



Financial Audit Report

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AUDITOR'S REPORT

To the Members
DEHCHO FIRST NATIONS
DEHCHO Region, Northwest Territories

I have examined the Balance Sheet of the DEHCHO FIRST NATIONS as at March 31, 2010, the Statements of Revenue and Expenditure, and Surplus for the year then ended. These financial statements have been prepared on a non-consolidated basis for government funding reporting purposes, with the unanimous consent of Council, in accordance with Canadian generally accepted accounting principles using differential reporting options available to non-publicly accountable enterprises, as described in Note 2 to the financial statements. These financial statements are the responsibility of the First Nations' management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraphs, I conducted my audit in accordance with generally accepted auditing standards in Canada. 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.

The First Nation has investments in entities beneficially owned for the Members of the First Nation as set out in Notes 2 and 4, carried at the lower of cost and net realizable value. Financial statements for the entities are available to the First Nation, and are monitored separately, hence these financial statements are not prepared on a consolidated or equity basis.

As indicated in Note 4 to the financial statements, the Settlement Agreement Trust Fund of the Dehcho First Nations is administered by Trustees, and is audited by another accountant periodically. Our audit scope was limited as we were instructed not to audit the Trust. Accordingly, we were not able to determine whether any adjustments might be necessary to revenues, expenditures, assets, liabilities, excess of revenue (expenditures) and surplus or reserves.

In my opinion, except for the effects of adjustments, if any, which might have been determined to be necessary had I been able to audit the Trust as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2010, and the results of its operations for the year then ended in accordance with generally accepted accounting principles in Canada.

May 25, 2010
Yellowknife, N.W.T


CHARTERED ACCOUNTANT

DEHCHO FIRST NATIONS

BALANCE SHEET

MARCH 31, 2010

ASSETS

	2010	2009
CURRENT		
Cash		
Accounts receivable (Note 3)	\$1,164,158	\$2,348,641
Prepaid expenses	1,539,185	1,499,605
	14,300	11,500
	<u>2,717,643</u>	<u>3,859,746</u>
CAPITAL ASSETS (Notes 2d)	1	1
TRUST FUND ASSETS (Note 4)	<u>15,356,410</u>	<u>13,376,936</u>
	<u>\$18,074,054</u>	<u>\$17,236,683</u>


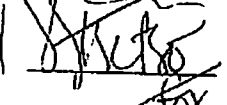
LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$1,318,173	\$1,450,805
Deferred Revenue (Note 5)	368,545	1,304,936
	<u>1,686,718</u>	<u>2,755,741</u>

MEMBERS' EQUITY

TRUST FUND RESERVE (Note 4)	15,356,410	13,376,936
SURPLUS	<u>1,030,925</u>	<u>1,104,006</u>
	<u>16,387,335</u>	<u>14,480,942</u>
	<u>\$18,074,054</u>	<u>\$17,236,683</u>

APPROVED:


 Grand Chief

 Executive Director
 for

DEHCHO FIRST NATIONS
STATEMENT OF SURPLUS AND RESERVES
FOR THE YEAR ENDED MARCH 31, 2010

	<u>2010</u>	<u>2009</u>
GENERAL OPERATING SURPLUS:		
Balance, Opening	\$ 1,104,004	\$ 810,908
<u>Excess revenue(expenditures) for the year</u>	<u>1,906,395</u>	<u>(1,558,278)</u>
	3,010,339	(747,370)
<u>Transfer from (to) Reserve</u>	<u>(1,979,473)</u>	<u>1,851,376</u>
<u>Balance, Closing</u>	<u>\$ 1,030,925</u>	<u>\$ 1,104,008</u>

	<u>2010</u>	<u>2009</u>
TRUST FUND RESERVE:		
Balance, Opening	\$13,376,936	\$15,128,062
<u>Transfer from (to) Operating Surplus</u>	<u>1,979,473</u>	<u>(1,851,376)</u>
<u>Balance, Closing</u>	<u>\$15,356,410</u>	<u>\$13,376,936</u>

