

Sambaa K'e Dene Band

Consolidated Financial Statements

March 31, 2014

Management Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Sambaa K'e Dene Band and all the information included in this annual report are the responsibility of management.

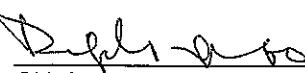
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are 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.

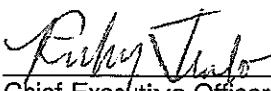
The external auditors, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Sambaa K'e Dene Band and meet when required.

On behalf of Sambaa K'e Dene Band:



Chief

08/14/2014
Date



Chief Executive Officer

08/13/2014
Date



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Independent Auditors' Report

To the Members of Sambaa K'e Dene Band

We have audited the accompanying consolidated financial statements of Sambaa K'e Dene Band, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the the Band's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the the Band's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



Independent Auditors' Report (continued)

Basis for Qualified Opinion

The Band's subsidiary, Sambaa K'e Development Corporation, is accounted for using the modified equity method and is carried at \$100 on the consolidated statement of financial position as at March 31, 2014. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Band's investment in the subsidiary as at March 31, 2014 because the information was not available at the date of release of the Band's financial statements. Consequently, we were unable to determine whether any adjustments to the recorded amounts were necessary.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, present fairly, in all material respects, the financial position of the First Nation as at March 31, 2014 and the results of its operations then ended in accordance with Canadian public sector accounting standards.

Yellowknife, Canada
July 29, 2014

A handwritten signature in black ink that reads 'Crowe MacKay LLP'.

Chartered Accountants

Sambaa K'e Dene Band

Consolidated Statement of Financial Position

| <u>As at March 31,</u> | <u>2014</u> | <u>2013</u> |
|------------------------|-------------|-------------|
|------------------------|-------------|-------------|

Financial Assets

| | | |
|------------------------------------|--------------|--------------|
| Cash and cash equivalents (Note 4) | \$ 1,870,062 | \$ 2,285,407 |
| Accounts receivable (Note 7) | 997,739 | 188,517 |
| GST receivable | 156,856 | 107,748 |
| Investment in subsidiary (Note 8) | 100 | 100 |
| | <hr/> | <hr/> |
| | 3,024,757 | 2,581,772 |

Liabilities

| | | |
|---|-----------|-----------|
| Accounts payable and accrued liabilities (Note 9) | 252,708 | 503,958 |
| Capital lease obligation (Note 10) | 29,737 | - |
| Contributions refundable (Note 11) | 7,067 | 3,395 |
| Deferred revenue (Note 12) | 2,816,949 | 2,342,392 |
| Employee benefits payable (Note 13) | 19,270 | 16,825 |
| | <hr/> | <hr/> |
| | 3,125,731 | 2,866,570 |

| | | |
|-----------------|------------------|------------------|
| Net debt | (100,974) | (284,798) |
|-----------------|------------------|------------------|

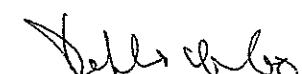
Non-financial Assets

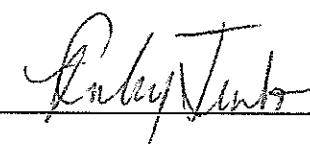
| | | |
|-----------------------------------|-----------|-----------|
| Tangible capital assets (Note 14) | 2,150,415 | 2,086,719 |
| Prepaid expenses | 38,825 | 28,747 |
| Inventory (Note 15) | 212,500 | 250,000 |
| | <hr/> | <hr/> |
| | 2,401,740 | 2,365,466 |

| | | |
|--------------------------------------|---------------------|---------------------|
| Accumulated Surplus (Note 16) | \$ 2,300,766 | \$ 2,080,668 |
|--------------------------------------|---------------------|---------------------|

Commitments (Note 19)

Approved on behalf of the Chief and Council

 Debra Dene, Chief

 Andy Tink, Chief Executive Officer

Sambaa K'e Dene Band

Consolidated Statement of Operations

For the year ended March 31,

2014

2013

Revenue

| | | |
|--|---------------------|---------------------|
| Aboriginal Affairs and Northern Development Canada | \$ 233,517 | \$ 285,960 |
| Government of the Northwest Territories | 2,183,110 | 1,439,306 |
| Dehcho First Nations | 89,986 | 82,006 |
| Dehcho Health and Social Services | 11,790 | 14,523 |
| Other revenue | 182,252 | 211,333 |
| Interest income | 11,592 | 10,042 |
| Deferred revenue - current | (474,557) | 252,221 |
| Contributions refundable | - | (930) |
| | \$ 2,237,690 | \$ 2,294,461 |

