

DÉLJNE
FINANCING AGREEMENT

FISCAL NEGOTIATORS' FINAL DRAFT

September 12, 2012

(Reviewed on November 25, 2013)

DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

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FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

BETWEEN:

THE SAHTU DENE AND METIS OF DÉLJNĚ, as represented by the Déljné First Nation Band and the Déljné Land Corporation;

AND:

THE GOVERNMENT OF THE NORTHWEST TERRITORIES, as represented by the Minister of Aboriginal Affairs and Intergovernmental Relations (“GNWT”);

AND:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the Minister of Aboriginal Affairs and Northern Development (“Canada”);

PREAMBLE

WHEREAS the Déljné Final Self-Government Agreement provides that the terms and conditions by which funding is to be provided to the DGG shall be negotiated on a government-to-government basis and set out in a Financing Agreement; and

WHEREAS the Parties have negotiated this Agreement as a Financing Agreement in accordance with Chapter 28 of the Déljné Final Self-government Agreement;

NOW THEREFORE the Parties agree as follows:

Danny Gaudet
Chief Negotiator _____

Katy Dillon
Chief Negotiator _____

Sean Somers
Financial Negotiator _____

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DEFINITIONS

1. Words and expressions not defined in this Agreement but defined in the FSGA have the meanings ascribed to them in the FSGA.
2. In this Agreement definitions that appear in the schedules and the following apply:

“Agreement” means this Financing Agreement between the Parties;

“Canada Funded Programs and Services” means the programs and services described in Schedule A;

“DGG (Déljñę Got’jñę Government)” means the government established pursuant to Chapter 3 of the FSGA;

“DGG Lands” means lands held by the DGG pursuant to 21.2.1 of the FSGA and all lands within the Community of Déljñę;

“DGG Law” means laws of the DGG made pursuant to the Jurisdictions of the DGG set out in the FSGA and regulations made pursuant to those laws;

“DFN Citizen” means a person who is a citizen pursuant to chapter 5 of the FSGA or pursuant to a DGG Law made pursuant to chapter 5 of the FSGA;

“Effective Date” means the date upon which the FSGA comes into effect pursuant to 31.11.1 of the FSGA;

“Effective Date Fiscal Year” means the period commencing on the Effective Date of the FSGA and ending the following March 31st;

“Fiscal Year” means the period from April 1st of one year to March 31st of the following year;

“Finance Committee” means the committee established pursuant to s. 42;

“FSGA ” means the Final Self-Government Agreement, which is the self-government agreement that has been ratified by the Parties pursuant to Chapter 31 of the FSGA, as amended from time to time;

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"Generally Accepted Accounting Principles" means the accounting principles generally accepted in Canada from time to time. If the handbooks published by the Canadian Institute of Chartered Accountants, the Public Sector Accounting Board, or their successors include a relevant statement of a principle or an accounting guideline, that statement will be considered conclusively to be an accounting principle or guideline generally accepted in Canada;

"Grant" means funding provided by Canada to the DGG for a Fiscal Year pursuant to Schedule B;

"Local Services Funding" means:

- a) for the Effective Date Fiscal Year, the greater of:
 - i) the Community Government Funding Amount for the Fiscal Year preceding the Effective Date Fiscal Year multiplied by the Local Services Funding Adjustor for the Effective Date Fiscal Year; or
 - ii) the Community Government Funding Amount for the Fiscal Year in which the Effective Date occurs.
- b) for any Fiscal Year following the Effective Date Fiscal Year, the Local Services Funding Adjustor for that Fiscal Year multiplied by the Local Services Funding for the Effective Date Fiscal Year or the preceding Fiscal Year, as the case may be.

"One-Time Implementation Funding" means funding provided by Canada to support start-up activities associated with the implementation of the FSGA as set out in Schedule A.4.1;

"On-going Funding" means the funding provided annually by Canada to support the governance and administration of the DGG;

"Own Source Revenue" means the aggregate of DGG revenue received from every revenue source including Total Eligible Revenue and Excluded Revenue; and

"Parties" to the Financing Agreement,

- a) prior to the Effective Date means:
 - i) the sahtu dene and Metis of DéljŃĚ, as represented by the DéljŃĚ First Nation Band and the DéljŃĚ Land Corporation;
 - ii) the GNWT; and
 - iii) Canada
- b) as of the Effective Date means:

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- i) the DGG;
- ii) the GNWT; and
- iii) Canada

INTERPRETATION

3. In this Agreement:

- a) unless it is otherwise clear from the context, “including” means “including, but not limited to”, and “includes” means “includes, but is not limited to”;
- b) headings and subheadings are for convenience only, do not form a part of this Agreement and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Agreement;
- c) unless it is otherwise clear from the context, the use of the singular includes the plural, and the use of the plural includes the singular;
- d) a reference to a statute, except where a specific year and chapter are stated, includes every amendment to, every regulation made under and any law enacted in replacement of that statute;
- e) all accounting terms have the meanings assigned to them under Generally Accepted Accounting Principles;
- f) this Agreement shall be interpreted according to the *Interpretation Act* (Canada) with such modifications as the circumstances require;
- g) where there is any inconsistency or conflict between the provisions of this Agreement and the FSGA, the provisions of the FSGA shall prevail to the extent of the inconsistency or conflict;
- h) where there is any inconsistency or conflict between the provisions of this Agreement and the implementation plan pursuant to chapter 29 of the FSGA, the provisions of this Agreement shall prevail to the extent of the inconsistency or conflict; and
- i) all dollar amounts provided for in this Agreement shall be rounded up to the nearest dollar.

4. This Agreement is attached to but does not form part of the FSGA.

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5. This Agreement is not a treaty or a land claim agreement, and does not recognize or affirm aboriginal or treaty rights within the meaning of s. 25 and 35 of the *Constitution Act 1982*.
6. This Agreement is a contract between the Parties.
7. This Agreement constitutes the entire agreement between the Parties and supersedes all previous negotiations, commitments and documents in relation to the subject matter of this Agreement.
8. This Agreement may be executed at one or more times and in one or more places. Each counterpart will be deemed an original instrument as against any Party who has signed it, and the aggregate of the counterparts will be deemed to constitute a single executed document.
9. Where a payment under this Agreement would otherwise be due on a Saturday, Sunday, or statutory holiday, the payment shall be made on the following business day.
10. The following Schedules and Appendices are attached to and form part of this Agreement:

Schedule A	Canada Funded Programs and Services
Schedule B	Canada Grant and Adjustment Formula
Schedule C	Programs and Services that the GNWT Provides Funding for
Schedule D	Local Services Funding
Appendix D-1	Calculation of Local Government Spending
Schedule E	DGG Own Source Revenue
Appendix E-1	Own Source Revenue Report Template

TERM OF THIS AGREEMENT

11. This Agreement shall come into effect on the Effective Date and subject to s. 36 to 38 shall expire at the end of the Fiscal Year in which the fourth anniversary of the Effective Date occurs.

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ELIGIBILITY FOR PROGRAMS AND SERVICES

12. Nothing in this Agreement affects:
- a) the ability of the DGG and DFN Citizens to participate in or benefit from federal or NWT programs and services for Aboriginal People, in accordance with applicable general criteria, unless funding for those programs and services has been incorporated into this Agreement; and
 - b) the ability of eligible persons residing in the Déljné District to participate in and benefit from programs established by Canada or the GNWT and to receive public services from Canada or the GNWT, in accordance with applicable general criteria to the extent that the DGG has not received funding for those programs or public services under this Agreement.
13. During the term of this Agreement, where the DGG wishes to assume responsibility for any program or service not included in Schedules A or C of this Agreement:
- a) the DGG shall make a request to enter into negotiations to that effect with Canada and the GNWT; and
 - b) the Parties shall discuss the DGG's request and, provided they agree it is appropriate to include the program or service in the Agreement, will enter into negotiations in respect of the program or service within six months of the DGG's request, or at such other time as may be agreed to by the Parties.
14. For greater certainty, Schedule E will apply to any additional funding that may be provided under this Agreement pursuant to s.13.