DEHCHO FIRST NATIONS
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2010

REVENUE	2010	2009
		(Note 7)
Indian and Northern Affairs Canada	\$ 4,271,516	\$ 4,249,328
Human Resources Development Canada	1,632,342	1,412,314
Government of the NWT	438,085	416,744
Aboriginal Futures	-	25,000
Dept. of Fisheries and Oceans Canada	649,001	236,752
Imperial Oil	-	250,000
MGPIF – Industry Canada	-	350,000
Other revenue	193,934	145,905
Travel and expense recoveries	331,620	68,712
Transfer from (to) deferred revenue	808,465	(946,430)
	<u>8,324,693</u>	<u>6,208,325</u>
EXPENDITURES		
Transfers to First Nations (Note 6)	2,000,400	1,856,491
Major AHRDA costs (Note 7 & Schedule 5)	163,326	137,047
Wages, benefits and other staff costs	1,161,304	1,160,726
Service contracts & subcontractors	2,893,067	1,120,070
Travel	811,926	879,649
Cash grants	291,216	278,170
Legal & other professional fees	365,936	391,377
Dehcho Economic Corporation	10,000	202,045
Office supplies	152,037	68,712
Office expenses	55,294	46,128
Bad debts	(592)	7,071
Sound and translation	73,778	85,000
Miscellaneous (GST recovery)	8,927	(166,239)
Rent	30,133	40,188
Equipment purchases	88,693	120,368
Telephone	40,745	50,910
Advertising & promotion	32,106	64,058
Donations	4,740	29,392
Childcare	2,525	2,075
Utilities	26,697	30,197
Scholarships	64,500	35,000
Repairs and maintenance	22,850	24,345
Admin Fees	(2,367)	212
Pheobe Nahanni Scholarship	10,000	6,000
Program funds returned	90,798	(507,902)
	<u>8,398,040</u>	<u>5,961,090</u>
OPERATING SURPLUS BEFORE EXTRAORDINARY ITEM	<u>(77,076)</u>	<u>247,235</u>
EXTRAORDINARY ITEM		
Trust income (loss) (net)	1,979,474	(1,805,513)
	<u>1,979,474</u>	<u>(1,805,513)</u>
EXCESS REVENUE (EXPENDITURES)	<u>\$ 1,906,395</u>	<u>\$ (1,558,278)</u>

DEHCHO FIRST NATIONS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2010

NOTE 1 NATURE OF ORGANIZATION

Dehcho First Nations ("DFN") is the government of aboriginal peoples in the traditional Dehcho territory of the Northwest Territories. The membership consists of 12 member community governments (10 First Nations and 2 Metis Locals). Dehcho First Nations is registered as a not-for-profit corporation under the Corporations Act of Canada. The First Nations Office administers the affairs of the Dehcho First Nations on behalf of its Members. At present, the First Nations Office is economically dependent on the Government of Canada.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

a) **General**

For purposes of its financial reporting, by virtue of the fact that the First Nations is a government, it applies the accounting principals for local governments as set out in the CICA Public Sector Accounting Handbook (PSA Handbook). It should be noted that recently there has been much discussion and research on the appropriate accounting policies for First Nations, and these principals are evolving.

b) **Non-Consolidated Financial Statements**

The First Nation has investments in the following entities beneficially owned for the Members of the First Nation, carried at the lower of cost or estimated net realizable value:

	<u>Beneficial Ownership</u>
Settlement Agreement Trust Fund	100%
Dehcho Economic Corporation	100%
Dehcho Futures Society	100%

Financial statements for the entities are available to the First Nation hence these financial statements are not prepared on a consolidated or equity basis. These non-consolidated financial statements are prepared primarily for government funding reporting purposes, and are not in accordance with Canadian generally accepted accounting principles, as they are non-consolidated. These financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

DEHCHO FIRST NATIONS
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (cont.)

c) **Measurement Uncertainty**
 The preparation of financial statements in accordance with stated accounting policies requires the First Nations to make estimates and assumptions that affect the amount of assets, liabilities, revenues and expenditures reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the First Nations believes the estimates and assumptions to be reasonable. Some of the more significant management estimates based on past experience relate to allowance for doubtful accounts, the accounting for capital assets, investments and deferred revenue valuation.

d) **Inventory**
 Inventory of materials and general supplies is considered a cost of operations and is not recorded on the balance sheet.

e) **Capital Assets**
 Capital Assets are recorded as expenditures in the year of acquisition and shown on the balance sheet at a nominal amount. Insured values at March 31, 2010 are as follows:

Office building	\$ 765,600
Office contents	<u>224,400</u>
	<u>\$ 990,000</u>

f) **Funding Agency Contract Surplus (Deficit)**
 According to contracts or contribution agreements with funding agencies, primarily DIAND and Human Resources Development Canada, any contract surplus is to be recovered by the funding agency and any contract deficit is to be retained by the Dehcho First Nations. Financial statements of the First Nations have not been reviewed by the funding agencies when these statements were prepared. Accordingly, any adjustments as a result of the review will be accounted for in the new year.

g) **Delivery Agency Contract Surplus (Deficit)**
 According to contracts or contribution agreements with program delivery agencies, primarily First Nations located in the Dehcho communities, any contract surplus is to be recovered by the Dehcho First Nations and any contract deficit is to be retained by the respective First Nation. Financial statements of the various delivery agents have not been reviewed by the Dehcho First Nations when these statements were prepared. Accordingly, any adjustments as a result of the review will similarly be accounted for in the new year.

DEHCHO FIRST NATIONS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2010

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (cont.)

h) Financial Instruments

The First Nations' financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and deferred revenues. It is management's opinion that the First Nations is not exposed to significant interest, or credit risks arising from these instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying value.

i) Revenue and Expenditure Recognition

The Nation follows the deferral method of accounting for contributions received. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or committed to. Unrestricted contributions are recognized as revenue when received if the amount to be received can be reasonably estimated and collection is reasonably assured. Expenditures are recognized in the year in which legal title transfers or services have been rendered, or commitments have been made to match related funding.