Expenses

| | | |
|-----------------------------|------------------|------------------|
| Accomodations | 47,771 | 46,079 |
| Administration | 18,134 | 16,340 |
| Advertising | 5,828 | 4,476 |
| Amortization | 274,926 | 219,224 |
| Bad debts | 38,684 | 100,709 |
| Bank charges and interest | 12,576 | 9,065 |
| Contracted services | 117,980 | 142,692 |
| Electricity | 48,413 | 41,814 |
| Equipment rental | 24,426 | 22,370 |
| Fuel | 100,980 | 123,254 |
| Insurance | 45,752 | 45,826 |
| Licenses and fees | 21,424 | 18,085 |
| Materials and supplies | 209,198 | 131,921 |
| Office supplies | 11,809 | 8,221 |
| Postage and freight | 3,486 | 6,194 |
| Professional fees | 38,334 | 78,783 |
| Rent | 19,733 | 30,494 |
| Repairs and maintenance | 117,489 | 45,265 |
| Telephone and fax | 19,866 | 30,289 |
| Travel | 138,242 | 106,363 |
| Wages and benefits | 705,749 | 615,064 |
| Translator expense | 1,500 | 4,890 |
| Water & sewer sampling fees | 1,350 | 12,673 |
| | 2,023,650 | 1,860,091 |

Excess of revenue over expenses before other items

214,040

434,370

Other items

| | | |
|---|--------------|------------------|
| Share of subsidiary loss | (2,966) | (487,503) |
| Gain on sale of tangible capital assets | 9,024 | - |
| | 6,058 | (487,503) |

Excess (deficiency) of revenue over expenses

\$ 220,098

\$ (53,133)

Sambaa K'e Dene Band**Consolidated Statement of Accumulated Surplus**

| <u>For the year ended March 31,</u> | <u>2014</u> | <u>2013</u> |
|---|---------------------|---------------------|
| Accumulated surplus, beginning of year | \$ 2,080,668 | \$ 2,133,801 |
| Excess (deficiency) of revenue over expenses | 220,098 | (53,133) |
| Accumulated surplus, end of year | \$ 2,300,766 | \$ 2,080,668 |

Sambaa K'e Dene Band

Consolidated Statement of Changes in Net Debt

| For the year ended March 31, | 2014 | 2013 |
|---|---------------------|---------------------|
| Excess (deficiency) of revenue over expenses | \$ 220,098 | \$ (53,133) |
| Acquisition of tangible capital assets | (338,621) | (206,418) |
| Amortization of tangible capital assets | 274,925 | 219,224 |
| (Acquisition) use of inventory | 37,500 | (250,000) |
| (Acquisition) use of prepaid expenses | (10,078) | (834) |
| | 183,824 | (291,161) |
| Increase (decrease) in net financial assets | 183,824 | (291,161) |
| (Net debt) net financial assets, beginning of year | (284,798) | 6,363 |
| Net debt, end of year | \$ (100,974) | \$ (284,798) |

Sambaa K'e Dene Band

Consolidated Statement of Cash Flows

| For the year ended March 31, | 2014 | 2013 |
|---|---------------------|---------------------|
| Cash flows from Operating activities | | |
| Excess (deficiency) of revenue over expenses | \$ 220,098 | \$ (53,133) |
| Items not affecting cash | | |
| Amortization | 274,925 | 219,224 |
| Share of subsidiary loss | 2,966 | 487,503 |
| | 497,989 | 653,594 |
| Change in non-cash operating working capital | | |
| Accounts receivable | (809,222) | 274,731 |
| Prepaid expenses | (10,078) | (833) |
| GST receivable | (49,108) | 22,564 |
| Accounts payable and accrued liabilities | (251,250) | 235,361 |
| Employee benefits payable | 2,445 | 3,738 |
| Contributions refundable | 3,672 | (8,797) |
| Deferred revenue | 474,557 | (252,220) |
| | (140,995) | 928,138 |
| Capital activities | | |
| Decrease (increase) in investments | (2,966) | 337 |
| Inventory | 37,500 | (250,000) |
| Purchase of property and equipment | (338,621) | (206,418) |
| | (304,087) | (456,081) |
| Financing activity | | |
| Capital lease obligation | 29,737 | - |
| Increase (decrease) in cash and cash equivalents | (415,345) | 472,057 |
| Cash and cash equivalents, beginning of year | 2,285,407 | 1,813,350 |
| Cash and cash equivalents, end of year (Note 4) | \$ 1,870,062 | \$ 2,285,407 |

Sambaa K'e Dene Band

Notes to Consolidated Financial Statements

March 31, 2014

1. Nature of Operations

The Sambaa K'e Dene Band ("the Band") is established pursuant to the *Indian Act of Canada*. The First Nation Chief and Council administers the affairs of the First Nation. The Band is classified as an Indian Band which is a non-taxable entity under section 149 of the *Income Tax Act*. Operating activities of the Council include the administration and delivery of services to the community of Trout Lake, NT.