FUNDING

15. Canada shall provide funding to the DGG in accordance with Schedules A and B.
16. The GNWT shall provide funding to the DGG for programs and services set out in Schedule C in accordance with Schedule D.
17. Schedule E applies to funding provided under this Agreement.
18. For greater certainty, the DGG has the discretion to allocate the funding transferred to it under this Agreement.

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SEPARATE OBLIGATIONS AND LIABILITIES

19. The obligations and liabilities of Canada and the GNWT under this Agreement are separate.
20. Notwithstanding any other provision of this Agreement:
 - a) Canada is not a Party to Schedule C or D of this Agreement and shall not be subject to or bound by any obligation in those Schedules; and
 - b) the GNWT is not a Party to Schedule A or B of this Agreement and shall not be subject to or bound by any obligation in those Schedules.

PROGRAM AND FINANCIAL ACCOUNTABILITY

21. The DGG is accountable to DFN Citizens and Déljñę residents for financial management and administration, and program and service delivery under this Agreement.
22. The DGG will adhere to principles of transparency, disclosure and redress, in accordance with:
 - a) the FSGA;
 - b) DGG Laws;
 - c) standards generally accepted for similar governments in Canada; and
 - d) the terms and conditions of this Agreement.
23. All accounts and financial statements prepared under this Agreement will be prepared in accordance with Generally Accepted Accounting Principles.
24. Where the DGG engages an agent or delegates to another person, entity or agent the responsibility or authority to deliver programs and services for which funding is provided pursuant to Schedule A and B, the DGG will ensure that procedures are in place to establish program and financial accountability for those funds including, where appropriate, the provision of audited consolidated financial statements.
25. The financial records of the DGG for a Fiscal Year shall be retained by the DGG for a period of ten (10) years after completion of the audited consolidated financial

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statements for that Fiscal Year, or such longer period as may be determined by DGG Law.

26. The DGG shall report on its Own Source Revenue in accordance with Schedule E.
27. The DGG will, within 120 days following the end of each Fiscal Year, or such longer period as Canada and the DGG may agree in writing, provide Canada with its audited consolidated financial statements.
28. An annual audited consolidated financial statement will be made publicly available by the DGG.
29. An annual budget estimate will be made publicly available by the DGG.

UNFORESEEN CIRCUMSTANCES

30. If an unforeseen circumstance occurs that, in the opinion of the DGG, creates financial pressures that significantly impair its ability to meet its obligations under this Agreement, on the request of the DGG, the Parties shall as soon as practicable:
 - a) review the unforeseen circumstance and its impact on the ability of the DGG to meet its obligations under this Agreement;
 - b) discuss what financial or other assistance has been provided to the DGG and potential funding or other assistance available to the DGG to meet its obligations under this Agreement; and
 - c) decide what steps, if any, may be required to be taken by the Parties to address the impact of the unforeseen circumstance on the ability of the DGG to meet its obligations under this Agreement.
31. For the purpose of s. 30 an unforeseen circumstance is :
 - a) a natural disaster on DGG Lands;
 - b) a health and safety emergency on DGG Lands;
 - c) a change in territorial or federal standards that is beyond the power of the DGG to control, but has an impact on the standards which the DGG must meet pursuant to the FSGA; or

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- d) an event which is beyond the power of the DGG to control, but which creates new or unexpected responsibilities for the DGG.

PARLIAMENTARY AND LEGISLATIVE APPROPRIATIONS

- 32. Notwithstanding any other provision of this Agreement, the amount of any Grant by Canada to the DGG under this Agreement is subject to the appropriation of funds by the Parliament of Canada.
- 33. Notwithstanding any other provision of this Agreement, the amount of any funding provided by the GNWT to the DGG under this Agreement is subject to the appropriation of funds by the Legislative Assembly of the Northwest Territories.

INFORMATION EXCHANGE

- 34. The Parties will share, in a timely manner, information that is reasonably required for the purposes of implementation, monitoring, and renewal of this Agreement, including information of a financial nature.
- 35. Subject to any applicable Federal Law, NWT Law or DGG Law, the Parties will collect, protect, retain, use and disclose information under this Agreement in a manner that ensures the confidentiality of that information.

FUTURE FINANCING AGREEMENTS

- 36. In accordance with s. 28.5.2 of the FSGA, the Parties shall commence negotiations for the renewal of an Agreement at least eighteen (18) months prior to the expiry date of this Agreement.
- 37. If the Parties do not reach agreement on a new agreement by the expiry date of this Agreement, this Agreement shall continue in effect for:
 - a) one (1) year from its original expiry date; or
 - b) any other period that the Parties may agree.
- 38. A new agreement shall come into effect immediately after the expiration of the previous agreement and shall expire on March 31st of the fifth year of the new agreement or on such other date as the Parties may agree.

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AMENDMENTS

- 39. Except as provided in s. 40 or 41, any amendment to this Agreement must be in writing and executed by all Parties.
- 40. Any amendment to Schedules A or B must be in writing and executed by Canada and the DGG.
- 41. Any amendment to Schedules C or D must be in writing and executed by the GNWT and the DGG.

FINANCE COMMITTEE

- 42. The Parties shall:
 - a) establish a Finance Committee; and
 - b) each appoint one (1) representative to the Finance Committee.
- 43. The Finance Committee shall:
 - a) monitor the on-going operational implementation of this Agreement;
 - b) meet as necessary to review this Agreement;
 - c) facilitate the resolution of any issues that arise in respect of this Agreement;
 - d) make decisions with the unanimous agreement of all representatives; and
 - e) do such other things as the Parties may agree from time to time to be appropriate.
- 44. A Finance Committee representative may bring such resource persons to meetings of the Finance Committee as the representative considers appropriate.

DISPUTE RESOLUTION

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45. Any Party may provide written notification to the other Parties of a dispute under this Agreement.
46. The Finance Committee shall attempt to resolve a dispute within thirty (30) days of a Party notifying the other Parties of the dispute or such other period of time as the Finance Committee may agree.
47. If a dispute arising from this Agreement is not resolved by the Finance Committee pursuant to s. 46, a Party may refer the dispute for resolution in accordance with s. 27.4 and ss. 27.5.1 to 27.5.6 of the FSGA.
48. For the purposes of disputes arising out of any provision of Schedules A or B, the GNWT will not be directly engaged as a Party to the dispute.
49. For the purposes of disputes arising out of any provision of Schedule C or D, Canada will not be directly engaged as a Party to the dispute.

DEFAULT

50. A Party will be in default of this Agreement when it:
 - a) fails to comply with a provision of this Agreement; or
 - b) gives or makes a representation or statement of report required under this Agreement that it knows, or reasonably ought to know, is false in a material way.
51. A Party that alleges a default of this Agreement has occurred will provide written notice, including details of the nature of the default, to the other Parties.
52. A Party alleged to be in default that receives a notice pursuant to s. 51 will, within 30 days of receipt of such notice, provide the other Parties with one of the following:
 - a) notice that it has remedied the default, including a description of the remedial action taken;
 - b) notice that the default is not capable of being remedied within the thirty (30)-day period but that it is taking action and is continuing to remedy the default, including a description of the remedial action being taken; or
 - c) notice that it does not agree that a default has occurred, including reasons.

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53. A Party that gives notice of a default under s. 51 may at any time waive the default, in which case the default is waived for all Parties for all purposes.

NO IMPLIED WAIVER

54. No term or condition of this Agreement, or performance by a Party of a covenant under this Agreement, will be deemed to have been waived unless the waiver is in writing and signed by the Party or Parties giving the waiver.