NOTE 3 ACCOUNTS RECEIVABLE

	2010	2009
Indian and Northern Affairs Canada	\$ 503,066	\$ 534,209
Aboriginal Futures	-	10,325
Human Resources Development Canada	406,593	428,528
Dept. Of Fisheries & Oceans	210,134	103,626
Canadian Boreal Initiative	-	3,306
Settlement Agreement Trust Fund	37,610	41,089
Mackenzie Gas Project	-	350,000
Goods & Services Tax	83,736	42,748
Imperial Oil	25,000	25,000
Other	316,306	46,572
Less Allowance for Doubtful Accounts	(43,260)	(85,798)
	\$1,539,185	\$1,499,605

DEHCHO FIRST NATIONS
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

NOTE 4 SETTLEMENT AGREEMENT TRUST FUND

During 2006/07, Dehcho First Nations completed an agreement with the Government of Canada related to the participation of DFN in the environmental and regulatory review of the Mackenzie Gas Project. Pursuant to the Agreement, \$10,000,000 was paid into the DFN Master Trust August 21, 2006, and a further \$5,000,000 paid into the Trust June 1, 2009. CIBC Trust Corporation of Canada acts as the Corporate Trustee for the Trust, and ensures funds are received, invested, disbursed and audited as authorized under the Trust Agreement. The requirement to provide audited financial statements for 2010 has been waived by the Investment Management Board which is responsible for developing and approving investment strategies, projects and accountability.

Dehcho First Nations recorded the proceeds of the settlement, and investment income earned net of expenditures, in its revenues according to the Report of the Trustees for the period ended March 31, 2010. These amounts are unaudited. Trust assets are shown separately on the balance sheet, and a corresponding amount has been transferred to the Trust Fund Reserve.

NOTE 5 DEFERRED REVENUE

Deferred revenue is comprised of amounts received but not yet earned as follows:

	2010	2009
Band Employee Benefits	\$ 38,521	\$ 37,305
IRDA Resource Royalties	216,780	1,072,222
Access & Benefits Negotiations	-	14,526
ADK Negotiations	-	36,079
Aboriginal Capacity	-	2,508
Mackenzie Gas	-	80,662
Economic Plan	-	25,000
Total DIAND	255,301	1,278,170
HRDC	113,244	-
Protected Area Strategy/PKFN	-	17,089
CBI – Watershed	-	9,676
	\$368,545	\$1,304,936

DEHCHO FIRST NATIONS

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

NOTE 6 RELATED PARTY TRANSACTIONS

In addition to the entities outlined in Note 2(b), Dehcho First Nations is related in terms of common membership to all Local First Nations and Metis Locals and enters into transactions with these entities in the normal course of operations at normal trade terms. The following transactions were recorded with related parties:

REVENUES	2010	2009
Settlement Agreement Trust Fund Recoveries	\$ 40,237	\$ 50,443
EXPENDITURES		
Acho Dene Council	\$ 116,902	\$ 168,305
DEHCHO Economic Corporation	10,000	202,045
Deh Gah Gotie Dene Council	540,009	306,186
Fort Providence Metis Local	-	40,000
Fort Simpson Metis Local	19,011	56,556
Jean Marie River First Nation	162,772	94,484
Ka'a'gee Tu First Nation	61,701	61,557
Katlodeeche First Nation	255,789	283,894
Lildlii Kue First Nation	499,342	494,541
Nahanni Butte Dene Band	92,584	148,005
Pehdzeh Ki First Nation	121,253	85,733
Sambaa K'e Band Council	94,640	116,491
Settlement Agreement Trust Fund	-	9,580
West Point First Nation	36,397	739
	\$2,010,400	\$2,058,536

NOTE 7 STATEMENT OF CASH FLOWS

A statement of cash flows has not been prepared as, in the opinion of management, it would not provide additional meaningful information.

