

Pehdzeh Ki First Nation

Consolidated Financial Statements

March 31, 2017

Pehdzeh Ki First Nation

Financial Statements

<u>March 31, 2017</u>	<u>Page</u>
Management Responsibility Statement	3
Management Discussion and Analysis	4
Independent Auditors' Report	5-6
Consolidated Statement of Financial Position	7
Consolidated Statement of Operations	8
Consolidated Statement of Changes in Accumulated Surplus	9
Consolidated Statement of Changes in Net Financial Debt	10
Consolidated Statement of Cash Flows	11
Notes to the Consolidated Financial Statements	12 - 30
Schedules to the Consolidated Financial Statements	
Schedule 1 - Others - Revenues and expenditures	31-33
Schedule 2 - INAC - Revenues and expenditures	34
Schedule 3 - Dehcho First Nation - Revenues and expenditures	35
Schedule 4 - GNWT Department of Transportation - Revenues and expenditures	36
Schedule 5 - GNWT Education, Culture and Employment - Revenues and expenditures	37
Schedule 6 - GNWT Environment and Natural Resources - Revenues and expenditures	38
Schedule 7 - GNWT Health and Social Services - Revenues and expenditures	39
Schedule 8 - GNWT Industry, Tourism and Investment - Revenues and expenditures	40
Schedule 9 - GNWT Department of Justice - Revenues and expenditures	41
Schedule 10 - GNWT Municipal and Community Affairs - Revenues and expenditures	42-43
Schedule 11 - GNWT Northwest Territories Housing Corporation - Revenues and expenditures	44
Schedule 12 - MACA Funding	45
Schedule 13 - Reconciliation of Federal Government Funding	46
Schedule 14 - Gas Tax Funding	47
Schedule 15 - Community Public Infrastructure Plan Report	48

Pehdzeh Ki First Nation

Management's Responsibility for Financial Reporting

March 31, 2017

The accompanying consolidated financial statements of Pehdzeh Ki First Nation are the responsibility of management and have been approved by Chief and Council.

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

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

The external auditors, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Pehdzeh Ki First Nation and meet when required.

On behalf of Pehdzeh Ki First Nation:

Chief

Date

Band manager

Date

Management Discussion and Analysis

Financial Position

The First Nation's financial assets increased relative to the prior year with such assets increasing by \$1007,771. The change is mainly due to an increase in deferred revenues of \$843,164 which reflects the accrual of CPI and Gas Tax funding and to the recording of amortization on tangible capital assets of \$490,162 in the current year. Accounts receivable increased \$739,137, again due mainly to the accrual of CPI funding of \$692,000 and Gas Tax funding of \$75,000. Tangible capital assets decreased \$363,265 related to amortization. A total of \$126,798 of new asset purchases were incurred in the year, including a new truck, container, laptop and a boat launch.

Financial liabilities remain greater than financial assets resulting in a net financial debt position for the year of \$353,923. As stated above, accounts receivable increased \$739,137. This was offset by an increase in deferred revenues of \$843,164, loans of \$39,259, and accounts payable and accrued liabilities of \$289,345.

A deficiency of revenues over expenditures of \$476,105 was reported in the current year relative to a deficiency of \$229,172 in 2016. Gross revenues before adjustment for deferrals and repayments decreased \$6,217. Federal and territorial funding decreased \$305,423 due to a smaller number of projects undertaken in the current year. Rental revenue increased \$57,111 due to rentals to various contractors in the current year. Water and sewer fees increased again in 2017 with an increase of \$47,475 (2016 increase - \$72,646) due to increased activity related to the Ledcor fibre optic cable and other major projects requiring increased water deliveries.

Overall, expenses increased \$302,648. Significant among expenses are an increase in bad debts of \$148,833 attributable to cleanup of accounts receivable, an increase in petroleum and oil costs of \$73,960 due to gas provided to spring and winter hunters, and an increase in utilities and telephone costs of \$33,092 due to increased electricity usage at the community centre. On the contrary, amortization decreased by \$55,097. Materials and supplies decreased by \$28,381 due to fewer projects in the current year.

Overall the First Nation's total unrestricted cash position has increased by \$266,108 in the current year (2017 - \$510,452; 2016 - \$244,344). The increase in cash reflects the receipt of loan proceeds of \$73,266 plus the effect of cash flow from operations of \$266,108. This was offset by the purchase of tangible capital assets (\$126,798), repayment of loan obligations (\$34,007) and net advances to subsidiary Pehdzeh KI Contractors Ltd. (\$71,585). The First Nation's restricted cash position of \$1,304,974 is not sufficient to meet its current obligations under Community Public Infrastructure (\$531,841), Gas Tax (\$993,892) and Community Capacity Building (\$113,579). Cash flow from operations increased in the current year to \$282,062 from \$85,279 in 2016. Major components of the increase include an increase of \$289,345 in accounts payable and an increase in deferred revenues net of amounts included in accounts receivable of \$26,181. Reducing cash flow from operations are an increase in the deficiency of revenues over expenditures of \$476,105 and an increase in prepaid expenses and deposits of \$44,879.

Band Manager
September 20, 2017



Independent Auditors' Report

To the Members of Pehdzech Ki First Nation

We have audited the accompanying consolidated financial statements of Pehdzech Ki First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations, accumulated surplus, change in net debt, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

Pehdzeh Ki First Nation owns a 100% interest in Pehdzeh Ki Contractors Ltd, Petanea Corporation and Pehdzeh Ki Development Corporation. We were unable to obtain sufficient appropriate audit evidence about equity adjustments recorded in the current year because the financial statements of these companies are not available as they are either inactive or the financial statements are not yet completed. As such, we were unable to determine if further adjustments were necessary to the investments in government business enterprises, earnings from government business enterprises, deficiency of revenues over expenditures and changes in net debt.