55. No written waiver of:

- a) a term or condition of this Agreement;
- b) the performance by a Party of a covenant under this Agreement; or
- c) a default by a Party of a covenant under this Agreement;

will be deemed to be a waiver of any other covenant, term or condition, or of any subsequent default.

FURTHER ASSURANCES

56. The Parties will execute any other documents and do such other things as may be necessary to carry out the intent of this Agreement.

TIME OF THE ESSENCE

57. Time is of the essence in this Agreement.

SEVERABILITY

58. If any part of this Agreement is declared or held invalid for any reason, the invalidity of that part will not affect the validity of the remainder, which will continue in full force and effect and be construed as if this Agreement had been executed without the invalid portion.

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ENUREMENT

59. This Agreement will enure to the benefit of and be binding upon the Parties and their respective permitted assigns and successors.

NO ASSIGNMENT

60. Unless otherwise agreed to by the Parties, this Agreement may not be assigned, either in whole or in part, by any Party.

NOTICES

61. Unless otherwise provided in this Agreement, a notice, document, request, approval, authorization, consent or other communication required or permitted to be given or made under this Agreement must be in writing and may be given or made in one or more of the following ways:
- a) delivered personally or by courier;
 - b) transmitted by facsimile;
 - c) mailed by prepaid registered post in Canada; or
 - d) by any other means agreed to by the Parties.
62. A communication will be considered to have been given, made or delivered and received if:
- a) delivered personally or by courier, at the start of business on the next business day after the business day on which it was received by the addressee or a responsible representative of the addressee;
 - b) transmitted by facsimile and the sender receives confirmation of the transmission at the start of business on the next business day after the business day on which it was transmitted; or
 - c) mailed by prepaid registered post in Canada, when the postal receipt is acknowledged by the addressee or a responsible representative of the addressee.

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63. A communication must be delivered, transmitted to the facsimile number or mailed to the address of the intended recipient as set out below.

For: DéłjnĚ Got'İnĚ Government
Attention: ʔehkw'ahtjđé
DéłjnĚ Got'İnĚ Government
DéłjnĚ , NT
X0E 0G0
Fax Number: (867) 589-8101

For: Government of the Northwest Territories
Attention: Minister of Aboriginal Affairs and Intergovernmental Relations
Government of the Northwest Territories
P.O. Box 1320
Yellowknife, NT
X1A 2L9
Fax Number: (867) 873-0306

For: Canada
Attention: Minister of Aboriginal Affairs and Northern Development
House of Commons
Room 583, Confederation Building
Ottawa, ON
K1A 0A6
Fax Number: (819) 953-4941

64. A Party may change its address or facsimile number by giving a notice of the change in writing to the other Parties.

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SCHEDULE A

CANADA FUNDED PROGRAMS AND SERVICES

PART A.1 GENERAL

- A.1.1 This Schedule identifies the Canada Funded Programs and Services from which Canada will transfer funds to the DGG for government activities set out in the FSGA and start-up activities identified in A.4.1.
- A.1.2 The DGG is responsible for funding received from Canada from the Canada Funded Programs and Services described in A.2, for financial management and administration and program and service delivery.
- A.1.3 Canada is responsible for providing the Grant to the DGG in accordance with this Agreement and is not responsible for the delivery of programs and services described in A.2 in the DéjŃŃĚ District.

PART A.2 PROGRAMS AND SERVICES

- A.2.1 The following describes Canada Funded Programs and Services as they were immediately prior to effective date:
- a) **Indian Government Support Program:** Indian Government Support Program consists of Band Support Funding, Band Employee Benefits and Tribal Council Funding which are more specifically described as:
 - i) Band Support Funding, which assists First Nations to meet the costs of local government, the administration of Indian Affairs and Northern Development Canada funded programs and services, the management of federal, territorial, municipal and third-party agreements, the costs of training and development of First Nation staff and elected leadership, and the costs of developing training plans for management development;
 - ii) Band Employee Benefits, which assists First Nations with the costs of the employer's share of contributions to the Canada Pension Plan and employee sponsored pension plans, the employer's costs of additional non-statutory employee benefits, and the costs of administration and professional fees; and

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- iii) Tribal Council Funding, which assists First Nations with the costs of tribal council staff, including training, and providing advisory services in the areas of economic development, financial management, community planning, technical services (including asset management system) and band government.

- b) **Community Economic Development Program:** Provides core financial support for First Nations, Inuit communities, governments of self-governing First Nations and organizations mandated by them, for public services in economic development. Funding is for services offered by governments of self-governing First Nations or organizations mandated by them to carry out ongoing activities and projects on their behalf. Activities may include:
 - i) community economic planning and capacity development:

 - ii) proposal development and leveraging of financial resources; and

 - iii) community economic development activities such as: employment of community members; community-owned and community-member owned business development; community land and resource development; access to opportunities from land and resources beyond community control; investment promotion in the community; and research and advocacy.

PART A.3 ON-GOING FUNDING

A.3.1 On-going Funding provided pursuant to Schedule B, Table 1 is intended to support the governance and administrative activities of the DGG including:

- a) executive, legislative and administrative functions;

- b) management and operation of the DGG;

- c) financial management and accountability;

- d) policy development in areas of jurisdiction recognized under the FSGA;

- e) maintenance of a public registry of DGG Laws;

- f) conduct of elections and referenda; and

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- g) establishment and operation of DGG structures and mechanisms, such as those established pursuant to s. 3.4 of the FSGA.

Part A.4 ONE-TIME IMPLEMENTATION ACTIVITIES

A.4.1 One-Time Implementation Funding is provided to assist the DGG in undertaking start-up activities, including the following:

- a) training and professional development;
- b) development and passage of core DGG Laws;
- c) development of administrative and other systems and procedures that support the operations of the DGG; and
- d) communication regarding the FSGA.

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SCHEDULE B

CANADA GRANT AND ADJUSTMENT FORMULA

PART B.1 DEFINITIONS

B.1.1 The following definitions apply in this Schedule:

“Base Values” means the values of On-going Funding and One-Time Implementation Funding as set out in Tables 1 and 2 of this Schedule;

“FDDIPI” means, unless otherwise agreed, the first released third quarter value Implicit-Chain Price Index of Final Domestic Demand for Canada, or its successor data, as published by Statistics Canada in the National Economic and Financial Accounts, Quarterly Estimates (Third Quarter), or its successor publication;

“Grant Payment Plan” means the annual schedule of payments to be made by Canada to the DGG as provided for in Schedule B; and

“Price Adjustor” means the annual year over year change in FDDIPI calculated in accordance with s. B.2.1.

PART B.2 ADJUSTORS

B.2.1 The Price Adjustor (PA) for a Fiscal Year for which the Grant is being calculated is equal to FDDIPI of the calendar year immediately preceding that Fiscal Year (FDDIPI_{fy-1}), divided by FDDIPI for the calendar year two years prior to that Fiscal Year (FDDIPI_{fy-2}), or as a formula:

$$PA = FDDIPI_{fy-1} / FDDIPI_{fy-2}$$

B.2.2 In the event there is a delay in the publication of the FDDIPI data to be used for the purposes of calculating the Grant for a Fiscal Year, the Price Adjustor for the previous Fiscal Year, or an estimate otherwise agreed to by the Parties, shall be used until the FDDIPI data is published. An adjustment will be made to the Grant Payment Plan, prior to the disbursement of the next scheduled payment that takes into account the published FDDIPI data.