DEH CHO FIRST NATIONS
SCHEDULE OF CORE REVENUES AND EXPENDITURES
FOR THE YEAR ENDING MARCH 31, 2010

SCHEDULE 2

REVENUES:	Code (Gov./)	General Fund	Band Employee Benefits (FFP)	Economic Committee Fund	Grand Total	Governance Strategy Fund	Regulatory Strategy Fund	DFN Matter Total	Address	TOTAL
4020 DIAND										\$815,638
4021 DIAND - Other Revenue		\$780,724								-4,870
4030 GNWT			130							0
4040 HROC										0
4050 Other		43,041	\$18,400							60,341
4070 Dept. of Fisheries & Oceans										0
4080 Aboriginal Programs										0
4080 DFN Matter Trust										0
4100 Donations										0
4110 Waqo Recoveries		28,193	27,689					1,978,474		1,978,474
4120 Travel Recoveries			65,031							28,103
4150 Recoveries		54,857	15,025							27,689
4200 Saqo		7,500	9,553							142,978
4220 Program Internal Transfers										22,525
4240 Employee Contributions										9,653
4250 Deferred Revenue Transfers										0
4440 Interest Revenue		12,728	17,317							17,317
4180 Admin Fees			-1,216							23,784
4490 Program Funds Returned										12,728
TOTAL Revenues		\$927,743	-95,720	51,185	0	-20,000	\$455	1,979,474	0	\$1,047,655
TOTAL Revenues					3,347					3,030,537
EXPENDITURES:										
5410 Virages & Benefits		413,330		50,310						463,700
5450 Capital Virages		8,285								8,285
5610 Accounting & Legal		10,402								10,402
5615 Advertising & Promotions		15,075			665					16,660
5616 Equipment Rental										0
5620 Dad Daks			-592							0
5625 Cash Grants			23,440							592
5630 GST Unrecovered (Recovery)		27,630			19,375					70,705
5634 Professional Services										0
5635 Subcontractors		68,834	4,188							89,640
5638 Sound & Translation		8,874	2,420							8,294
5640 Courier & Postage		8,063	1,559							9,622
5681 Capital Expenditures		24,899								24,999
5685 Accounting		18,868								18,868
5690 Interest & Bank Charges		5,113								5,113
5695 Licenses, Frigate & Merchants'		2,035								2,035
5700 Materials		36,778	11,660		371					48,809
5705 Equipment Purchases										0
5708 Equipment User Fee		22,884								22,884
5710 Judicial Supplies		3,031								3,031
5720 Precatory Taxes		3,695								3,695
5740 Miscellaneous		8,400								8,400
5741 Donations		3,800	940		600					4,740
5766 Rent		8,261								8,661
5768 Repair & Maintenance		20,184	2,288							22,464
5770 Vehicle Payment										0
5771 Surcharges		74,590								74,590
5780 Telephone & Internet		25,550	1,342							26,892
5785 Travel - Air		9,005	47,840							61,443
5788 Travel - Accommodation		17,005	20,090		4,794					46,749
5787 Travel - Airfare		4,434	15,672		4,212					32,712
5789 Travel - Per Diem		11,417	20,851		4,945					43,621
5789 Chaudiere		394			450					814
5790 Power		15,623	1,509							17,132
5791 Heating Fuel		7,551								7,551
5792 Water & Sewer		2,014								2,014
5794 Admin Fees		-288,228	-17,095		875					-284,448
5800 Loss in Trust Fund										0
5805 Revenue Returned										0
5850 Transfers Between Programs		290,880								-227,000
5860 Economic Development										0
5970 Waqo Repayment/Recoveries			10,000		-30,000					10,000
5971 Uak Kuo First Nation										0
5972 Oah Qah Gahq Dana Council										96,716
5973 Kailodeche First Nation										79,487
5974 Pankash Ku First Nation										10,000
5976 Kappag Tu First Nation										8,248
5976 JHR First Nation		25,999								2,457
5977 Naxunal Beala Dana Council										25,999
5979 Ft Simpson Nevis Local										26,614
5980 Ft Providence Nevis										0
5981 Sarrusa Ku First Nation										0
5982 Viesi Port First Nation										0
5983 Aora Dewa Koo										2,227
5984 Filtard Nevis Neqon										2,227
Total expenditures		\$11,528	151,554	51,185	5,732	0	3,242	0	-31	\$1,123,208
EXCESS REVENUES (EXPENDITURES)		\$10,217	-882,668	-40	-5,732	-50	\$105	0	0	\$31,897,328