Pehdzeh Ki First Nation derives a material amount of revenue from donations and fundraising activities. We were not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for accounts receivable, donation and fundraising revenue, revenue in excess of expenditure and changes to net assets because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

The First Nation operates a landfill. Under Canadian public sector accounting standards reporting requirements, the First Nation must estimate the closure and post-closure costs associated with the remediation of the landfill. The First Nation has not recorded an estimate of these costs due to uncertainty as to ultimate responsibility for the liability. Due to the complexity of such an estimate, we are not able to satisfy ourselves as to an appropriate value by any other means. Accordingly, we were unable to determine if adjustments may be necessary for liabilities associated with the landfill.

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2017 and the results of its operations, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Yellowknife, Canada
September 20, 2017

Crowe MacKay LLP
Chartered Professional Accountants

Pehdzeh Ki First Nation**Consolidated Statement of Financial Position**

<u>As at March 31</u>	<u>2017</u>	<u>2016</u>
Financial Assets		
Cash (Note 4)	\$ 510,452	\$ 244,344
Restricted cash (Note 5)	1,304,974	1,302,448
Accounts receivable (Note 6)	4,590,629	3,851,492
Investments in government business enterprises (Note 7)	267,389	267,389
	<hr/>	<hr/>
	6,673,444	5,665,673
Liabilities		
Accounts payable and accrued liabilities (Note 8)	828,847	539,502
Deferred revenue (Note 9)	5,946,536	5,103,372
Contributions repayable (Note 10)	18,215	24,493
Loan payable (Note 11)	233,769	194,510
	<hr/>	<hr/>
	7,027,367	5,861,877
Net debt	(353,923)	(196,204)
Non-financial Assets		
Tangible capital assets (Note 12)	5,720,402	6,083,667
Prepaid expenses and deposits	44,879	-
	<hr/>	<hr/>
	5,765,281	6,083,667
Accumulated Surplus	\$ 5,411,358	\$ 5,887,463

Approved on behalf of the Pehdzeh Ki First Nation

_____, Chief

_____, Band manager

The accompanying notes are an integral part of the financial statements

Pehdzeh Ki First Nation

Consolidated Statement of Operations

For the year ended March 31	2017	2016
Revenue		
Federal Government Transfers	\$ 204,697	\$ 244,039
Government of the Northwest Territories	2,320,388	2,656,469
Rental income	66,261	9,150
Water and sewage fees	348,086	300,611
NWT Housing Corporation	-	10,000
Interest revenue	2,526	1,305
Donations	120,600	36,835
Dehcho First Nation	207,613	44,296
Other revenues	173,716	147,399
Contributions refundable	(12,764)	-
Deferred revenue	(843,164)	(869,346)
	2,587,959	2,580,758
Expenses		
Band Government	2,564,215	2,302,287
Community Services	422,029	217,672
Economic Development	91,155	204,827
Education	27,692	36,078
Health	147,313	188,935
Social Services	10,043	10,000
	3,262,447	2,959,799
Deficiency of revenue over expenses before other items	(674,488)	(379,041)
Other items		
Tangible capital asset purchases (Contra)	126,798	78,885
Equity earnings (loss) from investments in government business enterprises	(1,248,521)	871,674
Recovery (writedown) of investments in government business enterprises	1,320,106	(782,511)
Loss on disposal of tangible capital assets	-	(18,179)
	198,383	149,869
Deficiency of revenue over expenses	\$ (476,105)	\$ (229,172)

The accompanying notes are an integral part of the financial statements

Pehdzeh Ki First Nation

Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31,				2017	2016
	General Operating	Water and Sewer	Equity in Tangible Capital Assets		
Excess (deficiency) of revenue over expenses	\$ (489,597)	\$ 13,492	\$ -	\$ (476,105)	\$ (229,172)
Net interfund transfers					
Amortization	364,946	125,117	(490,063)	-	-
Acquisition of tangible capital assets	(126,798)	-	126,798	-	-
Loan proceeds	73,266		(73,266)		
Loan repayments	(34,007)	-	34,007	-	-
Changes in fund balances	(212,190)	138,609	(402,524)	(476,105)	(229,172)
Opening accumulated surplus	(611,447)	609,753	5,889,157	5,887,463	6,116,635
Accumulated surplus, end of year	\$ (823,637)	\$ 748,362	\$ 5,486,633	\$ 5,411,358	\$ 5,887,463

The accompanying notes are an integral part of the financial statements

Pehdzeh Ki First Nation**Consolidated Statement of Changes in Net Financial Debt**

For the year ended March 31	2017	2016
Deficiency of revenue over expenses	\$ (476,105)	\$ (229,172)
Acquisition of tangible capital assets	(126,798)	(78,885)
Amortization of tangible capital assets	490,063	545,160
Loss (gain) on disposal of tangible capital assets	-	18,179
	(112,840)	255,282
Acquisition of prepaid asset	(44,879)	-
Increase (decrease) in net financial assets	(157,719)	255,282
Net debt, beginning of year	(196,204)	(451,486)
Net debt, end of year	\$ (353,923)	\$ (196,204)