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PART B.3 GRANT CALCULATION AND PAYMENT

B.3.1 The Grant from Canada to the DGG for the Effective Date Fiscal Year is:

- a) the total Base Value of On-Going Funding, as set out in Table 1 of this Schedule, adjusted by the Price Adjustor for each Fiscal Year up to and including the Fiscal Year in which the FSGA comes into effect; plus
- b) the total Base Value for One-Time Implementation Funding, as set out in Table 2 of this Schedule, adjusted by the Price Adjustor for each Fiscal Year up to and including the Fiscal Year in which the FSGA comes into effect.

B.3.2 The Grant from Canada to the DGG for a Fiscal Year other than the Effective Date Fiscal Year is:

- a) the On-Going Funding from the previous Fiscal Year (FY-1), adjusted by the Price Adjustor for the Fiscal Year; less
- b) the Own Source Revenue Contribution (Federal) (OSRCF) as calculated pursuant to Schedule E, or as a formula:

$$\text{Grant} = (\text{On-Going Funding FY-1} \times \text{PA}) - \text{OSRCF}$$

PART B.4 MINIMUM GRANT

B.4.1 The Grant for a Fiscal Year shall not be less than the Minimum Grant for that fiscal year.

B.4.2 The Minimum Grant for the Effective Date Fiscal Year shall be \$575 000¹, adjusted by the Price Adjustor for each Fiscal Year up to and including the Fiscal Year in which the FSGA comes into effect.

B.4.3 The Minimum Grant for a Fiscal Year, other than the Effective Date Fiscal Year, shall be the Minimum Grant for the previous Fiscal Year adjusted by the Price Adjustor for the Fiscal Year.

PART B.5 CANADA GRANT PAYMENT PLAN

B.5.1 Subject to s. B.5.3, Canada shall make an annual payment of the Grant to the DGG in accordance with the following schedule of Grant instalments:

¹ The Minimum Grant is stated in \$2012 first quarter dollars.

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First instalment	50 %
Second instalment	4.5 %
Third instalment	4.55 %
Fourth instalment	4.55 %
Fifth instalment	4.55 %
Sixth instalment	4.55 %
Seventh instalment	4.55 %
Eighth instalment	4.55 %
Ninth instalment	4.55 %
Tenth instalment	4.55 %
Eleventh instalment	4.55 %
Twelfth instalment	4.55 %

- B.5.2 The DGG and Canada may agree on a modification to the distribution of Grant instalments.
- B.5.3 If the Effective Date is not April 1, then the amount of the Grant for the Effective Date Fiscal Year will be adjusted on a pro-rata basis taking into account the number of days in the Fiscal Year remaining after the Effective Date, and any funds already paid by Canada to the Déljñę First Nation Band, or another entity, to deliver the Canada Funded Programs and Services.
- B.5.4 At least seventy-five (75) calendar days prior to the commencement of a Fiscal Year, Canada shall prepare and provide to the DGG a Grant Payment Plan setting out the Grant and instalment amounts for the upcoming fiscal year.
- B.5.5 No later than sixty (60) calendar days prior to the commencement of the upcoming Fiscal Year, the DGG shall advise Canada in writing of any errors in the Grant Payment Plan.
- B.5.6 If the DGG advises Canada of an error in the Grant Payment Plan, representatives of the DGG and Canada on the Finance Committee shall discuss, and as soon as practicable, but no later than forty-five (45) calendar days prior to the new Fiscal Year, determine what corrections, if any, should be made to the Grant Payment Plan, and failing agreement, the matter shall be referred to dispute resolution pursuant to s.45 to 47 of this Agreement.
- B.5.7 Where a dispute is not resolved by the DGG and Canada prior to the start of a Fiscal Year, Canada shall make Grant instalments to the DGG in accordance with the Grant Payment Plan as provided by Canada pursuant to s. B.5.4.

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FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

- B.5.8 Notwithstanding s. B.5.3 to B.5.6, if either the DGG or Canada, at any time during the term of this Agreement discovers an error in the values, application of adjustors, or calculations used in determining the Grant or Grant Payment Plan, the DGG and Canada, through their representatives on the Finance Committee, shall make reasonable efforts to reach an agreement to correct the error, and shall adjust the Canada Grant Payment Plan accordingly.
- B.5.9 Unless agreed otherwise, any adjustment made to the Grant Payment Plan shall be distributed equally among the remaining Grant instalments for the Fiscal Year in which the adjustment is being made.
- B.5.10 An adjustment to the Grant Payment Plan pursuant to s. B.5.2, B.5.6, B.5.8 or B.5.9 is considered a technical adjustment and does not require an amendment to this Agreement.
- B.5.11 Any unexpended portion of a Grant for a Fiscal Year will be retained by the DGG.

PART B.6 FUNDING INCREASE

B.6.1 Where Canada increases the funding for a program or service described in Schedule A:

- a) Canada will advise the DGG; and
- b) Canada and the DGG shall discuss whether the DGG would be eligible under applicable program criteria to receive the funding increase and, if they agree, shall negotiate the terms and conditions associated with the funding increase.

B.6.2 Factors to be considered in the discussions under B.6.1b) may include:

- a) whether the funding increase is intended to supplement or complement but not duplicate funding associated with a program described in Schedule A;
- b) whether the funding increase is a result of a reallocation from a program described in Schedule A;
- c) the time remaining before the expiry of this Agreement; and
- d) any other matter that the Parties may agree.

B.6.3 Where Canada and the DGG reach an agreement pursuant to B.6.1 b):

- a) the Grant Payment Plan will be amended to reflect the funding increase; and

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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

b) if necessary, Schedule A will be amended to reflect any changes to the programs and services described in Schedule A.

B.6.4 For greater certainty, Schedule E will apply to any funding increase provided under B.6.1 b).

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DÉLJNÉ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

PART B.7 FUNDING AMOUNTS

Table 1: Base Values for On-Going Funding – Canada Funded Programs and Services

Canada Funded Programs and Services	Base Values
On-Going Funding – Governance Activities	\$1,544,842
On-Going Funding – CEDP	\$77,500
Total Base Value – On-going Funding	\$1,622,342

Table 2: Base Values for One-Time Implementation Funding

One-Time Implementation Activities Funding	Base Values
One-Time Implementation Funding	\$1,482,710
Total Base Value – One-time Implementation Funding	\$1,482,710²

² All Base Values are stated in \$2011 – Q3.

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SCHEDULE C

PROGRAMS AND SERVICES THAT THE GNWT PROVIDES FUNDING FOR

PART C.1 LOCAL SERVICES

C.1.1 The DGG assumes responsibility for the provision of local services in accordance with jurisdictions and authorities set out in Chapter 9 of the FSGA including:

- a) provision of water;
- b) collection and disposal of solid waste;
- c) collection and treatment of sewage;
- d) fire protection;
- e) community road maintenance;
- f) recreation;
- g) enforcement of laws of a local nature;
- h) community land use planning;
- i) financing, construction and maintenance of associated community infrastructure; and
- j) governance and administration of a local nature.

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Katy Dillon
Chief Negotiator _____

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SCHEDULE D

LOCAL SERVICES FUNDING

PART D.1 DEFINITIONS

D. 1.1 The following definitions apply in this Schedule:

“Canada Population” means the population of Canada as determined on the basis of Statistics Canada’s official estimate on the first day of July for a given Fiscal Year;

“Community Government Funding Amount” means the total amount of operations and maintenance, water and sewer, and community infrastructure funding provided to the Charter Community of Déljñę for a Fiscal Year pursuant to a funding agreement between the Charter Community of Déljñę and the GNWT, as represented by the Minister of Municipal and Community Affairs;

“Déljñę Population” means the population of the Community of Déljñę as determined on the basis of the NWT Bureau of Statistics’ official estimate on the first day of July for a given Fiscal Year;

“Local Services Funding Adjustor” means the adjustor determined annually pursuant to clauses D.2.1 to D.2.4 of this Schedule, and to be used in the calculation of Local Services Funding;

“Local Services Funding” means:

- a) for the Effective Date Fiscal Year, the greater of:
 - i) the Community Government Funding Amount for the Fiscal Year preceding the Effective Date Fiscal Year multiplied by the Local Services Funding Adjustor for the Effective Date Fiscal Year, or
 - ii) the Community Government Funding Amount for the Fiscal Year in which the Effective Date occurs.

