capacity Building	14,600	-
INAC - Intergovernmental forums	500	-
INAC - Youth Work Experience	52,400	33,000
IT - Garden project	-	1,000
ITI - Mineral Resource Development	-	6,795
ITI - Client Services & Community Development	-	6,780
ENR - Resource Co-Management Workshop	-	4,500
Dehcho First Nations:		
AAROM	-	13,070
	<b>\$ 1,507,381</b>	<b>\$ 726,317</b>

**5. Accounts Payable and Accrued Liabilities**

	<b>2019</b>	<b>2018</b>
Trade and other	\$ 305,847	\$ 68,076
Accrued wages and benefits	44,452	31,854
Other taxes payable	15,324	14,200
	<b>\$ 365,623</b>	<b>\$ 114,130</b>

**6. Contributions Repayable**

	<b>2019</b>	<b>2018</b>
Dehcho First Nations	\$ -	\$ 7,189
Aboriginal Affairs and Northern Development Canada	36,817	36,817
	<b>\$ 36,817</b>	<b>\$ 44,006</b>

**NAHANNI BUTTE DENE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2019

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**7. Deferred Contributions**

	<b>2019</b>	<b>2018</b>
Government of NWT:		
Community Public Infrastructure	\$ 1,452,027	\$ 835,889
Federal Gas Tax Funding	1,423,244	1,342,298
Other:		
Canadian Zinc IBA	400,000	200,000
Great Slave Helicopter's Women's Wellness	1,045	1,045
Great Slave Helicopter's Youth Infrastructure	4,000	4,000
	<hr/> \$ 3,280,316	<hr/> \$ 2,383,232

**8. Long Term Investments**

Naha Dehe Development Corporation

The Council owns 100% of Naha Dehe Development Corporation, a private company incorporated under the Business Corporation Act of Northwest Territories on July 9, 2001. The Corporation's principal activities are business management and investment activities. The Company is exempt from income tax under Section 149(1)(e) of the Income Tax Act.

The following summarizes the financial position and results of operations of the Corporation as at and for the year ended March 31, 2019.

	<b>2019</b>	<b>2018</b>
Financial Position		
Current assets	\$ 33,985	\$ 42,271
Non-current assets	24,009	24,007
Total assets	57,994	66,278
Current liabilities	93,522	93,180
Non-current liabilities	121,500	121,500
Shareholder's equity (capital deficiency)	\$ (157,028)	\$ (148,402)
Financial Performance		
Revenues	\$ -	\$ 13,000
Expenses	8,628	11,862
Net earnings (loss)	(8,628)	1,138
Investments:		
Investment at cost	\$ 10	\$ 10
Receivable from Corporation	87,779	87,779
Accumulated equity earnings (deficit)	\$ (167,765)	\$ (159,137)
Investment in Corporation	\$ (79,976)	\$ (71,348)

**NAHANNI BUTTE DENE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2019**

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**8. Long Term Investments (Continued)**

Nahanni Butte General Stores Ltd.

The Council owns 50% of Nahanni Butte General Stores Ltd., a private company incorporated under the Business Corporation Act of Northwest Territories on October 15, 1992. The Company owns and operates The Nahanni Butte General Store and Nahanni Butte Inn in Nahanni Butte, Northwest Territories.

The Company is exempt from income taxes under Section 149(1)(e) of the Income Tax Act.

The following summarizes the financial position and results of operations of the Corporation as at and for the year ended March 31, 2019.

	<b>2019</b>	<b>2018</b>
<b>Financial Position</b>		
Current assets	\$ 134,741	\$ 86,336
Non-current assets	617,950	651,559
 Total assets	 752,691	 737,895
Current liabilities	249,768	232,545
Non-current liabilities	29,249	28,564
 Total shareholder's equity (capital deficiency)	 \$ 473,674	 \$ 476,786
<b>Financial Performance</b>		
Revenues	\$ 292,854	\$ 241,944
Expenses	295,967	316,663
Net earnings (loss)	(3,113)	(74,719)
 Net earnings (loss) attributable to the Council	 \$ (1,557)	 \$ (37,360)
<b>Investments:</b>		
Investment at cost	\$ 25,000	\$ 25,000
Receivable from Corporation	212,184	197,869
Accumulated equity earnings (deficit)	136,587	138,144
 Investment in Corporation	 \$ 373,771	 \$ 361,013

**NAHANNI BUTTE DENE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2019**

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**8. Long Term Investments (Continued)**

Deh Cho Helicopters Regional Limited Partnership

The Council owns 5,000 of 35,000 (14.27%) limited partnership units in Deh Cho Helicopters Regional Limited Partnership (DCHRLP). DCHRLP was formed on June 1, 2004 under the Partnership Act of the Northwest Territories.

The Partnership's principal activities are to own and lease a Eurocopter AS350 B2 Helicopter and other helicopter charters through Great Slave Helicopters Ltd. in the Deh Cho areas in Northwest Territories.