DEH CHO FIRST NATIONS
 SCHEDULE OF DIAND CONTRIBUTION REVENUES AND EXPENDITURES
 FOR THE YEAR ENDING MARCH 31, 2010

SCHEDULE E 3

	Gathering Strength Act (Cont'g)	Capacity Development Training (Cont'g)	Negotiations Proceedings (Cont'g)	Deh Cho Process Claims (Cont'g)	Joint Panel Review (Cont'g)	PK Co Management (Cont'g)	Regional Inter-Governmental (Cont'g)	Self Government (Cont'g)	Access & Benefits Negotiations (Cont'g)	ADK Boundary Negotiations (Cont'g)	TOTAL
REVENUES:											
4020 DIAND											
4021 DIAND - Other Revenues	5500,600		1897,640	1191,043	268,000	144,000	\$50,000	\$690,040		\$50,000	\$2,235,231
4030 GNWT											0
4040 NRDC											0
4050 Other											0
4060 Dept of Fisheries & Oceans											0
4070 Aboriginal Futures											0
4100 Donations											0
4110 Wage Recoveries											0
4120 Travel Recoveries			7,230	5,669							0
4130 Recoveries											0
4150 Rental Income								2,630			13,118
4200 Sales											2,030
4220 Program Internal Transfers											0
4240 Employee Contributions	4,231		8,644								0
4250 Deferred Revenue Transfers								1,667			14,841
4440 Interest Revenue									14,526		14,526
4480 Admin Fees											0
4490 Program Funds Returned	4,746										0
Total Revenues	509,477	28,008	713,713	198,652	268,000	144,000	60,000	596,637	14,526	60,000	2,265,103
EXPENDITURES:											
5410 Wages & Benefits	148,817		97,426	17,808		13,002	11,330	108,264			397,354
5450 Casual Wages	1,334			120						200	1,654
5010 Accounting & Legal	35,017		155,270								201,511
5015 Advertising, Promotions & Rene	341		1,600	2,061				101,194			6,801
5010 Equipment Rental							1,189				0
5020 Bad Debts											0
5025 Cash Grants	44,788		29,848	3,950	1,350		20,325	31,248		3,400	140,718
5030 GST Unrecovered											0
5034 Professional Services			18,037								0
5035 Subcontractors	95,071	9,800	134,209	98,531	34,921	12,246					18,637
5030 Sound & Translation	20,684		12,989		8,628		1,768	123,389	9,000	28,705	248,432
5040 Courier & Postage	588							20,486			60,884
5061 Capital Expenditures								50			837
5065 Insurance											0
5060 Interest & Bank Charges											0
5095 Licenses, Regs & Membership		7,640	347	5							5
5700 Materials	6,055		8,983	37,758							8,363
5705 Equipment Purchases								6,359			20,545
5708 Equipment User Fee								0			37,758
5710 Janitorial Supplies											0
5720 Property Taxes											0
5740 Miscellaneous											0
5760 Fuel	7,899		5,083	200	1,468						0
5765 Repair & Maintenance								4,987			14,850
5770 Vehicle Payment								240			240
5771 Scholarships											0
5780 Telephone & Internet				3,750							0
5785 Travel - Air	7,918	653	78,990	25,318	2,282	6,946		339		102	4,280
5780 Travel - Accommodation	17,724		42,132	10,631		150		33,041	3,665	1,074	101,224
5787 Travel - Meals	15,120	669	10,703	11,151	1,128	1,783	1,611	33,041	393	1,488	117,318
5788 Travel - Per Diem	23,435	2,081	18,554	4,179	6,649	5,350		18,965	1,612	3,869	65,493
5789 Childcare	394	500	144					32,346	35	6,550	99,387
5790 Power								144			1,181
5791 Heating Fuel											0
5792 Water & Sewer											0
5794 Admin Fees	50,050	2,601	48,835	18,221	11,210	4,400	7,800	69,004		4,550	200,370
5800 Loss in Trust Fund											0
5805 Revenues Returned											0
5810 Res. Royalty Service Contracts											0
5950 Transfers between programs											0
6000 Economic Development											0
5062 Arts Research											0
5970 Wage Replacement/Recoveries											0
5971 Uchi Kue First Nation	4,500										0
5972 Deh Cho Gobe Dene Council	5,000				10,950						4,500
5973 Katlochee First Nation											16,950
5974 Peidreik 10 First Nation	3,000	1,665									0
5975 Naagoo Tu First Nation						242					5,107
5976 JMR First Nation	26,999		16,600								0
5977 Nahane Butte Dene Council								18,500			02,999
5978 Ft Simpson Metis Local											0
5980 Ft Providence Metis											0
5981 Sambaa Ke First Nation											0
5982 West Point First Nation											0
5983 Ache Dene Metis											0
5984 Ft Liard Metis Nation											0
Total Expenditures	509,477	28,008	713,713	198,652	268,000	144,000	60,000	596,054	14,526	60,000	2,265,167
EXCESS REVENUES (EXPENDITURES)											
	-50	50	50	-37	-50	50	-50	-517	-500	-50	-1550

DEHCHO FIRST NATIONS

SCHEDULE 4

SCHEDULE OF DIAND CONTRIBUTION REVENUES AND EXPENDITURES (cont.)