- b) for any Fiscal Year following the Effective Date Fiscal Year, the Local Services Funding Adjustor for that Fiscal Year multiplied by the Local Services Funding for the Effective Date Fiscal Year or the preceding Fiscal Year, as the case may be.

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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

“Local Services Funding Plan” means:

- a) for the Effective Date Fiscal Year, the plan that sets out:
 - i) the amount of the payment to be made by the GNWT to the DGG pursuant to clause D.3.1 a) of this Schedule and the data and calculations used to compute that payment; and
 - ii) the schedule of instalments by which the payment under D.3.1 a) will be made pursuant to clause D.3.2 a) or clause D.3.2 b), as the case may be.

- b) for any other Fiscal Year, the plan that sets out:
 - i) the amount of the Local Services Funding to be paid by the GNWT to the DGG pursuant to clause D.3.1 b) and the data and calculations used to compute that payment; and
 - ii) the schedule of instalments by which the payment under clause D.3.1 b) will be made pursuant to clause D.3.2 b).

“Local Government Spending” means the expenses of the local government sector in Canada for a Fiscal Year, determined using data published by Statistics Canada, and calculated in accordance with the *Federal-Provincial Fiscal Arrangements Act* (Canada) and the *Federal-Provincial Fiscal Arrangements Regulations* (Canada) or any successor legislation or agreement which sets out the formula for determining the expenses of the local government sector in Canada for the purpose of calculating the territorial formula financing payments to be made by Canada to the GNWT. The formula for calculating Local Government Spending and the Statistics Canada data series to be used in the calculation of Local Government Spending are set out in Appendix D-1 to this Schedule; and

“NWT Population” means the population of the Northwest Territories as determined on the basis of Statistics Canada’s official estimate on the first day of July for a given Fiscal Year.

PART D.2 Local Services Funding Adjustor

D.2.1 The Local Services Funding Adjustor to be used in the calculation of Local Services Funding shall be determined by the formula

$$FA_{LS} = SAF_{LG} \times PAF_{NWT} \times PAF_{DEL}$$

where

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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

FA_{LS} is the Local Services Funding Adjustor for the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated;

SAF_{LG} is the Local Government Spending Adjustment Factor for the Effective Date Fiscal Year or a Fiscal Year, as the case may be, determined pursuant to clause D.2.2;

PAF_{NWT} is the NWT Population Adjustment Factor for the Effective Date Fiscal Year or a Fiscal Year, as the case may be, determined pursuant to clause D.2.3; and

PAF_{DEL} is the Déljné Population Adjustment Factor for the Effective Date Fiscal Year or a Fiscal Year, as the case may be, determined pursuant to D.2.4.

D.2.2 The Local Government Spending Adjustment Factor to be used in calculating the Local Services Funding Adjustor shall be the measure of the change in Local Government Spending, as determined by the formula

$$SAF_{LG} = S2_{LG}/S3_{LG}$$

where

SAF_{LG} is the Local Government Spending Adjustment Factor for the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated;

S2_{LG} is Local Government Spending in the Fiscal Year two (2) years prior to the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated; and

S3_{LG} is Local Government Spending in the Fiscal Year three (3) years prior to the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated.

D.2.3 The NWT Population Adjustment Factor to be used in calculating the Local Services Funding Adjustor shall be the measure of the population change of the NWT relative to the population change of Canada determined by the formula

$$PAF_{NWT} = (P2_{NWT}/P3_{NWT}) / (P2_{CDA}/P3_{CDA})$$

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DÉJŃĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

where

- PAF_{NWT} Is the NWT Population Adjustment Factor for the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated;
- $P2_{NWT}$ is the NWT Population in the Fiscal Year two (2) years prior to the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated;
- $P3_{NWT}$ is the NWT Population in the Fiscal Year three (3) years prior to the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated;
- $P2_{CDA}$ is the Canada Population in the Fiscal Year two (2) years prior to the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated; and
- $P3_{CDA}$ is the Canada Population in the Fiscal Year three (3) years prior to the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated.

D.2.4 The DéjŃĚ Population Adjustment Factor to be used in the calculation of the Local Services Funding Adjustor shall be the measure of the population change of DéjŃĚ relative to the population change of the Northwest Territories determined by the formula

$$PAF_{DEL} = (P2_{DEL}/P3_{DEL}) / (P2_{NWT}/P3_{NWT})$$

where

- PAF_{DEL} is the DéjŃĚ Population Adjustment Factor for the Effective Date Fiscal Year or a Fiscal Year, as the case may be;
- $P2_{DEL}$ is the DéjŃĚ Population in the Fiscal Year two (2) years prior to the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated;
- $P3_{DEL}$ is the DéjŃĚ Population in the Fiscal Year three (3) years prior to the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated;

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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

P2_{NWT} is the NWT Population in the Fiscal Year two (2) years prior to the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated; and

P3_{NWT} is the NWT Population in the Fiscal Year three (3) years prior to the Effective Date Fiscal Year or a Fiscal Year, as the case may be, for which Local Services Funding is being calculated.

D.2.5 For greater certainty, Part D.2 is subject to s.36 to 38 of this Agreement.

PART D.3 PAYMENTS AND INSTALMENT PLAN

D.3.1 The GNWT shall pay to the DGG:

- a) for the Effective Date Fiscal Year, the Local Services Funding multiplied by the quotient obtained by dividing the number of days in the Effective Date Fiscal Year by 365 if the Effective Date Fiscal Year does not include a 29th day in February or 366 if it does;
- b) for any other Fiscal Year, the Local Services Funding.

D.3.2 The payments under D.3.1 of this Agreement shall be made as follows:

- a) where the Effective Date is not April 1, the payment under D.3.1 a) will be made in the same number of equal instalments as there are full months in the Effective Date Fiscal Year, on the first business day of each such month commencing on the first business day of the first full month of the Effective Date Fiscal Year.
- b) where the Effective Date is April 1, and for any Fiscal Year following the Effective Date Fiscal Year, the payments under D.3.1 b) will be made in twelve (12) monthly instalments on the first business day of each month as follows:

First instalment	8.37 %
Second instalment	8.33 %
Third instalment	8.33 %
Fourth instalment	8.33 %
Fifth instalment	8.33 %
Sixth instalment	8.33 %
Seventh instalment	8.33 %
Eighth instalment	8.33 %

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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

Ninth instalment	8.33 %
Tenth instalment	8.33 %
Eleventh instalment	8.33 %
Twelfth instalment	8.33 %

- D.3.3 At least seventy-five (75) days prior to the commencement of the Effective Date Fiscal Year or a Fiscal Year, as the case may be, the GNWT shall prepare and provide to the DGG a preliminary Local Services Funding Plan.
- D.3.4 No later than thirty (30) days after receiving a preliminary Local Services Funding Plan, the DGG shall notify the GNWT in writing of any errors in the preliminary Local Services Funding Plan.
- D.3.5 Except where there is a dispute as to the preliminary Local Services Funding Plan, the GNWT shall prepare and provide to the DGG, on or before the commencement of the Effective Date Fiscal Year or a Fiscal Year, as the case may be, a final Local Services Funding Plan.
- D.3.6 The DGG shall, no later than fifteen (15) days after receiving the final Local Services Funding Plan, notify the GNWT in writing of any errors in the final Local Services Funding Plan.
- D.3.7 If the DGG notifies the GNWT of an error in the preliminary or final Local Services Funding Plan, the DGG and the GNWT representatives on the Finance Committee shall meet, as soon as practicable and no later than 15 days after receiving such notification, to discuss the error and determine what corrections, if any, should be made to the preliminary or final Local Services Funding Plan.
- D.3.8 Where a dispute with respect to the Local Services Funding Plan is not resolved by the DGG and the GNWT pursuant to D.3.7 prior to the start of the Effective Date Fiscal Year or a Fiscal Year, as the case may be, the GNWT shall make monthly instalments to the DGG in accordance with the preliminary Local Services Funding Plan provided by the GNWT pursuant to section D.3.3.
- D.3.9 If, at any time during the term of this Agreement, the DGG or the GNWT discovers an error in a Local Services Funding Plan, the DGG and the GNWT shall make reasonable efforts to reach agreement respecting the correction of that error.