2. Basis of Presentation and Significant Accounting Policies

The financial statements of the Band are the representation of administration prepared in accordance with Canadian public sector accounting standards, as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the Band are as follows:

(a) Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

(b) Reporting entity

These financial statements reflect the assets, liabilities, revenues and expenditures, changes in net financial debt and change in financial position of the reporting entity. This entity is comprised of the operations plus all of the organizations that are, therefore, accountable to the Band for administration of their financial affairs and resources. The Band owns 100% of the issued and outstanding shares of Sambaa K'e Development Corporation which it accounts for using the modified equity method of accounting.

Sambaa K'e Dene Band

Notes to Consolidated Financial Statements

March 31, 2014

2. Basis of Presentation and Significant Accounting Policies (continued)

(c) Revenue recognition

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:

- receive any goods or services directly in return;
- expect to be repaid in the future; or
- expect a direct financial return.

Government transfers are recognized as revenues when the transfer is authorized and any eligible 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.

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.

Capital transfers or transfers of restricted funding tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are acquired or built or eligible expenses incurred.

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.

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.

Revenue for fees or services is recognized when the fee is earned or the service is provided.

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

Interest is recognized when earned.

(d) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprises or government business partnerships, which are included in the Consolidated Financial Statements on a modified equity basis. Interorganizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the Band's investments in the government business enterprises and the government business partnerships and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the Band.

Organizations accounted for on a modified equity basis include:

- Sambaa K'e Development Corporation (wholly owned subsidiary)

Sambaa K'e Dene Band

Notes to Consolidated Financial Statements

March 31, 2014

2. Basis of Presentation and Significant Accounting Policies (continued)

(e) Contribution of tangible capital assets

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

(f) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

The cost, less residual value, of the tangible capital assets are amortized over their estimated useful lives as follows:

| | |
|----------------------------------|---------------------------|
| Commercial buildings | 20-50 years Straight line |
| Furniture and equipment | 20% Declining balance |
| Lagoon | 25 years Straight line |
| Landfill | 20 years Straight line |
| Land improvements | 25-40 years Straight line |
| Vehicles and heavy equipment | 30% Declining balance |
| Water Reservoir and Fill Station | 25 years Straight line |

One half the regular amortization is recorded in the year of acquisition for assets using the declining balance method. No amortization is recorded in the year of disposal.

(g) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the specific item method.

(h) 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 change in net financial assets for the year.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, restricted cash and term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Sambaa K'e Dene Band

Notes to Consolidated Financial Statements

March 31, 2014

2. Basis of Presentation and Significant Accounting Policies (continued)

(j) Segmented information

Segment financial information for certain departments is provided in Schedule 18. The accounting policies used in these segments is consistent with those followed in preparation of the consolidated financial statements as disclosed in Note 2. Revenues not directly attributable to a specific segment are shown in the General Government Services revenue. The segments include:

- 1) Education which provides educational services and programs to the community;
- 2) Health which provides health services and related programs to the community;
- 3) Social Services which provides support services and programs to the community to assist in promoting community justice and to reduce or prevent issues of public concern such as crime, drug and alcohol abuse.
- 4) Band Government which provides internal support to the Council and other departments that provide direct services to band members;
- 5) Economic Development which provides support and programs to the community to foster job creation and economic growth;
- 6) Community Services which provides basic municipal services to the community and provides additional services that are a benefit to the entire community.
- 6) Other represents those project revenues and expenditures that do not meet the criteria to be included in the education, health, social services, band government, economic development or community services segments described above.

(k) 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 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 reporting period. Actual results could differ from those estimates.

Sambaa K'e Dene Band

Notes to Consolidated Financial Statements

March 31, 2014

3. Future accounting changes

Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1200

PSAB approved new Section PS 3450, Financial Instruments, and related to Section PS 1201, Financial Statement Presentation. The effective date for Section PS 3450 is April 1, 2012 for government organizations and April 1, 2015 for governments. Earlier adoption is permitted. Governments and government organizations adopt Section PS 3450 in the same fiscal year Section PS 2601, Foreign Currency Translation, is adopted.