The accompanying notes are an integral part of the financial statements

Pehdzeh Ki First Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2017	2017	2016
Cash flows from Operating activities		
Deficiency of revenue over expenses	\$ (476,105)	\$ (229,172)
Items not affecting cash		
Amortization	490,063	545,160
Loss on disposal of tangible capital assets	-	18,179
Equity earnings	1,248,521	(871,674)
Writtenown (recovery) of investments in government business enterprises	(1,320,106)	782,511
	(57,627)	245,004
Change in non-cash operating working capital		
Accounts receivable	(739,137)	(1,058,386)
Prepaid expenses and deposits	(44,879)	-
Accounts payable and accrued liabilities	289,345	23,611
Deferred revenue	843,164	869,345
Contributions repayable	(6,278)	6,113
	284,588	85,687
Capital activities		
Acquisition of tangible capital assets	(126,798)	(78,885)
Financing activities		
Proceeds from loans	73,266	-
Repayment of loans	(34,007)	(27,579)
	39,259	(27,579)
Investing activities		
Advances from (to) government business enterprises	71,585	(14,703)
Change in restricted cash	(2,526)	(408)
	69,059	(15,111)
Increase (decrease) in cash	266,108	(35,888)
Cash, beginning of year	244,344	280,232
Cash, end of year	\$ 510,452	\$ 244,344

The accompanying notes are an integral part of the financial statements

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

1. Nature of Operations

The Pehdzeh Ki First Nation (the "First Nation") is established pursuant to the *Indian Act of Canada*. The First Nation Chief and Council administers the affairs of the First Nation. The First Nation is classified as an Indian Band which is a non-taxable entity under section 149(1)(c) of the Income Tax Act. Operating activities of the First Nation include the administration and delivery of services to the community of Wrigley, Northwest Territories.

2. Basis of Presentation and Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Basis of accounting

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

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

(b) Reporting entity

These financial statements reflect the assets, liabilities, revenues and expenditures, changes in net financial debt and change in financial position of the reporting entity. This entity is comprised of the operations plus all of the organizations that are owned or controlled by the First Nation and are, therefore, accountable to Chief and Council for the administration of their financial affairs and resources. The First Nation owns 100% of the issued and outstanding shares of Pehdzeh Ki Contractors Ltd, Petanea Corporation and Pehdzeh Ki Development Corporation. In addition, the First Nation has a 14% interest in Dehcho Helicopters Regional Limited Partnership.

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

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

(c) Revenue recognition

Government Transfers

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

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

Government transfers are recognized as revenues when the transfer is authorized and any eligible criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

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

Contributions

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

Other sources of revenues

Administration fee revenue is recognized when the services have been performed and collection is reasonably assured. Certain contributions and government transfers for projects allow for administration fee expenses which are charged to the project when incurred and a corresponding administration fee revenue is recognized.

Municipal services include water and sewer fees and are recognized when the services are provided and collection is reasonably assured.

Other income which includes donations, rental, and other funding are recognized when received or receivable and collection is reasonably assured.

Transfers are internal reallocations of project funds received or receivable to other eligible projects as specified in the funding agreement.

Interest income is recognized as it is earned.

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

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

(d) Contributions refundable

Contributions refundable consist of unspent deposits received for which deferment to future periods is not allowed under the terms of the contribution agreement.

(e) Deferred revenue

Deferred revenue consists of non-refundable deposits which will be used up by the First Nation following the year end. Funding received for restricted purposes that has not been expended is required to be deferred. Where the commitments of the First Nation under the funding agreement have been met, any remaining balance will be recognized in income in the period the related expenses are incurred.

(f) Net financial debt

The First Nation's financial statements are presented so as to highlight net financial debt as the measurement of financial position. The net financial debt of the First Nation is determined by its liabilities less its financial assets.

(g) Principles of consolidation

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

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

Organizations accounted for on a modified equity basis include:

1. Pehdzeh Ki Contractors Ltd. (wholly owned subsidiary)
2. Petanea Corporation (wholly owned subsidiary)
3. Pehdzeh Ki Development Corporation. (wholly owned subsidiary)

Organizations account for on a cost basis include:

4. Deh Cho Helicopters Regional Limited Partnership

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

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

(h) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Pehdzeh Ki First Nation's incremental cost of borrowing.

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

Buildings	4 - 10% Declining balance
Computers	55% Declining balance
Machinery and equipment	30% Declining balance
Vehicles	30% Declining balance
Water treatment plant	5 - 10% Declining balance

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to Pehdzeh Ki First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

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

(i) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services that may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible assets and prepaid expenses.

(j) Cash and cash equivalents

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

(k) Segment disclosures

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

- 1) Band Government which provides internal support to the Council and other departments that provide direct services to band members;
- 2) Community services which provides programs of interest to various interest groups within the community.
- 3) Economic Development which provides support and programs to the community to foster job creation and economic growth;
- 4) Education which provides educational services and programs to the community;
- 5) Health which provides health services and related programs to the community;
- 6) Social Services which provides support services and programs to the community to assist in promoting community justice and to reduce or prevent issues of public concern such as crime, drug and alcohol abuse.

(l) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Pehdzech Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

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

(m) Sewage lagoon and solid waste landfill closure and post closure liabilities

The First Nation operates a sewage lagoon and a solid waste landfill site but their ownership has not been clarified with the Government of Northwest Territories. Site closure and post closure costs are recognized in full when information is available to estimate the liabilities for these facilities. To date the First Nation does not have complete information required to estimate the existing closure costs, if any. As a result, the assets and related closure and post closure liabilities for these facilities are not recorded in the consolidated financial statements.

(n) Liability for contaminated sites

The First Nation is still assessing the impact and adoption of PSAS Section PS3260 - Liability for contaminated sites. The First Nation will adopt the accounting standard once the responsibility and obligation for remediation of contaminated sites has been clarified with the Government of Northwest Territories.

An obligation for remediation is recognized as a liability when all criteria below are satisfied:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the First Nation:
 - i) is directly responsible; or
 - ii) accepts responsibility;
- d) it is expected that the future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

As of March 31, 2017 it is not determinable whether a liability exists and thus none was recognized.

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

3. Future Accounting Changes

Related party disclosures, Section PS 2200

PSAB approved Section PS 2200, Related Party Disclosures. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed.

The impact of the transition to this accounting standard has not yet been determined.