PART D.4 FUNDING INCREASE

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FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

- D.4.1 Where the GNWT increases the funding for Local Services programs or services described in Schedule C:
- a) the GNWT will advise the DGG;
 - b) the GNWT and the DGG shall discuss whether the DGG would be eligible under the applicable program criteria to receive the funding increase and, if the GNWT and DGG agree that the DGG would be eligible for the funding increase, the DGG and the GNWT shall negotiate the terms and conditions associated with the funding increase.
- D.4.2 Factors to be considered in the discussions and negotiations pursuant to D.4.1b) include:
- a) whether the increased funding is for a time limited program or if the increased funding is associated with an ongoing program;
 - b) the time remaining before the expiry of this Agreement;
 - c) the extent to which any such funding increase is already reflected in Local Services Funding by virtue of any change in the Local Services Funding Adjustor; and
 - d) any other matter that the Parties may agree.
- D.4.3 Funding increases agreed to by the GNWT and the DGG shall, as appropriate, result in:
- a) an adjustment to the Local Services Funding; or
 - b) a supplementary funding arrangement outside of this Agreement.
- D.4.4 For greater certainty, Schedule E will apply to any funding increase provided to the DGG.

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Chief Negotiator _____

Katy Dillon
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APPENDIX D-1 TO SCHEDULE D

CALCULATION OF LOCAL GOVERNMENT SPENDING

AD-1.1 The formula for determining Local Government Spending as set out in 24.(2)(b) of the *Federal Provincial Fiscal Arrangements Regulations, 2007* (Canada) is:

$$\text{LGS} = \text{F} - \text{G} - \text{H} - \text{I} + \text{J}$$

where

- LGS is Local Government Spending
- F is the gross outlay,
- G is the total of net capital transfers,
- H is the total of transfers to provincial and territorial governments,
- I is the total of capital consumption allowances, and
- J is the total investment in fixed capital

AD-1.2 The Statistics Canada data series to be used in calculating Local Government Spending are as follows:

Statistics Canada Data Series Name	Data Series Number
Gross Outlay	V499246
Net Capital Transfers	V499259
Transfers to Provincial/Territorial Governments	V499253
Capital Consumption Allowances	V499258
Investment in Fixed Capital	V499263

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SCHEDULE E

DGG OWN SOURCE REVENUE

PART E.1 DEFINITIONS

E.1 The following definitions apply in the Schedule:

“Beneficiaries Board Account” means an account established pursuant to s. 3.2.8 of the FSGA.

“Beneficiaries Board Account Revenue” means amounts that are transferred from a Beneficiaries Board Account to any other account of the DGG, except when such transfers are made for the purpose of making expenditures on behalf of, and in the exclusive interests of Participants under the *Sahtu Dene and Métis Comprehensive Land Claim Agreement* who are DFN Citizens;

“Business Income” means:

- a) Income, including dividends and interest received by the DGG from commercial activities undertaken by the DGG for the purposes of gaining or producing income; and
- b) Capital gains realized on the disposition of business interests, including profit from the sale of shares;

“DGG Tax Revenue” means tax revenue that is raised pursuant to a DGG Law but is not Federal Tax Revenue;

“Eligible Revenue (Federal)” means the total revenue eligible for inclusion in the Own Source Revenue Contribution (Federal) as calculated pursuant to s. E.4.2 of this Schedule;

“Excluded Revenue” means revenue from sources identified in s. E.2.7 of this Schedule;

“Federal Tax Revenue” means revenue earned pursuant to a Tax Agreement;

“Fees, Charges, Fines and Penalty Revenue” means revenue from fees and charges levied and collected by the DGG in a Fiscal Year in respect of:

- a) the provision of programs and services under Schedule A;
- b) the provision of other goods, programs and services, other than user fees constituting a recovery of cost such as fees and charges for water and sewer services;
- c) the permitting or authorization of activities;

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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

- d) the use of property of the DGG; and
- e) interest, fines and penalties;

“Net Eligible Revenue (Federal)” means the amount of revenue to be included in the formula for determining the Own Source Revenue Contribution (Federal) of the DGG for a Fiscal Year, determined pursuant to s. E.5.4 of this Schedule;

“Other Revenue” means revenue from every source other than the following:

- a) Federal Tax Revenue;
- b) DGG Tax Revenue;
- c) Beneficiaries Board Account Revenue;
- d) Business Income;
- e) Property and Investment Revenue;
- f) Fees, Charges, Fine and Penalty Revenue
- g) fees and charges constituting a recovery of cost such as fees and charges for water and sewer services; and
- h) Territorial Revenue;

“Own Source Revenue Contribution (Federal)” means the amount of Own Source Revenue which the DGG contributes towards meeting the cost of its operations in a Fiscal Year and that is calculated pursuant to formulae set out in Part E.5 of this Schedule;

“Own Source Revenue Contribution (Territorial)” means the amount of Own Source Revenue which the DGG contributes toward meeting the cost of its operation in a Fiscal Year, as determined in Part E.6 of this Schedule;

“Property and Investment Revenue” means revenue from:

- a) rents and interest earned from real property of the DGG;
- b) dividends and interest earned from investments held by the DGG; and
- c) a gain resulting from the disposition of a capital asset, other than DGG Lands or capital assets held or used primarily for the purpose of producing income from a business;

“Revenue Engagement Report” has the same meaning as in the Canadian Institute Chartered Accountants (CICA) Handbook-Assurance published by the CICA or its successor;

“Shared Revenue” means the aggregate of:

- a) DGG Tax Revenue;
- b) Beneficiaries Board Account Revenue;
- c) Business Income;

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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

- d) Property and Investment Revenue;
- e) Fees, Charges, Fine and Penalty Revenue; and
- f) Other Revenue;

“Tax Agreement” means an agreement between Canada and the DGG concluded pursuant to s. 22.2.2 of the FSGA and in effect during the term of this agreement or two years prior to this agreement;

“Territorial Revenue” means revenue that the GNWT may share with the DGG pursuant to any revenue sharing agreement; and

“Total Eligible Revenue” means revenue from sources identified in s. E.2.1 of this Schedule.