The impact of the transition to these accounting standards has not yet been determined.

Liability for Contaminated Sites, Section PS 3260

PSAB released Section PS 3260 – Liability for Contaminated Sites. This new Section establishes recognition, measurement and disclosure standards for liabilities relating to contaminated sites of governments and those organizations applying the CICA Public Sector Accounting Handbook.

This Section is effective for fiscal periods beginning on or after April 1, 2014. The impact of the transition to these accounting standards has not yet been determined.

4. Cash and cash equivalents

| | 2014 | 2013 |
|--|--------------------|--------------------|
| Externally restricted | | |
| Canadian Imperial Bank of Commerce (CIBC) - Gas tax | \$ 1,016,076 | \$ 926,035 |
| Canadian Imperial Bank of Commerce (CIBC) - Capital | 581,663 | 907,435 |
| | <hr/> 1,597,739 | <hr/> 1,833,470 |
| Unrestricted | | |
| Canadian Imperial Bank of Commerce (CIBC) | 162,694 | 342,690 |
| Canadian Imperial Bank of Commerce (CIBC) - Term deposit | 106,289 | 105,443 |
| Cash on hand | 3,340 | 3,804 |
| | <hr/> 272,323 | <hr/> 451,937 |
| | <hr/> \$ 1,870,062 | <hr/> \$ 2,285,407 |

Sambaa K'e Dene Band

Notes to Consolidated Financial Statements

March 31, 2014

5. Restricted deposits

| | 2014 Restricted Deposits | 2014 Required balance | 2014 Excess (deficiency) |
|---------------------------------|--------------------------------|-----------------------------|--------------------------------|
| Community Capacity | \$ - | \$ 232,894 | \$ (232,894) |
| Community Public Infrastructure | 581,663 | 799,777 | (218,114) |
| Gas Tax | 1,016,076 | 1,736,793 | (720,717) |
| | \$ 1,597,739 | \$ 2,769,464 | \$ (1,171,725) |

Separate funds must be deposited to separate bank accounts to correspond with the respective restricted balances. Interest earned on these accounts is credited to the appropriate restricted deposit. At March 31, 2014 the Band has not complied with this requirement.

6. Term deposit

| | 2014 | 2013 |
|---|------------|------------|
| Guaranteed investment certificate - RBC | \$ 106,289 | \$ 105,443 |

The term deposit, included in cash and cash equivalents described in Note 4 above, consists of a guaranteed investment certificate (GIC). The one year flexible GIC has an annual interest rate of 0.80% and matures on February 16, 2015.

7. Accounts Receivable

| | 2014 Gross | 2014 Allowance | 2014 Net | 2013 Net |
|---|---------------------|---------------------|-------------------|-------------------|
| Trade accounts receivable | \$ 397,340 | \$ (83,373) | \$ 313,967 | \$ 117,385 |
| Government of Canada | 31,689 | (6,905) | 24,784 | 50,563 |
| Government of the Northwest Territories | 694,114 | (53,892) | 640,222 | 2,087 |
| Deh Cho First Nation | 6,685 | - | 6,685 | - |
| Other | 12,081 | - | 12,081 | 18,482 |
| | \$ 1,141,909 | \$ (144,170) | \$ 997,739 | \$ 188,517 |

Sambaa K'e Dene Band

Notes to Consolidated Financial Statements

March 31, 2014

8. Investment in subsidiary

A term loan in the amount of \$189,773 (2013 - \$189,773) is unsecured, repayable in blended monthly payments of \$3,049 bearing interest at 8.0% per annum and due on April 30, 2017. There were no payments received on this loan in the current or prior year. In addition, interest on the loan ceased to be accrued in the prior year as collectibility of either principal or interest is no longer reasonably assured.

The remaining advances of \$300,696 (2013 - \$297,730) are unsecured, non-interesting bearing and have no specified terms of repayment.

| | 2014 | 2013 |
|---|-----------|-----------|
| Sambaa K'e Development Corporation | | |
| Share capital | \$ 100 | \$ 100 |
| Term loan | 189,773 | 189,773 |
| Advances | 300,696 | 297,730 |
| Valuation allowance | (490,469) | (487,503) |
| | <hr/> | <hr/> |
| | \$ 100 | \$ 100 |

During the current year the equity share in retained earnings recognized is nil (2013 - nil) due to continuing losses in the subsidiary which are not recognized for accounting purposes by the Band.