FOR THE YEAR ENDING MARCH 31, 2010

	IRDA Oil & Gas Project (Cont.)	IRDA Resource Royalties (FTP) (Cont.)	CIMP/ CEAN (Cont.)	MGRF (Cont.)	Youth Summer Employment (Cont.)	Dehcho Finance Commitments (Cont.)	Tribal Council Review (Cont.)	KTFN Protected Area Work Group (Cont.)	Protected Area Strategy (Cont.)	TOTAL
REVENUES:										
4020 DIAND	\$160,000	\$1,000,000	\$4,664	\$28,161	\$15,511	\$11,800	\$768	\$2,000	\$1,823	\$1,214,727
4021 DIAND - Other Revenues										0
4030 GNWT										0
4040 HRDC										0
4050 Other					2,471					2,471
4060 Dept. of Fisheries & Oceans		10,000								10,000
4070 Aboriginal Futures										0
4100 Donations										0
4110 Wage Recoveries										0
4120 Travel Recoveries			774							774
4130 Recoveries										0
4150 Rental Income										0
4200 Sales										0
4220 Program Internal Transfers										0
4240 Employee Contributions										0
4260 Deferred Revenue Transfers		655,442								655,442
4440 Interest Revenue										855,442
4480 Admin Fees										0
4490 Program Funds Returned		8,984	-3,465							5,519
Total revenues	150,000	1,874,426	1,953	28,161	17,002	11,800	768	-2,000	1,823	2,088,913
EXPENDITURES:										
5410 Wages & Benefits	31,685				17,961					49,646
5450 Casual Wages										0
5610 Accounting & Legal	30,334									30,334
5615 Advertising & Promotions										0
5616 Equipment Rental										0
5620 Bad Debts										0
5625 Cash Grants	225			9,813						10,038
5630 GST Unrecovered										0
5634 Professional Services										0
5635 Subcontractors	69,113	1,074,426		8,950					1,000	1,943,488
5638 Sound & Translation										0
5640 Courier & Postage										0
5661 Capital Expenditures										0
5665 Insurance										0
5690 Interest & Bank Charges										0
6695 Licences, Regist & Member	1,100									1,100
6700 Materials	1,618									1,618
5705 Equipment Purchases						10,511				10,511
5706 Equipment User Fee										0
5710 Janitorial Supplies										0
5720 Property Taxes										0
5740 Miscellaneous										0
5760 Rent	526									526
5785 Repair & Maintenance										0
5770 Vehicle Payment										0
5771 Scholarships										0
5780 Telephone & Internet				331						331
5785 Travel - Air	8,874		1,013	460						10,347
5788 Travel - Accommodation	706		150	176						1,032
5787 Travel - Mileage	2,092		361	3,341			182		342	6,688
5788 Travel - Per Diem	831		430	2,274			403		28	3,536
5789 Childcare							103		227	320
5790 Power										0
5791 Heating Fuel										0
5792 Water & Sewer										0
5794 Admin Fees	16,000									16,000
5800 Loss in Trust Fund				2,616		1,289	100		193	4,108
5805 Revenues Returned										0
5810 Res. Royalty Service Contracts										0
5950 Transfers between programs										0
5960 Economic Development										0
5970 Wage Replacements/Recoveries										0
5971 Ux3 Kue First Nation										0
5972 Deh Gah Gede Dene Council										0
5973 Katabeeche First Nation										0
5974 Pehdzeh Ki First Nation										0
5976 Kaagaa Tu First Nation										0
5976 JNR First Nation										0
5977 Nahamal Butte Dene Council										0
5979 Ft Simpson Metis Local										0
5980 Ft Providence Metis										0
5981 Sambaa Ke First Nation										0
5982 West Point First Nation										0
5983 Ache Dene Koe										0
5984 Ft Liard Metis Nation										0
Total expenditures	160,000	1,874,426	1,854	28,161	17,061	11,800	768	0	1,790	2,088,859
EXCESS REVENUES (EXPENDITURES)										
	\$0	\$0	-\$0	-\$0	\$21	\$0	\$0	\$0	\$33	\$54

DEH CHO FIRST NATIONS

SCHEDULE 6

SCHEDULE OF GNWT REVENUES AND EXPENDITURES

FOR THE YEAR ENDING MARCH 31, 2010

	Aboriginal Intergov Monies	Annual Assembly	Environmental Monitor Training	Language CA 200910	Language Library	Spring Leadership Internal	Wiksi Wishah	Winter Leadership Internal	Youth Ecology Group	Elders & Youth	TOTAL
REVENUES:											
4020 DIASD											\$0
4021 DIASD - Other Revenues											0
4030 GNWT	66,000	10,000	55,000	224,500	60,388	6,000	5,184	5,000	872	10,000	442,054
4040 HRDC											0
4050 Other											0
4060 Dept. of Fisheries & Oceans											0
4070 Aboriginal Futures											0
4100 Donations		2,800									0
4110 Wage Recoveries										17,440	20,240
4120 Travel Recoveries											0
4130 Recoveries											0
4150 Rental Income		820									820
4200 Sales											0
4220 Program Internal Transfers											0
4240 Employee Contributions											0
4250 Deferred Revenue Transfers											0
4440 Interest Revenue									10,868		10,868
4480 Admin Fees											0
4490 Program Funds Returned											0
Total revenues	66,000	13,620	55,000	224,500	60,388	6,000	5,184	5,000	11,740	27,440	474,881
EXPENDITURES:											
5410 Wages & Benefits	3,850	1,444		34,417						1,444	41,154
5450 Casual Wages											0
5610 Accounting & Legal											0
5615 Advertising & Promotions		487		25							0
5618 Equipment Rental											512
5620 Bad Debts											0
5815 Cash Grants											0
5830 Cash Short/Over	37,775	1,600									0
5834 Professional Services							2,200			14,970	58,745
5835 Subcontractors	1,930	4,200	43,600	1,600							0
5838 Sound & Translation									10,868		62,417
5640 Courier & Postage											0
5881 Capital Expenditures										47	47
5885 Insurance											0
5890 Interest & Bank Charges											0
5895 Licenses, Regs & Membership											0
5700 Materials		248									0
5705 Equipment Purchases										1,663	1,911
5710 Janitorial Supplies											0
5720 Property Taxes											0
5740 Miscellaneous											0
5760 Rent						60					60
5765 Repair & Maintenance						1,500					1,500
5770 Vehicle Payment											0
5771 Scholarships											0
5780 Telephone											0
5785 Travel - Air	2,868	652		3,800	680						4,180
5788 Travel - Accommodation	724	616		234						1,520	5,082
5787 Travel - Meals	3,604	912						5,000		1,300	7,839
5788 Travel - Per Diem	5,540	3,252				1,508	1,017		872	3,413	11,325
5789 Chippewa						2,924	907			3,083	15,708
5700 Power											0
5701 Heating Fuel											0
5792 Water & Sewer											0
5794 Admin Fees	0,000		11,394								0
5800 Loss in Trust Fund											22,218
5805 Revenues Returned											0
5950 Transfers between programs											0
5930 Economic Development											0
5971 Leth Kwo First Nation											0
5972 Deh Gah Gooq Dene Council				44,431	10,360						60,791
5973 Katodeechee First Nation				40,208	14,898						55,104
5974 Pehtoo'ki First Nation				23,307							23,307
5975 Naagee Tu First Nation				17,874	18,000						35,874
5978 JLR First Nation				7,112							7,112
5977 Nahanni Bulo Dene Council				9,225							9,225
5979 Ft Simpson Miya Local				9,225							9,225
5980 Ft Providence Miya											0
5981 Samosa Ke First Nation											0
5982 West Point First Nation				8,521	8,000						14,521
5983 Aho Dene Koo											0
5984 Ft Liard Miya Local				24,718	4,560						29,278
Total expenditures	65,990	13,920	55,000	224,500	60,358	6,092	5,040	5,000	11,740	27,440	474,731
EXCESS REVENUES (EXPENDITURES)											
	\$4	\$0	\$0	\$0	\$0	\$88	\$138	\$0	\$0	\$0	\$150