Danny Gaudet
Chief Negotiator _____

Katy Dillon
Chief Negotiator _____

Sean Somers
Financial Negotiator _____

PART E.2 OWN SOURCE REVENUE

Total Eligible Revenue

- E.2.1 The Total Eligible Revenue of the DGG is the aggregate of revenue from the following sources:
- a) Federal Tax Revenue;
 - b) Shared Revenue; and
 - c) Territorial Revenue.
- E.2.2 Amounts borrowed by the DGG shall be deemed Shared Revenue except where there are bona fide arrangements which provide for market interest rates and a schedule that provides for repayment within a reasonable time and reported as Other Revenue.
- E.2.3 Where an entity controlled directly or indirectly by the DGG has provided public services, or funded another person to provide those services to DFN Citizens or residents, and the source of funds for the provision of the public services is profits of the entity, or can reasonably be expected to come from profits of the entity, the amount expended by the entity in a Fiscal Year for the provision of such services shall be deemed Shared Revenue and reported as Other Revenue.
- E.2.4 Where the Beneficiaries Board has provided public services or funded another entity or person to provide those services to DFN Citizens or residents, the amount expended by the Beneficiaries Board or the entity or person in a Fiscal Year for the provision of such services shall be deemed Shared Revenue and reported as Other Revenue.
- E.2.5 For the purpose of this Schedule, the income of a corporation, trust or partnership shall only be considered Shared Revenue and reported as Property and Investment Revenue when it is received by the DGG as a dividend or distribution.
- E.2.6 For greater certainty, Shared Revenue shall not include revenue from any revenue source identified as Excluded Revenue in s. E.2.7 of this Schedule.

Danny Gaudet
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Katy Dillon
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Sean Somers
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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

Excluded Revenue

E.2.7 Notwithstanding any other provision of this Schedule, the DGG's Total Eligible Revenue shall not include:

- a) compensation from an insurance claim for specific losses or damages to property or assets except to the extent that the compensation includes compensation for loss of revenue derived from the holding or use of the property or asset;
- b) proceeds from the sale or expropriation of Settlement Lands;
- c) funding received under this Agreement;
- d) funding received from Canada or the GNWT, directly or through a third party, for programs and services including projects and initiatives not included in this Agreement;
- e) gifts received by the DGG for charitable purposes from an independent third party and for which a receipt is given qualifying the donor to the same tax treatment as donations to a registered charity under the *Income Tax Act*;
- f) amounts received or earned prior to the Effective Date;
- g) revenue received by the DGG as a Designated Sahtu Organization on behalf of Participants who are DFN Citizens and which are to be managed by the Beneficiaries Board pursuant to s.3.2.12; and
- h) amounts accrued and interest earned within a Beneficiaries Board Account.

PART E.3 OWN SOURCE REVENUE CONTRIBUTION

E.3.1 In each Fiscal Year the DGG will, if applicable, make a contribution to the cost of its operations in the form of an Own Source Revenue contribution.

E.3.2 The amount of the Own Source Revenue contribution for a Fiscal Year will be determined annually by means of formulae set out in this Schedule and representing a percentage of the Eligible Revenue of the DGG.

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Katy Dillon
Chief Negotiator _____

Sean Somers
Financial Negotiator _____

DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

PART E.4 CALCULATION OF THE OWN SOURCE REVENUE CONTRIBUTION (FEDERAL)

E.4.1 For the purpose of this Schedule, Eligible Revenue (Federal) for the Fiscal Year commencing 24 months prior to the first day of that given Fiscal Year shall be used in the calculation of the Own Source Revenue Contribution (Federal) for the Fiscal Year.

E.4.2 The Eligible Revenue (Federal) for a Fiscal Year shall be sum of:

- a) Federal Tax Revenue; and
- b) a proportionate share of Shared Revenue as calculated pursuant to s.E.4.3.

E.4.3 The percentage to be used for the purpose of determining the proportionate share of Shared Revenue to be included as Eligible Revenue (Federal) shall be determined by the following formula:

$$\text{PER}(F) = G/(G+\text{LSF}) * 100$$

Where,

PER(F) is the percentage of Eligible Revenues (Federal)

G is the value of the Grant that would be transferred by Canada to the DGG for a Fiscal Year, before deduction of the Own Source Revenue Contribution (Federal); and

LSF is the Local Services Funding to be transferred by the GNWT to the DGG under this Agreement for a Fiscal Year.

E.4.4 For greater certainty, Territorial Revenue will not be considered Eligible Revenue (Federal).

PART E.5 OWN SOURCE REVENUE CONTRIBUTION (FEDERAL) FORMULA

Pre-existing Revenue and Basic Exemption

E.5.1. Pre-existing revenue is the sum of all Eligible Revenues (Federal) earned by the DGG in the Fiscal Year immediately prior to the Effective Date Fiscal Year, adjusted annually by the Price Adjustor for each Fiscal Year following the Fiscal Year in which those revenues are earned up to the year preceding the year for which the Own Source Revenue

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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

Contribution (Federal) is being determined.³

E.5.2. The Basic Exemption is an amount equivalent to \$235,800.⁴

Net Eligible Revenue

E.5.3. The DGG's Net Eligible Revenue (Federal) for a Fiscal Year, shall be the greater of zero or the value of its Eligible Revenue (Federal) for that Fiscal Year less an amount that is the greater of either:

- a) Pre-existing revenue, or
- b) Basic Exemption.

E.5.4. Net Eligible Revenue (Federal) for a Fiscal Year, shall be the greater of zero or the value of Eligible Revenue (Federal) for that Fiscal Year less the Basic Exemption or as a formula:

$$\text{NER}(F) = \text{ER}(F) - (> \text{BE or PER})$$

Where

ER(F) is Eligible Revenue (Federal)

BE is Basic Exemption

PER is Pre-existing revenue

Inclusion Rate

E.5.5. It is intended that the Own Source Revenue Contribution (Federal) shall be phased in over a twenty year period and the phase-in shall be subject to a yearly incremental increase commencing in year 6 and resulting in an inclusion rate of 50% by year 20 as set out below:

³ Notwithstanding E.5.1, the determination of Pre-existing Revenues will be made prior to Effective Date and will take into account a situation in which there has been an anomaly in the revenues for the Fiscal Year prior to Effective Date Fiscal Year relative to other fiscal years.

⁴ The Basic Exemption is stated in \$2012 first quarter dollars.

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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

Fiscal Year	Inclusion Rate
First	0%
Second	0%
Third	0%
Fourth	0%
Fifth	0%
Sixth	3.3%
Seventh	6.7%
Eighth	10.0%
Ninth	13.3%
Tenth	16.7%
Eleventh	20.0%
Twelfth	23.3%
Thirteenth	26.7%
Fourteenth	30.0%
Fifteenth	33.3%
Sixteenth	36.7%
Seventeenth	40.0%
Eighteenth	43.3%
Nineteenth	46.7%
Twentieth	50.0%

E.5.6. The Own Source Revenue Contribution (Federal) for a Fiscal Year shall be the product of Net Eligible Revenue (Federal) and the Inclusion Rate for that Fiscal Year or as a formula

$$\text{OSRC}(F) = \text{NER}(F) \times \text{IR}$$

Where

OSRC(F) is Own Source Revenue Contribution (Federal)

NER(F) is Net Eligible Revenue(Federal)

IR is Inclusion Rate

E.5.7. The Own Source Revenue Contribution (Federal) shall be used in calculating the Grant for a Fiscal Year.

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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

PART E.6 OWN SOURCE REVENUE CONTRIBUTION (TERRITORIAL)

- E.6.1 For the purpose of this Schedule, the calculation of the Own Source Revenue Contribution (Territorial) for a given Fiscal Year shall be based on Eligible Revenue (Territorial) for the Fiscal Year commencing 24 months prior to the first day of that given Fiscal Year.
- E.6.2 The Eligible Revenue (Territorial) for a Fiscal Year shall be a proportionate share of Shared Revenue calculated pursuant to s.E.6.3.
- E.6.3 The percentage to be used for the purpose of determining the proportionate share of Shared Revenue to be included as Eligible Revenue (Territorial) shall be determined by the following formula:

$$\text{PER}(T) = \text{LSF}/(\text{LSF}+\text{G}) * 100$$

Where,

PER(T) is the percentage of Eligible Revenue (Territorial)

G is the Grant to be transferred by Canada to the DGG under this Agreement for a Fiscal Year; and

LSF is the Local Services Funding to be transferred by the GNWT to the DGG under this Agreement for a Fiscal Year.