Assets, Section PS 3210

PSAB approved Section PS 3210, Assets. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section provides guidance on how to apply the definition of assets as set out in Section PS 1000, and establishes standards for disclosure of assets except certain specific types of assets, which are dealt with in other Sections.

The impact of the transition to this accounting standard has not yet been determined.

Contingent Assets, Section PS 3320

PSAB approved Section PS 3320, Contingent Assets. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines and establishes standards for disclosure of contingent assets except certain specific types of contingent assets.

The impact of the transition to this accounting standard has not yet been determined.

Contractual Rights, Section PS 3380

PSAB approved Section PS 3380, Contractual Rights. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines and establishes standards for disclosure of rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future except certain specific types of contractual rights.

The impact of the transition to this accounting standard has not yet been determined

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

3. Future accounting changes (continued)

Inter-entity Transactions, Section PS 3420

PSAB approved Section PS 3420, Inter-entity Transactions. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section PS 2200.

The impact of the transition to this accounting standard has not yet been determined

Restructuring Transactions, Section PS 3430

PSAB approved Section PS 3430, Restructuring Transactions. This Section is effective for fiscal periods beginning on or after April 1, 2018. Earlier adoption is permitted. This Section establishes standards on how to account for and report restructuring transactions such as but not limited to amalgamations of entities or operations within the government entity, amalgamation of local governments, and shared service arrangements entered into by local governments in a region, by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

The impact of the transition to this accounting standard has not yet been determined.

4. Cash

	2017	2016
Canadian Imperial Bank of Commerce (CIBC)	\$ 508,452	\$ 243,603
Cash on hand	2,000	741
	<hr/> \$ 510,452	<hr/> \$ 244,344

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

5. Restricted deposits

	2017 Restricted Deposits	2017 Required Balance	2017 Excess (Deficiency)
Gas Tax Funding (CIBC)	\$ 813,827	\$ 993,892	\$ (180,065)
Community Public Infrastructure (CIBC)	491,147	531,841	(40,694)
Community Capacity Building	-	113,579	(113,579)
	\$ 1,304,974	\$ 1,639,312	\$ (334,338)

The required balance disclosures above are net of accounts receivable totaling \$4,045,771 (CPI - \$3,460,000; Gas Tax - \$585,771). Sufficient funds must be deposited in separate bank accounts for the Community Public Infrastructure and Gas Tax funds. Interest earned on these accounts is credited to the appropriate restricted deposits. At March 31, 2017, the First Nation is not in compliance with the Government of the Northwest Territories, Department of Municipal and Community Affairs' policies and guidelines.

6. Accounts Receivable

	2017 Gross	2017 Allowance	2017 Net	2016
Trade accounts receivable	\$ 344,776	\$ (197,172)	\$ 147,604	\$ 201,544
Government of Canada	127,841	(12,232)	115,609	97,030
Government of the Northwest Territories	4,229,984	(96,063)	4,133,921	3,447,920
Dehcho First Nations	52,333	-	52,333	5
Goods and services tax recoverable	141,162	-	141,162	104,993
	\$ 4,896,096	\$ (305,467)	\$ 4,590,629	\$ 3,851,492

Government of the Northwest Territories amounts included in the allowance for doubtful accounts represent amounts that have been outstanding for more than two years and are no longer considered receivable.

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

7. Investments in government business enterprises

	2017	2016
Deh Cho Helicopters Regional Limited Partnership		
Limited Partnership Units (14.28% ownership)	\$ 50,000	\$ 50,000
Share of equity in retained earnings since date of acquisition	<u>217,089</u>	<u>217,089</u>
	<u>267,089</u>	<u>267,089</u>
Pehdzeh Ki Contractors Ltd.		
Share Capital (100% ownership)	100	100
Due from Pehdzeh Ki Contractors Ltd.	60,104	131,689
Valuation allowance	(522,211)	(1,842,317)
Accumulated earnings	<u>462,107</u>	<u>1,710,628</u>
	<u>100</u>	<u>100</u>
Petanea Corporation		
Share capital (100% ownership)	<u>100</u>	<u>100</u>
Pehdzeh Ki Development Corporation		
Share capital (100% ownership)	<u>100</u>	<u>100</u>
	<u>\$ 267,389</u>	<u>\$ 267,389</u>

The First Nation resolved to write-down the value of its investment in Pehdzeh Ki Contractors Ltd. to a nominal value based on estimated recoverable amounts.

During the prior year, the First Nation incorporated Petanea Corporation and Pehdzeh Ki Development Corporation. Both corporations were inactive during the current and prior fiscal years.

8. Accounts payable and accrued liabilities

	2017	2016
Trade accounts payable	\$ 253,778	\$ 115,571
Accrued liabilities	165,169	63,078
Employee remittances payable	380,806	280,673
Vacation payable	4,057	52,110
Government of Northwest Territories	<u>25,037</u>	<u>28,070</u>
	<u>\$ 828,847</u>	<u>\$ 539,502</u>

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

9. Deferred revenue

	March 31, 2016	Funding recognized, 2016	Revenue deferred, 2017	March 31, 2017
Government of the Northwest Territories				
Health and Social Services -				
Community Wellness	\$ 57,053	\$ -	\$ 13,413	\$ 70,466
Community Public Infrastructure	3,404,598	(38,527)	692,930	4,059,001
Gas Tax	1,503,067	-	76,596	1,579,663
Community Capacity Building	113,579	-	-	113,579
Other Programs				
New Horizon for Seniors	25,075	-	-	25,075
Agreement-in-Principal Negotiations	-	-	98,752	98,752
	\$ 5,103,372	\$ (38,527)	\$ 881,691	\$ 5,946,536

The First Nation does not have sufficient cash nor investments as per Note 5 to cover their deferred revenue obligations (net of accounts receivables).