During the current and prior year the Band resolved to write-down the value of the investment to a nominal value based on estimated recoverable amounts, and accordingly, a loss on write-down of the investment totaling \$2,966 (2013 - \$487,503) was recorded.

9. Accounts payable and accrued liabilities

| | 2014 | 2013 |
|------------------------|------------|------------|
| Trade accounts payable | \$ 113,444 | \$ 54,298 |
| Accrued liabilities | 96,332 | 421,151 |
| Payroll liabilities | 42,932 | 28,509 |
| | <hr/> | <hr/> |
| | \$ 252,708 | \$ 503,958 |

Sambaa K'e Dene Band

Notes to Consolidated Financial Statements

March 31, 2014

10. Capital lease obligation

| | 2014 | 2013 |
|--|-----------|------|
| Capital lease due February 2017, repayable in monthly installments of \$985 including interest at 6.75% per annum, secured by a motor vehicle with a net book value of \$48,768. | \$ 29,737 | \$ - |

Principal portion of lease obligation due within the next five years:

| | |
|------------------|-----------|
| 2015 | \$ 11,261 |
| 2016 | 11,261 |
| 2017 | 10,322 |
| Imputed interest | (3,107) |
| | <hr/> |
| | \$ 29,737 |

11. Contributions refundable

| | 2014 | 2013 |
|---|----------|----------|
| Government of Canada | \$ 3,988 | \$ 316 |
| Government of the Northwest Territories | 3,079 | 3,079 |
| | <hr/> | <hr/> |
| | \$ 7,067 | \$ 3,395 |

Sambaa K'e Dene Band

Notes to Consolidated Financial Statements

March 31, 2014

12. Deferred revenue

| | 2014 | 2013 |
|--|---------------------|--------------|
| Government of the Northwest Territories: | | |
| Community Public Infrastructure | \$ 1,736,793 | \$ 1,143,873 |
| Community Capacity | 232,894 | 232,894 |
| Gas Tax | 799,777 | 922,299 |
| Community Wellness Program | 6,289 | - |
| | 2,775,753 | 2,299,066 |
| Aboriginal Affairs and Northern Development Canada: | | |
| IRMA Pressure | 30,967 | 30,967 |
| CIMP | 231 | 231 |
| MVP EMC | 714 | 714 |
| | 31,912 | 31,912 |
| Dehcho First Nation: | | |
| Aboriginal Aquatic Resource and Oceans Management | 7,409 | 7,539 |
| Literacy Project | 1,803 | 1,803 |
| Dehcho First Nation Project | 72 | 72 |
| | 9,284 | 9,414 |
| Dehcho Health and Social Services: | | |
| Clinic | - | 2,000 |
| | \$ 2,816,949 | \$ 2,342,392 |

13. Employee benefits payable

| | 2014 | 2013 |
|------------------------|-----------|-----------|
| Vacation and lieu time | \$ 19,270 | \$ 16,825 |

Vacation and lieu time liability is comprised of the vacation and lieu time that employees are deferring to future years. Employees have earned the benefits and are entitled to these benefits in future years.