The following summarizes the financial position and results of operations of the Corporation as at and for the year ended May 31, 2018.

	<b>2019</b>	<b>2018</b>
<b>Financial Position</b>		
Current assets	\$ 2,258,416	\$ 1,888,083
Non-current assets	761,493	927,536
 Total assets	 3,019,909	 2,815,619
Current liabilities	18,157	30,585
Non-current liabilities	4,810	4,650
 Total partners' equity	 \$ 2,996,942	 \$ 2,780,384
 <b>Financial Performance</b>		
Revenues	\$ 477,629	\$ 405,503
Expenses	261,073	309,931
 Net earnings (loss)	 216,556	 95,572
 Net earnings attributable to the Council	 \$ 30,937	 \$ 13,653
 <b>Investment:</b>		
Investment at cost	\$ 5,000	\$ 5,000
Accumulated equity earnings	464,717	433,780
 Investment in Partnership	 469,717	 438,780
 Total Investments	 \$ 763,512	 \$ 728,445

**NAHANNI BUTTE DENE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2019

**9. Tangible Capital Assets**

	Cost	Accumulated Amortization	2019 Net Book Value	2018 Net Book Value
Buildings	\$ 2,568,013	\$ 1,539,790	\$ 1,028,223	\$ 1,064,327
Land improvements	2,424,408	350,460	2,073,948	2,127,126
Landfills and lagoon	730,263	589,295	140,968	146,841
Automotive equipment	917,227	867,450	49,777	11,017
Office equipment and furniture	272,113	220,898	51,215	63,111
Heavy equipment	852,662	539,843	312,819	348,581
	<b>\$ 7,764,686</b>	<b>\$ 4,107,736</b>	<b>\$ 3,656,950</b>	<b>\$ 3,761,003</b>

**10. Equity in Tangible Capital Assets**

	2019	2018
Tangible capital assets	\$ 7,764,686	\$ 7,715,198
Accumulated amortization	(4,107,736)	(3,954,195)
	<b>\$ 3,656,950</b>	<b>\$ 3,761,003</b>

**11. Accumulated Surplus (Deficit)**

	2019	2018
Unrestricted		
General Operating Fund	\$ 23,346	\$ 110,967
Enterprise Fund	763,510	728,445
Equity in Tangible Capital Assets	3,656,950	3,761,003
	<b>\$ 4,443,806</b>	<b>\$ 4,600,415</b>

**12. Government Transfers**

	2019	2018
Government of NWT - MACA	\$ 2,029,793	\$ 1,997,793
Aboriginal Affairs and Northern Development Canada	344,961	92,784
Dehcho First Nations	22,002	27,010
Government of NWT	398,945	235,506
	<b>\$ 2,795,701</b>	<b>\$ 2,353,093</b>

**NAHANNI BUTTE DENE BAND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2019**

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**13. Expenditure by Object**

	<b>2019</b>	<b>2018</b>
Advertising and promotion	\$ 1,000	\$ 748
Administration	13,750	1,336
Amortization	153,543	155,488
Bad debts (recovered)	16,057	3,671
Bank charges and interest	5,852	(1,876)
Community events	7,100	3,900
Contracted services	147,449	15,679
Contributions repaid	-	35,951
Donations/Contributions	6,135	1,747
Equipment rental	31,412	16,859
Freight and postage	13,080	13,743
Honoraria	69,076	47,175
Insurance	147,393	141,645
Materials and supplies	99,244	154,648
Meeting and workshop	9,328	6,475
Membership distribution	67,000	65,500
Miscellaneous	17,899	17,586
Mobile equipment costs	10,293	3,898
Office	24,793	7,793
Professional fees	64,991	132,571
Rent and utilities	283,670	281,028
Repairs and maintenance	84,630	28,390
Telephone and Internet	26,962	22,995
Training and scholarships	136,913	2,050
Travel and accommodation	150,026	153,076
Wages and benefits	970,931	832,010
	<b>\$ 2,558,527</b>	<b>\$ 2,144,086</b>

**14. 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 Department of Municipal and Community Affairs of the Government of Northwest Territories. The nature and extent of this revenue is of such significance that the Council is economically dependent on this source of revenue.

**15. Budget figures**

No budget was prepared by the First Nation in the current year. As such, no budget amounts have been disclosed in the financial statements.

Canadian public sector accounting standards ("PSAB") require disclosure of budget information for comparison to the First Nation's actual revenues and expenses. The consolidated budgeted revenues and expenses, and surplus (deficit) has not been reported in these consolidated financial statements as there was no approved budget. While having no effect on reported revenues, expenses, and surplus (deficit), omission of this information is considered a departure from PSAB.

**NAHANNI BUTTE DENE BAND**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**For the Year Ended March 31, 2019**

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**16. Comparative Figures**

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

**17. Financial Instruments**

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.

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 and market risks arising from these financial instruments.