10. Contributions repayable

	2017	2016
Government of Northwest Territories		
Department of Transportation	\$ 2,274	\$ -
Environment and Natural Resources	8,605	-
Industry, Tourism and Investment	520	-
Justice	-	20,775
Dehcho First Nation		
Language	1,900	1,900
Literacy	1,818	1,818
Municipal and Community Affairs		
Youth Resiliency	200	-
Recreation	2,898	-
	\$ 18,215	\$ 24,493

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

11. Loans payable

	2017	2016
Arctic Canada Cooperatives Ltd. demand loan, was due in full on July 14, 2011 without interest, secured by Co-op store and hotel (net book value - \$nil).	\$ 97,500	\$ 97,500
Ford Credit Canada Ltd. demand loan, due September 1, 2018, payable in blended monthly payments of \$1,332 bearing interest at 6.19% per annum, secured by Ford F250 truck (net book value - \$20,955).	24,036	38,056
Ford Credit Canada Ltd. demand loan, due February 15, 2020, payable in blended monthly payments of \$607 bearing interest at 4.4% per annum, secured by Ford F150 truck (net book value - \$15,914).	20,264	26,504
Ford Credit Canada Ltd. demand loan, due March 15, 2020, payable in blended monthly payments of \$743 bearing interest at 4.4% per annum, secured by Ford F150 truck (net book value - \$19,487).	24,808	32,450
Ford Credit Canada Ltd. demand loan, due October 19, 2021, payable in monthly payments of \$1,221, without interest, secured by Ford F250 truck (net book value - \$62,276).	67,161	-
<u>Less current portion</u>	<u>233,769</u>	<u>194,510</u>
	<u>141,573</u>	<u>-</u>
	<u>\$ 92,196</u>	<u>\$ 194,510</u>

Principal portion of long-term debt due within the next five years:

2018	\$ 141,573	
2019	38,932	
2020	30,062	
2021	14,653	
2022 and thereafter	8,549	
	<u>\$ 233,769</u>	
	<hr/>	
	2017	2016
<u>Interest expense for the year on long-term debt</u>	<u>\$ 4,279</u>	<u>\$ 5,118</u>

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

12. Tangible Capital Assets

	Balance, beginning of year	Cost			Accumulated amortization			2017 net book value
		Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	on disposals	
Buildings	\$ 6,293,994	\$ 45,500	\$ -	\$ 6,339,494	\$ 2,156,431	\$ 237,927	\$ -	\$ 2,394,358 \$ 3,945,136
Computer equipment	37,380	2,832	-	40,212	10,129	21,338	-	31,467 8,745
Machinery & Equipment	1,272,480	5,200	-	1,277,680	1,094,606	35,283	-	1,129,889 147,791
Vehicle	1,526,014	73,266	-	1,599,280	1,201,310	124,001	-	1,325,311 273,969
Water and Waste	1,929,250	-	-	1,929,250	512,975	71,514	-	584,489 1,344,761
	\$ 11,059,118	\$ 126,798	\$ -	\$ 11,185,916	\$ 4,975,451	\$ 490,063	\$ -	\$ 5,465,514 \$ 5,720,402

	Balance, beginning of year	Cost			Accumulated amortization			2016 Net book value
		Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	on disposals	
Buildings	\$ 6,293,994	\$ -	\$ -	\$ 6,293,994	\$ 1,903,250	\$ 253,181	\$ -	\$ 2,156,431 \$ 4,137,563
Computer equipment	24,407	37,380	(24,407)	37,380	21,455	10,129	(21,455)	10,129 27,251
Machinery & Equipment	1,243,534	41,505	(12,559)	1,272,480	1,054,833	45,046	(5,273)	1,094,606 177,874
Vehicle	1,553,252	-	(27,238)	1,526,014	1,059,162	161,445	(19,297)	1,201,310 324,704
Water and Waste	1,929,250	-	-	1,929,250	437,616	75,359	-	512,975 1,416,275
	\$ 11,044,437	\$ 78,885	\$ (64,204)	\$ 11,059,118	\$ 4,476,316	\$ 545,160	\$ (46,025)	\$ 4,975,451 \$ 6,083,667

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

13. Government Transfers

	2017		
	Operating	Capital	Total
Federal government transfers			
Indigenous and Northern Affairs Canada	\$ 204,697	\$ -	\$ 204,697
Territorial government transfers			
GNWT MACA - Community Public Infrastructure	-	692,000	692,000
GNWT MACA - Gas Tax	-	75,000	75,000
GNWT MACA - Operations and maintenance	654,000	-	654,000
GNWT MACA - Water and sewage	438,000	-	438,000
GNWT MACA - Other	47,635	-	47,635
GNWT Health and Social Services	171,344	-	171,344
GNWT Education, Culture and Employment	47,100	-	47,100
GNWT Environment and Natural Resources	90,312	-	90,312
GNWT Industry Tourism and Investment	9,524	-	9,524
GNWT Department of Justice	40,863	-	40,863
GNWT Department of Transportation	48,775	-	48,775
GNWT Other	5,835	-	5,835
	\$ 1,758,085	\$ 767,000	\$ 2,525,085
	2016		
	Operating	Capital	Total
Federal government transfers			
Indigenous and Northern Affairs Canada	\$ 244,039	\$ -	\$ 244,039
Territorial government transfers			
GNWT MACA - Community Public Infrastructure	-	692,000	692,000
GNWT MACA - Gas Tax	-	170,257	170,257
GNWT MACA - Operations and maintenance	654,000	-	654,000
GNWT MACA - Water and sewage	408,000	-	408,000
GNWT MACA - Utility costs	149,000	-	149,000
GNWT MACA - Insurance	47,000	-	47,000
GNWT MACA - Mobile equipment	29,000	-	29,000
GNWT MACA - Other	41,921	-	41,921
GNWT Health and Social Services	227,107	-	227,107
GNWT Education, Culture and Employment	49,900	-	49,900
GNWT Environment and Natural Resources	96,094	-	96,094
GNWT Industry, Tourism and Investment	21,315	-	21,315
GNWT Department of Justice	20,775	-	20,775
GNWT Other	48,918	-	48,918
GNWT MACA - Other	1,182	-	1,182
	\$ 2,038,251	\$ 862,257	\$ 2,900,508