Sambaa K'e Dene Band

Notes to Consolidated Financial Statements

March 31 2014

14. Tangible Capital Assets

| | Cost | Accumulated amortization | | | | | |
|----------------------------------|--------------|----------------------------------|--------------|-------------------------|----------------------|--------------|-------------------------|
| | | Balance, beginning of year | Additions | Balance, end of year | beginning of year | Amortization | Balance, end of year |
| Commercial buildings | \$ 2,768,879 | \$ 2,768,879 | \$ 1,394,399 | \$ 79,776 | \$ 1,474,175 | \$ 1,294,704 | |
| Vehicles | 1,296,064 | 297,350 | 1,593,414 | 1,041,147 | 121,078 | 1,162,225 | 431,189 |
| Furniture and equipment | 6,562 | 1,743 | 8,305 | 655 | 1,365 | 2,010 | 6,295 |
| Lagoon | 368,670 | - | 368,670 | 324,429 | 14,747 | 339,176 | 29,494 |
| Landfill | 206,455 | - | 206,455 | 206,455 | - | 206,455 | - |
| Land improvements | 30,058 | - | 30,058 | 14,884 | 871 | 15,755 | 14,303 |
| Water reservoir and fill station | 1,400,000 | - | 1,400,000 | 1,008,000 | 56,000 | 1,064,000 | 336,000 |
| Vehicles under capital lease | - | 39,528 | 39,528 | - | 1,098 | 1,098 | 38,430 |
| | | | | | | | |
| | \$ 6,076,688 | \$ 338,621 | \$ 6,415,309 | \$ 3,989,969 | \$ 274,925 | \$ 4,264,894 | \$ 2,150,415 |
| | | | | | | | |
| Cost | | Accumulated amortization | | | | | |
| | | Balance, beginning of year | Additions | Balance, end of year | beginning of year | Amortization | Balance, end of year |
| Commercial buildings | \$ 2,768,879 | \$ 2,768,879 | \$ 1,313,872 | \$ 80,527 | \$ 1,394,399 | \$ 1,374,480 | |
| Vehicles | 1,096,208 | 199,856 | 1,296,064 | 974,723 | 66,424 | 1,041,147 | 254,917 |
| Furniture and equipment | - | 6,562 | 6,562 | - | 655 | 655 | 5,907 |
| Lagoon | 368,670 | - | 368,670 | 309,683 | 14,746 | 324,429 | 44,241 |
| Landfill | 206,455 | - | 206,455 | 206,455 | - | 206,455 | - |
| Land improvements | 30,058 | - | 30,058 | 14,012 | 872 | 14,884 | 15,174 |
| Water reservoir and fill station | 1,400,000 | - | 1,400,000 | 952,000 | 56,000 | 1,008,000 | 392,000 |
| | | | | | | | |
| | \$ 5,870,270 | \$ 206,418 | \$ 6,076,688 | \$ 3,770,745 | \$ 219,224 | \$ 3,989,969 | \$ 2,086,719 |

Sambaa K'e Dene Band

Notes to Consolidated Financial Statements

March 31, 2014

15. Inventory

| | 2014 | 2013 |
|--------------------------|------------|------------|
| Road surfacing materials | \$ 212,500 | \$ 250,000 |

Inventory consists of crushed gravel and two inch minus gravel to be used in resurfacing community roads.

16. Accumulated surplus

| | 2014 | 2013 |
|-----------------------------------|---------------------|---------------------|
| General operating | \$ 180,088 | \$ (6,050) |
| Equity in tangible capital assets | 2,120,678 | 2,086,719 |
| | \$ 2,300,766 | \$ 2,080,669 |

17. Government transfers

| | Operating | Capital | 2014 Total | 2013 Total |
|--|---------------------|-------------------|---------------------|---------------------|
| Federal transfer | | | | |
| Aboriginal Affairs and Northern Development Canada | \$ 233,517 | \$ - | \$ 233,517 | \$ 285,960 |
| Territorial transfers | | | | |
| Government of the Northwest Territories | 1,367,535 | 815,575 | 2,183,110 | 1,439,306 |
| | \$ 1,601,052 | \$ 815,575 | \$ 2,416,627 | \$ 1,725,266 |

18. Budget Information

The budget for the current fiscal year was approved by the Band on May 10, 2013. The budget was not comprehensive and included only budgeted funding from Aboriginal Affairs and Northern Development Canada and Municipal and Community Affairs based on its core funding agreements. As the budget is not comprehensive 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 Band's actual revenues and expenses. The consolidated budgeted revenues and expenses, and surplus (deficit) has not been reported in these financial statements as the approved budget is not consistent with the format of the financial results disclosed in the statement of operations and statement of change in net financial assets. While having no effect on reported revenues, expenses, and surplus (deficit), omission of this information is considered a departure from PSAB.

Sambaa K'e Dene Band

Notes to Consolidated Financial Statements

March 31, 2014

19. Commitments

As at March 31, 2014, the Band has outstanding commitments with the following payments required.

| | 2015 | 2016 |
|--------------------|-----------------------|-----------------------|
| Xerox copier lease | \$ 448 | \$ - |
| 2009 Ford F150 | <u>6,288</u> | <u>5,240</u> |
| | <hr/> \$ 6,736 | <hr/> \$ 5,240 |

The Xerox copier lease is payable in quarterly installments of \$224 and expires on July 12, 2015.

The 2009 Ford F150 vehicle lease is payable in monthly installments of \$524 and expires on January 24, 2016.

20. Comparative Amounts

Certain comparative figures have been reclassified from those previously presented to conform with the presentation adopted in the current period.

21. Economic Dependence

The Band receives a significant amount of funding from the Government of Canada and the Government of the Northwest Territories in the form of operating and capital grants. Management is of the opinion that discontinuance of funding would significantly affect operations.