- E.6.4 For greater certainty, Eligible Revenue (Federal) will not be considered Eligible Revenue (Territorial).
- E.6.5 The Own Source Revenue Contribution (Territorial) for a Fiscal Year to be taken into account in calculating the Local Services Funding for a Fiscal Year shall be determined by the formula:

$$\text{OSRC}(T) = \text{ER}(T) \times 0$$

Where,

OSRC(T) is Own Source Revenue Contribution (Territorial)

ER(T) is Eligible Revenue (Territorial)

- E.6.6 For greater certainty, Part E.6 is subject to s. 36 to 38 of this Agreement.

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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

PART E.7 REPORTING AND FINANCIAL RECORDS

- E.7.1 An Own Source Revenue report detailing the Own Source Revenue in a Fiscal Year shall be prepared annually by the DGG in a format similar to that set out in Appendix E.1.
- E.7.2 The Own Source Revenue report shall contain information derived from the audited consolidated financial statements of the DGG for the previous Fiscal Year.
- E.7.3 The Own Source Revenue report shall be provided to Canada together with the audited consolidated financial statements of the DGG, and accompanied by either the auditor's report or the Review Engagement Report, no later than 120 days after the first day of the next Fiscal Year.
- E.7.4 The Own Source Revenue report shall be provided to the GNWT no later than 120 days after the first day of the next Fiscal Year.
- E.7.5 The calculations contained in the Own Source Revenue report shall not prejudice the calculation of the Own Source Revenue Contribution (Federal) or the Grant to the extent there are errors in the Own Source Revenue report.
- E.7.6 The Own Source Revenue report shall be prepared in accordance with Generally Accepted Accounting Principles, except to the extent that any provision of this Schedule prevents strict adherence to Generally Accepted Accounting Principles.
- E.7.7 Within 30 days of receiving the Own Source Revenue report, Canada or the GNWT shall advise the DGG in writing of any errors in the report.
- E.7.8 If Canada or GNWT advises the DGG of an error, the Finance Committee shall discuss and determine what corrections, if any, should be made to the Own Source Revenue report no later than thirty (30) days of receiving written notice. Failing agreement, the matter may be referred to dispute resolution pursuant to s. 45 to 47 of this Agreement.
- E.7.9 Where a dispute pursuant to s. E.7.8 of this Schedule has not been resolved by the Parties by January 1st of a Fiscal Year, Canada shall make Grant instalments to the DGG for the next Fiscal Year in accordance with the Grant Payment Plan for that Fiscal Year pending the resolution of the dispute.
- E.7.10 Notwithstanding s. E.7.8 and E.7.9 of this Schedule, if any Party, at any time during the term of this Agreement discovers an error in an Own Source Revenue report, the Parties shall make reasonable efforts to reach an agreement to correct the error and failing

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DÉLJNĚ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

agreement may refer the matter to dispute resolution pursuant to s. 45 to 47 of this Agreement.

PART E.8 ADMINISTRATION

E.8.1 The Parties will share, in a timely and confidential manner, any information reasonably required for the purposes of the administration of this Schedule.

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**DÉLJNÉ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012**

APPENDIX E-1 – DGG OWN SOURCE REVENUE REPORT FOR THE YEAR ENDED MARCH 31 20XX

Summary

Total Eligible Revenue	a	_____	from Line 13
Total Excluded Revenue	b	_____	from Line 15
Total Own Source Revenue	c	_____	sum of a and b
DGG's Own Source Revenue Contribution (Federal)	d	_____	Line 21
DGG's Own Source Revenue Contribution (Territorial)	e	_____	Line XX

Part 1: DGG Own Source Revenue

	Line Number	Amount	Reference
Federal Tax Revenue			
Tax Agreement A	1a	_____	
Tax Agreement B	1b	_____	
Total Federal Tax Revenue	2	_____	sum of 1a-b
DGG Tax Revenue			
DGG Tax A	3a	_____	
DGG Tax B	3b	_____	
Total Other Tax Revenue	4	_____	sum of 3a-b
Beneficiaries Board Account Revenue			
Transfer from separate account	5a	_____	
Transfer from separate account	5b	_____	
Total Beneficiaries Board Account Revenue	6	_____	sum of lines 5a-b

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DÉLIJNÉ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012

Business Income

Business Activity A	7a	_____
Business Activity B	7b	_____
Business Activity C	7c	_____
Business Activity D	7d	_____

Gains from disposition of capital property for the purpose of generating income from business activities	7e	_____
--	----	-------

Total Business Income	8	_____	sum of lines 7a-e
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Property and Investment Revenue

Distributions received from a corporation, trust and partnership controlled by the DGG	9a	_____
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Revenue from portfolio investment	9b	_____
-----------------------------------	----	-------

Gains from disposition of capital property other than those used for the purpose of producing income from a business	9c	_____
--	----	-------

Rents, leases and levies in relation to interests in DGG capital assets	9d	_____
---	----	-------

Royalties	9e	_____
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Other property revenues (itemize)		
Property A	9f	_____
Property B	9g	_____

Total Property and Investment Revenue	10	_____	Sum of line 9a-g
--	-----------	-------	-------------------------

Fees, Charges, Penalties and Fines Revenue

Fees and charges		
Fees	11a	_____
Licenses	11b	_____
Permits	11c	_____

Interest, fines and penalties related to above	11d	_____
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**DÉLJNÉ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012**

Total Fees, Charges, Penalties and Fine Revenue **12** _____ **Sum of 11 a-d**

Other Revenue

Other revenue (as identified) 13a _____

Other revenue (as identified) 13b _____

Deemed revenues (as identified) 13c _____

Deemed revenues (as identified) 13d _____

Total Other Revenue **14** _____ **Sum of 13a-d**

Territorial Revenue

Territorial Revenue A 15a _____

Territorial Revenue B 15b _____

Total Territorial Revenue **16** _____ **Sum of 15a-b**

Total Eligible Revenue **17** _____ **Sum of lines 2, 4,
6, 8, 10, 12, 14, 16**

Excluded Revenue

Compensation for specific losses or damages to
property or assets other than loss of revenues 18a _____

Proceeds from the sale or expropriation of any portion
of the DGG; 18b _____

Payments received under this Agreement 18c _____

Payments for programs and services, including
projects and initiatives, not included in this
Agreement 18d _____

Gifts and donations 18e _____

Amounts received or earned prior to the
Effective Date 18f _____

Revenue received by the DGG as a Designated
Sahtu Organization on behalf of Participants
who are DFN Citizens and which are to be

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**DÉLJNÉ FINANCING AGREEMENT
FISCAL NEGOTIATORS' FINAL DRAFT– September 12, 2012**

managed by the Beneficiaries Board pursuant to s.3.2.12	18g	_____	
Amounts accrued and interest earned within a Beneficiaries Board Account	18h	_____	
Total Excluded Revenue	19	_____	sum 18a-h
 <u>Part 2: Eligible Revenue (Federal)</u>			
Eligible Revenue (Federal)			
Total Federal Tax Revenue	20	_____	Line 2
Total Shared Revenue	21a	_____	Sum of Lines 4, 6, 8, 10, 12, 14
Percentage of Shared Revenue	21b	_____ %	
Proportion of Total Shared Revenue	22	_____	Line 21a multiplied by Line 21b
Total Eligible Federal Revenue	23	_____	sum 20 and 22

Part 2: Own Source Revenue Contribution (Federal)

	Line Item	Amount	Reference
Eligible Revenue (Federal)	24	_____	Line 23
Less: Basic Exemption	25	(_____)	
Net Eligible Revenue (Federal)	26	_____	Line 24-25
Inclusion Rate (as adjusted for the FY)	27	_____	
Total Own Source Revenue Contribution (Federal)	28	_____	Line 26 multiplied by Line 27

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