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

14. Budget Figures

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

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

15. Economic Dependence

Pehdzeh Ki First Nation is dependent on Indigenous and Northern Affairs Canada (INAC) and the Government of the Northwest Territories (GNWT) for funding. Management is of the opinion that operations would be significantly disrupted if the funding was discontinued. Management expects the funding to be continued.

16. Comparative Amounts

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current period.

Pehdzeh Ki First Nation**Notes to Consolidated Financial Statements**

March 31, 2017

17. Expenses by Object

For the year ended March 31	2017	2016
Advertising	\$ 2,065	\$ 2,229
Amortization	490,063	545,160
Bad debts	162,902	14,069
Equipment purchases and rental	141,540	86,300
Grants and contributions	4,210	15,400
Insurance	92,041	103,030
Interest and bank charges	3,556	6,593
Interest on long-term debt	4,279	3,255
Materials and supplies	249,994	276,625
Medical and funeral expenses	13,926	15,497
Office and administrative expenses	81,610	87,345
Petroleum and oil	193,514	119,554
Professional fees	85,611	70,486
Program entertainment and prizes	63,130	12,872
Rent	3,600	200
Repairs and maintenance	10,431	2,227
Return of surplus	6,103	12,543
Travel	127,134	105,321
Utilities and telephone	268,865	235,773
Vehicle	14,184	24,641
Wages, honoraria and benefits	1,243,689	1,203,803
Writtenown of uncollectible GST	-	16,876
	\$ 3,262,447	\$ 2,959,799

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

18. Segmented information

	Band Government		Community Services		Economic Development	
	2017 Actual	2016 Actual	2017 Actual	2016 Actual	2017 Actual	2016 Actual
Revenues						
Indigenous and Northern Affairs Canada	\$ 146,509	\$ 153,043	\$ 20,100	\$ -	\$ 38,088	\$ 90,996
Government of the Northwest Territories	1,937,041	2,175,208	201,977	160,102	4,456	68,142
Donations	11,500	16,635	109,100	20,200	-	-
Water and sewage fees	348,086	300,611	-	-	-	-
Dehcho First Nation	150,600	-	-	-	47,013	44,296
Deferred revenue transfers	(829,751)	(863,702)	-	-	-	-
Other revenue	210,056	106,397	9,483	39,208	-	-
Total revenue	1,974,041	1,888,192	340,660	219,510	89,557	203,434
Expenses						
Wages, honoraria, and benefits	924,464	878,269	189,632	107,705	28,431	89,227
Amortization	490,063	545,160	-	-	-	-
Materials and supplies	128,814	141,188	51,944	58,075	38,088	25,118
Utilities and telephone	265,485	229,151	3,380	6,621	-	-
Petroleum and oil	136,194	94,704	30,465	9,902	11,029	5,025
Insurance	92,041	103,030	-	-	-	-
Travel	88,400	65,569	14,134	12,247	627	2,332
Professional fees	85,294	67,086	200	1,400	117	2,000
Other expenses	353,460	178,130	132,274	21,722	12,863	81,125
Total expenses	2,564,215	2,302,287	422,029	217,672	91,155	204,827
Other income	(590,174)	(414,095)	(81,369)	1,838	(1,598)	(1,393)
Annual surplus (deficit)	\$ (437,291)	\$ (339,214)	\$ (35,869)	\$ 1,838	\$ (1,598)	\$ 73,595

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

18. Segmented information, continued

	Education		Health		Social Services	
	2017 Actual	2016 Actual	2017 Actual	2016 Actual	2017 Actual	2016 Actual
Revenues						
Government of the Northwest Territories	\$ 21,700	\$ 25,910	\$ 155,214	\$ 227,107	\$ -	\$ -
Dehcho First Nation	-	-	10,000	-	-	-
Deferred revenue transfers	-	-	(13,413)	(5,643)	-	-
Other revenue	-	11,298	200	950	10,000	10,000
Total revenue	21,700	37,208	152,001	222,414	10,000	10,000
Expenses						
Wages, honoraria, and benefits	24,022	27,668	75,997	100,934	1,143	-
Materials and supplies	1,772	7,807	20,837	34,437	8,539	10,000
Petroleum and oil	-	-	15,465	9,923	361	-
Travel	-	-	23,972	25,172	-	-
Other expenses	1,898	603	11,042	18,469	-	-
Total expenses	27,692	36,078	147,313	188,935	10,043	10,000
Other income	(5,992)	1,130	4,688	33,479	(43)	-
Annual surplus (deficit)	\$ (5,992)	\$ 1,130	\$ 4,688	\$ 33,479	\$ (43)	\$ -

Pehdzeh Ki First Nation

Notes to Consolidated Financial Statements

March 31, 2017

18. Segmented information, continued

	Consolidated totals	
	2017 Actual	2016 Actual
Revenues		
Indigenous and Northern Affairs Canada	\$ 204,697	\$ 244,039
Government of the Northwest Territories	2,320,388	2,656,469
Donations	120,600	36,835
Water and sewage fees	348,086	300,611
Dehcho First Nation	207,613	44,296
Deferred revenue transfers	(843,164)	(869,345)
Other revenue	229,739	167,853
Total revenue	2,587,959	2,580,758
Expenses		
Wages, honoraria, and benefits	1,243,689	1,203,803
Amortization	490,063	545,160
Materials and supplies	249,994	276,625
Utilities and telephone	268,865	235,772
Petroleum and oil	193,514	119,554
Insurance	92,041	103,030
Travel	127,133	105,320
Professional fees	85,611	70,486
Other expenses	511,537	300,049
Total expenses	3,262,447	2,959,799
Other income	(674,488)	(379,041)
Annual surplus (deficit)	\$ (476,105)\$	(229,172)

