
1998-99 Audited Financial Statements

Management's Report

August 2nd, 1999

The management of the Deh Cho First Nation is responsible for the integrity of the accompanying financial statements. Management has prepared the financial statements in accordance with generally accepted accounting principles. The preparation of the financial statements necessarily includes some amounts that are based on the best estimates and judgements of management.

To assist in meeting its responsibility, management maintains accounting and other internal controls. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded and that assets are properly accounted for and safeguarded, in order that the integrity of the financial records is maintained.

The financial statements have been audited by an independent auditor, Micheal Odell, Chartered Accountant. His report to the Members of the Deh Cho First Nations follows.

**James Sergeant
Comptroller**

Auditor's Report

**To the Members of
Deh Cho First Nations**

I have examined the statement of financial position of Deh Cho First Nations as at March 31, 1999 and the statements of operations, changes in fund balances and the statements of changes in financial position for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 1999 and the results of its operations for the year ended in accordance with generally accepted accounting principles.

Yellowknife, Northwest Territories

Mike Odell

*Deh Cho First Nations
Operations
Statement of Financial Position*

<i>As at March 31,</i>	<i>1999</i>	<i>1998</i>
	\$	\$
ASSETS		
<i>Currents Assets</i>		
<i>Cash & short term investments</i>	372,881	141,102
<i>Accounts receivable</i>	169,225	354,318
<i>Prepared expenses</i>	25,154	7,268
	567,290	502,688
<i>Investments</i>	-	11,436
<i>Capital Assets (notes 1 & 2)</i>	150,826	232,080
	718,116	746,204
LIABILITIES		
<i>Current liabilities</i>		
<i>Accounts Payable & accrued liabilities</i>	177,761	72,350
<i>Deferred revenue (note 3)</i>	42,737	158,431
	220,498	230,781
<i>Long term debt (note 4)</i>	27,552	45,396
	248,050	276,177
FUND BALANCES		
<i>Invested in capital assets (note 7)</i>	150,826	214,236
<i>Operating Fund</i>	318,268	254,819
<i>Appropriated fund (note 6)</i>	972	972
	470,066	470,027
	718,116	746,204

Deh Cho First Nations
Statement of Operations
Schedule of Revenue and Expenditure

<u>Year ended March 31,</u>	<u>Actual 1999</u>	<u>Actual 1998</u>
	\$	\$
REVENUE		
DIAND	1,695,614	1,118,975
Government of Canada	1,708,967	1,030,830
Government of the Northwest Territories	163,248	57,547
Other	359,629	110,246
	3,297,458	2,317,598
EXPENDITURE		
Capital additions	132,633	27,175
Operating expenses	380,911	160,465
Professional and subcontractors	205,938	98,124
Travel expenses	445,653	422,836
Transfers to communities	961,636	912,799
Wages, benefits and cash grants	1,064,507	650,240
	3,191,278	2,271,639
<u>Transfer to Deferred Revenue</u>	<u>42,731</u>	<u>71,770</u>
	3,234,009	2,343,409
EXCESS REVENUE (expenditure)	63,449	(25,811)

Deh Cho First Nations
Notes to Financial Statement

Year ended March 31, 1999

Deh Cho First Nations is the government of aboriginal peoples in the traditional Deh Cho territory of the Northwest Territories. The membership consists of 14 member community governments (11 First Nations and 3 Metis Locals). Deh Cho First Nations is registered as a not-for-profit society.

I. SIGNIFICANT ACCOUNTING POLICIES

a) Fund Accounting:

Revenues and expenses related to the First Nations have been grouped into funds, based upon their purpose. The operating fund includes the core and program operating accounts of the Nation. The capital assets fund reports the assets, liabilities, revenues and expenditures relating to the Nation's capital acquisition plans.

b) Revenue recognition:

The Nation follows the deferral method of accounting for contributions. Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funding received in advance of making the related expenditures is recorded as revenue of the appropriate fund in the year in which the related expenditures are made.

c) Capital Assets

Capital Assets are recorded in the asset fund cost. Amortization is recorded in the capital asset fund using the following method and annual rates:

<u>Asset</u>	<u>Basis</u>	<u>Rate</u>
Land	0%	Diminishing balance
Building	4%	Diminishing balance
Equipment	20%	Diminishing balance
Computers	30%	Diminishing balance
Vehicle	30%	Diminishing balance

2. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>1999 NBV</u>	<u>1998 NBV</u>
Land	33,467	-	33,467	33,467
Building	158,755	39,459	119,296	124,267
Equipment	170,209	97,875	72,334	56,210
Computers	106,383	25,284	81,099	18,136
	468,814	162,618	306,196	232,080

3. DEFERRED REVENUE:

<u>Project</u>	<u>1999</u>	<u>1998</u>
Pathways	\$ -	\$ 11,084
Language	10,296	-
Deh Cho Process	-	34,440
Dogrib Boundary Talks	32,441	7,629
Protected Areas	-	8,278
Capacity Building	-	7,000
Electronic Data	-	90,000
	42,737	158,431

Deh Cho First Nation
Notes to Financial Statements Continued..

4. LONG TERM DEBT

	1999	1998
<i>Operating fund:</i>		
<i>Dene Nation Deficit, unsecured, interest free share of the Dene Nation Accumulated debt, initial amount assumed was \$68,504 payable in annual installments of \$13,776.</i>	\$ 27,552	\$ 27,552
 <i>Capital Fund:</i>		
<i>CIBC, 9.6%\$ term loan repayable at \$2,631 per month including interest secured by mortgage on land and building, due.</i>	-	17,884
	27,552	45,396
<i>Less: current portion</i>	-	30,170
	27,552	15,226

5. RELATED PARTY TRANSACTION

The Deh Cho First Nations charged \$5,000 in management fees to Deh Cho Homes Ltd., a %100 owned enterprise.

6. APPROPRIATED SURPLUS

	1999	1998
<i>Unexpected amounts from previous years provided for organizing the Papal Visit have been set aside for maintenance of the Papal Site. During the year an AMOUNT OF \$3,758 was spent on maintenance.</i>	\$ 972	\$ 972

7. INVESTMENT IN CAPITAL ASSETS

	1999	1998
<i>Balance, beginning the year</i>	214,236	186,241
<i>Additions</i>	110,881	26,632
<i>Disposals</i>	(160,341)	-
<i>Amortization</i>	(31,794)	(27,003)
<i>Reduction in long term debt</i>	17,884	28,366
 <i>Balance end of year</i>	 150,826	 214,236