SCHEDULE OF OTHER REVENUES AND EXPENDITURES

FOR THE YEAR ENDING MARCH 31, 2010

	REVENUES:	EXPENDITURES:	TOTAL				
4020 DIAND - Other Revenues		15,760					
4030 GNWT							
4040 HRDC							
4050 Other		217,667					
4060 Dopl. of Fisheries & Cocons		12,048					
4070 Aboriginal Prizes		649,001					
4100 Donations							
4110 Wage Recoveries		8,700					
4120 Travel Recoveries		5,700					
4130 Recoveries							
4160 Rental Income		3,050					
4200 Saver		143,443					
4220 Program Internal Transfers		250					
4240 Employee Contributions							
4260 Deferred Revenue Transfers							
4300 Interest Revenue		-83,973					
4400 Admin Fees							
4430 Program Funds Received							
Total revenues	470,051	143,693	133,584	6,760	170,000	3,000	0,400
6020 C.F.T. First Nations Child Care							
6040 C.F.T. Employment Labour Market							
6050 Wages & Benefits		21,076	5,012	53,356			
6055 Casual Wages							
6060 Accounting & Legal							
6065 Advertising & Promotion		1,828					
6070 Equipment Rental							
6075 Bad Debt		12,110					
6080 GST (Recovery)							
6085 Professional Services							
6090 Sound & Translation		600					
6095 Courier & Postage		714					
6100 Capital Expenditures							
6105 Interest & Bank Charges		1,760					
6110 Insurance							
6115 Licenses, Regs. & Membership							
6120 Hospitality							
6125 Equipment Purchases		30,584	1,021		1,100		
6130 Fuel							
6135 Equipment Purchases		17,289			40,052		
6140 Rental							
6145 Property Taxes							
6150 Miscellaneous		11,070					
6155 Rent		4,135					
6160 Repair & Maintenance		146					
6165 Scholarship							
6170 Telephone & Internet		6,001					
6175 Travel - Air		11,183	6,558	3,051			
6180 Travel - Accommodation		10,205	8,803				
6185 Travel - Motor		2,605	2,605				
6190 Travel - Per Diem		10,166	6,021		4,600	2,078	1,187
6195 Chiropractor							
6200 Power							
6205 Housing Fund							
6210 Water & Sewer							
6215 Admin Fees		10,830			17,164		
6220 Loss in Trust Fund							
6225 Revenue Return							
6230 Transfer between programs							
6235 Economic Development							
6240 Wage Reconciliation/Recovery		24,669					
6245 Last Due First Nation							
6250 Cash Cash Debt Council		70,111	130,833				
6255 Kioletocheo First Nation							
6260 Pentagon 10 First Nation		7,060					
6265 Kioletocheo Tu First Nation		11,613					
6270 MuR First Nation		26,699					
6275 Nahun Buro Dene Council		12,160					
6280 Fi Sarson Nads Local							
6285 Samba Ke First Nation							
6290 West Point First Nation							
6295 Achi Dene Koo							
6300 Fi Land Nads							
Total expenditures	470,051	144,107	133,584	6,760	170,056	3,000	0,400
EXCESS REVENUES							
EXCESS REVENUES							
EXCESS REVENUES							

**Robert
Stewart**

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AUDITOR'S DERIVATIVE REPORT

To Indian and Northern Affairs Canada
4920 - 52 Street
Yellowknife, Northwest Territories
X1A 2R1

I have audited the financial statements of the DEHCHO FIRST NATIONS as at March 31, 2010, and for the year then ended, and reported on May 30, 2010.