Schedule 1

Pehdzeh Ki First Nation

Others - Revenues and expenditures

For the year ended March 31,

	General Fund	Youth Canteen	Moccasin Spring Festival	Annual gathering	Annual handgames
Revenues					
Dehcho First Nation	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	3,000	-	10,000	-	86,600
Government of the Northwest Territories	30,680	-	-	-	-
Interest revenue	-	-	-	-	-
Other revenues	95,122	1,227	-	-	9,926
Rental Income	66,261	-	-	-	-
Total Revenues	195,063	1,227	10,000	-	96,526
Expenditures					
Advertising	676	-	-	-	-
Bad debts	162,902	-	-	-	-
Equipment purchases and rental	2,144	-	-	1,050	1,050
Grants and contributions	1,000	-	-	-	-
Insurance	3,176	-	-	-	-
Interest and bank charges	3,156	-	-	-	-
Interest on long-term debt	4,279	-	-	-	-
Materials and supplies	20,337	481	4,700	-	21,494
Medical and funeral expenses	645	-	-	-	-
Office and administrative expenses	22,458	949	-	4,334	13,060
Professional fees	24,736	-	-	-	-
Program entertainment and prizes	2,960	-	-	-	50,000
Repairs and maintenance	-	-	-	-	-
Return of surplus	6,103	-	-	-	-
Travel	16,633	-	4,354	-	5,605
Utilities and telephone	4,197	-	-	-	200
Vehicle	3,714	-	500	-	8,760
Wages, honoraria, and benefits	(33,905)	-	-	11,423	33,141
Writedown of uncollectible GST	-	-	-	-	-
Total Expenditures	245,211	1,430	9,554	16,807	133,310
Excess operating revenues	(50,148)	(203)	446	(16,807)	(36,784)
Other revenues (expenditures)					
Earnings from subsidiary operations	(1,248,521)	-	-	-	-
Writedown of investments in subsidiaries	1,320,106	-	-	-	-
Tangible capital asset purchases (Contra)	-	-	-	-	-
Gain (Loss) on disposal of assets	-	-	-	-	-
Total Other revenues (expenditures)	71,585	-	-	-	-
Excess annual revenues (expenditures)	\$ 21,437	\$ (203)	\$ 446	\$ (16,807)	\$ (36,784)

Schedule 1

Pehdzeh Ki First Nation

Others - Revenues and expenditures

For the year ended March 31,

	Anti-Poverty Program	Store - Ice Road Shoppers	Fundraising	Dream catchers conference 2016
Revenues				
Dehcho First Nation	\$ 10,000	\$ -	\$ -	\$ -
Donations	-	-	12,500	8,500
Government of the Northwest Territories	-	-	-	-
Interest revenue	-	-	-	-
Other revenues	-	42,126	11,545	-
Rental Income	-	-	-	-
Total Revenues	10,000	42,126	24,045	8,500
Expenditures				
Advertising	-	-	-	-
Bad debts	-	-	-	-
Equipment purchases and rental	-	-	-	-
Grants and contributions	-	-	-	-
Insurance	-	-	-	-
Interest and bank charges	-	10	-	-
Interest on long-term debt	-	-	-	-
Materials and supplies	4,981	45,629	10,354	-
Medical and funeral expenses	-	-	-	-
Office and administrative expenses	-	1,239	4,244	2,549
Professional fees	-	-	-	-
Program entertainment and prizes	-	-	8,170	-
Repairs and maintenance	-	-	-	-
Return of surplus	-	-	-	-
Travel	364	20,206	143	6,049
Utilities and telephone	-	-	-	-
Vehicle	281	2,256	1,400	-
Wages, honoraria, and benefits	3,513	6,496	75	-
Writedown of uncollectible GST	-	-	-	-
Total Expenditures	9,139	75,836	24,386	8,598
Excess operating revenues	861	(33,710)	(341)	(98)
Other revenues (expenditures)				
Earnings from subsidiary operations	-	-	-	-
Writedown of investments in subsidiaries	-	-	-	-
Tangible capital asset purchases (Contra)	-	-	-	-
Gain (Loss) on disposal of assets	-	-	-	-
Total Other revenues (expenditures)	-	-	-	-
Excess annual revenues (expenditures)	\$ 861	\$ (33,710)	\$ (341)	\$ (98)

Schedule 1

Pehdzeh Ki First Nation

Others - Revenues and expenditures

For the year ended March 31,	2017	2016
	GNWT Get Active	Actual Total
Revenues		
Dehcho First Nation	\$ -	\$ 10,000
Donations	- -	120,600
Government of the Northwest Territories	- -	30,680
Interest revenue	- -	(141)
Other revenues	200	160,146
Rental Income	- -	66,261
Total Revenues	200	387,687
		179,649
Expenditures		
Advertising	- -	676
Bad debts	- -	162,902
Equipment purchases and rental	- -	4,244
Grants and contributions	- -	1,000
Insurance	- -	3,176
Interest and bank charges	- -	3,166
Interest on long-term debt	- -	4,279
Materials and supplies	- -	107,976
Medical and funeral expenses	- -	645
Office and administrative expenses	398	49,231
Professional fees	- -	24,736
Program entertainment and prizes	- -	61,130
Repairs and maintenance	- -	-
Return of surplus	- -	6,103
Travel	- -	53,354
Utilities and telephone	- -	4,397
Vehicle	- -	16,911
Wages, honoraria, and benefits	- -	20,743
Writedown of uncollectible GST	- -	16,876
Total Expenditures	398	524,669
		302,523
Excess operating revenues	(198)	(136,982)
		(122,874)
Other revenues (expenditures)		
Earnings from subsidiary operations	- -	(1,248,521)
Writedown of investments in subsidiaries	- -	1,320,106
Tangible capital asset purchases (Contra)	- -	-
Gain (Loss) on disposal of assets	- -	3,897
		(18,179)
Total Other revenues (expenditures)	-	71,585
		74,881
Excess annual revenues (expenditures)	\$ (198)	\$ (65,397)
		\$ (47,993)