A Schedule of Executive costs, other remuneration and travel and a Schedule of Federal Government Funding is required to be presented to Indian and Northern Affairs Canada pursuant to the funding agreement between Indian and Northern Affairs Canada and the DEHCHO FIRST NATIONS. The schedules have been compiled by the management of the DEHCHO FIRST NATIONS from their records. For the purposes of understanding our involvement with these schedules, please note that:

- I have audited and separately reported on the financial statements;
- my audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole;
- the attached schedules are presented for the purpose of forming an opinion for the Department of Indian Affairs and does not form part of the financial statements; and
- the schedules have been subjected to the auditing procedures applied to the audit of the financial statements taken as a whole.

During the course of the aforementioned audit, we encountered no discrepancies on these schedules. However, no procedures have been carried out on these schedules in addition to those necessary to form an opinion on the financial statements.

This report has been prepared in accordance with generally accepted auditing standards in Canada.



CHARTERED ACCOUNTANT

May 25, 2010
Yellowknife, N.W.T

SCHEDULE OF EXECUTIVE COSTS, OTHER REMUNERATION AND TRAVEL

FOR THE YEAR ENDING MARCH 31, 2010

<u>Name</u>	<u>Position</u>	<u>Approved Salary Range</u> \$	<u>Per Diems/Other Remuneration</u> \$	<u>Travel</u> \$
ELECTED OR APPOINTED OFFICIALS:				
Gerald Antoine	Grand Chief retired	85,000	496	747
Sam Gargan	Grand Chief	92,000	6,412	17,472
Berna Landry	Executive/Leadership		1,272	486
Joanne Deneron	Executive/Leadership		375	
Margaret Leishman	Executive/Leadership		4,708	1,011
Richard Lafferty	Executive/Leadership		2,726	1,148
Victor Constant	Executive/Leadership		2,362	300
Fred Tesou	Executive/Leadership		2,100	2,120
Ernest Cazon	Executive/Leadership		2,888	401
Isadore Simon	Executive/Leadership		2,340	893
Bertha Norwegian	Executive/Leadership		3,050	501
Keyna Norwegian	Executive/Leadership		600	
UNELECTED SENIOR OFFICIALS:				
Ria Letcher	Executive Director	83,500	3,191	7,393

Note - this is a special purpose statement required by the Department of Indian Affairs and Northern Development ("DIAND" or "INAC")

DEH CHO FIRST NATION

SCHEDULE 9

SCHEDULE OF FEDERAL FUNDING

FOR THE YEAR ENDING MARCH 31, 2010

INAC

<u>Name</u>	<u>Federal Funding Received</u>	<u>Unexpended Funding Beginning</u>	<u>Adjustments</u>	<u>Total Funding Available</u>	<u>Funding Expended</u>	<u>Unexpended Funding End of Year</u>
Tribal Council (Band Support)	\$780,724	\$0	\$0	\$780,724	\$780,724	\$0
Economic Development	1,028,161	1,072,222	0	2,100,383	1,883,603	216,780
Other	2,462,631	180,948	0	2,643,579	2,605,058	38,521
	<u>\$4,271,516</u>	<u>\$1,253,170</u>	<u>\$0</u>	<u>\$5,524,686</u>	<u>\$5,269,385</u>	<u>\$255,301</u>

Note - this is a special purpose statement required by the Department of Indian Affairs and Northern Development ("DIAND" or "INAC")

Robert
Stewart

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May 25, 2010

Graham Baptiste, Funding Services Officer
Indian and Northern Affairs Canada
4920 - 52 Street
Yellowknife, Northwest Territories
X1A 2R1

Re: DEHCHO First Nation Funding Reconciliation

At the request of DEHCHO First Nation, I provide the following responses to the new mandatory requirement in the Year-end Reporting Handbook (#6.6) for a Funding Reconciliation. As reported in the audited financial statements:

1. INAC Revenues per Financial Statements	\$ 4,271,516
Reconciling Items – Settlement Agreement	-
INAC Revenues per Funding Confirmation	<u>\$ 4,271,516</u>
2. Amounts due from INAC - current year	\$ 433,066
Amounts due from INAC - prior year	<u>70,000</u>
Amounts due from INAC - TOTAL per Note 3	\$ 503,066
Amounts due to INAC	0

3. Detailed explanation of the discrepancies between the amounts stated in the agreement and the amounts in the financial statements -- None.

4. Reference of the correspondent page of the Financial Statements - Schedules 2, 3 & 4.

5. For Block Funded or Core Funded Services, details regarding transfers of INAC funding between Block Funded or Core Funded services -- None.

6. Other adjustments -- None.

Yours truly,
ROBERT STEWART CHARTERED ACCOUNTANT



Robert A. Stewart, C.A., C.M.C.
CC. Dehcho First Nation