Schedule 2

Pehdzeh Ki First Nation

INAC - Revenues and expenditures

For the year ended March 31,				2017	2016
	Core Band Support	Youth Employment Strategy	Basic Administration	Actual Total	Actual Total
Revenues					
Indigenous and Northern Affairs Canada	\$ 146,509	\$ 20,100	\$ 38,088	\$ 204,697	\$ 244,040
Other revenues	2,794	-	-	2,794	2,143
Total Revenues	149,303	20,100	38,088	207,491	246,183
Expenditures					
Advertising	840	-	-	840	-
Equipment purchases and rental	-	-	-	-	60,061
Insurance	62,128	-	-	62,128	75,534
Materials and supplies	2,161	-	38,088	40,249	19,194
Medical and funeral expenses	-	-	-	-	4,300
Office and administrative expenses	872	(493)	-	379	1,983
Professional fees	7,046	-	-	7,046	6,111
Program entertainment and prizes	-	-	-	-	6,163
Return of surplus	-	-	-	-	3,057
Travel	14,087	-	-	14,087	19,806
Vehicle	872	24	-	896	957
Wages, honoraria, and benefits	90,406	27,174	-	117,580	83,948
Total Expenditures	178,412	26,705	38,088	243,205	281,114
Excess operating revenues	(29,109)	(6,605)	-	(35,714)	(34,931)
Other revenues (expenditures)					
Tangible capital asset purchases (Contra)	-	-	-	-	74,989
Excess annual revenues (expenditures)	\$ (29,109)	\$ (6,605)	\$ -	\$ (35,714)	\$ 40,058

Schedule 3

Pehdzeh Ki First Nation

Dehcho First Nation - Revenues and expenditures

For the year ended March 31,				2017	2016
	AAROM	Language	AIP Process Negotiations	Actual Total	Actual Total
Revenues					
Dehcho First Nation	\$ 31,589	\$ 15,424	\$ 150,600	\$ 197,613	\$ 44,296
Deferred revenue transfers	- -	- -	(98,752)	(98,752)	-
Total Revenues	31,589	15,424	51,848	98,861	44,296
Expenditures					
Equipment purchases and rental	3,700	4,097	- -	7,797	2,125
Grants and contributions	- -	- -	2,910	2,910	-
Materials and supplies	- -	- -	1,237	1,237	3,089
Office and administrative expenses	(100)	162	14,860	14,922	926
Professional fees	- -	117	- -	117	-
Rent	600	- -	- -	600	-
Travel	142	- -	6,642	6,784	398
Vehicle	11,029	- -	217	11,246	3,578
Wages, honoraria, and benefits	16,483	11,048	25,982	53,513	34,180
Total Expenditures	31,854	15,424	51,848	99,126	44,296
Excess annual revenues (expenditures)	\$ (265)	\$ -	\$ -	\$ (265)	\$ -

Schedule 4

Pehdzeh Ki First Nation

GNWT Department of Transportation - Revenues and expenditures

For the year ended March 31,		2017	2016
	Boat Launch	Actual Total	Actual Total
Revenues			
Government of the Northwest Territories	\$ 47,775	\$ 47,775	\$ 48,918
Refundable contributions	(2,275)	(2,275)	-
Total Revenues	45,500	45,500	48,918
Expenditures			
Equipment purchases and rental	45,500	45,500	11,241
Materials and supplies	-	-	6,773
Office and administrative expenses	-	-	164
Travel	-	-	57
Vehicle	-	-	1,547
Wages, honoraria, and benefits	-	-	29,136
Total Expenditures	45,500	45,500	48,918
Excess operating revenues			
Other revenues (expenditures)			
Tangible capital asset purchases (Contra)	45,500	45,500	-
Excess annual revenues	\$ 45,500	\$ 45,500	\$ -

Schedule 5

Pehdzeh Ki First Nation

GNWT Education, Culture and Employment - Revenues and expenditures

<u>For the year ended March 31,</u>				2017	2016
	Elders Wood Subsidy	Early Learning Playgroup & Nutrition	Healthy Children Initiative	Actual Total	Actual Total
Revenues					
Government of the Northwest Territories	\$ 17,400	\$ 8,000	\$ 21,700	\$ 47,100	\$ 49,900
Other revenues	-	-	-	-	11,298
Total Revenues	17,400	8,000	21,700	47,100	61,198
Expenditures					
Materials and supplies	-	(128)	1,772	1,644	10,105
Office and administrative expenses	-	430	1,898	2,328	5,003
Wages, honoraria, and benefits	18,500	12,457	24,022	54,979	49,890
Total Expenditures	18,500	12,759	27,692	58,951	64,998
Excess annual revenues (expenditures)	\$ (1,100)	\$ (4,759)	\$ (5,992)	\$ (11,851)	\$ (3,800)

Schedule 6

Pehdzeh Ki First Nation

GNWT Environment and Natural Resources - Revenues and expenditures

For the year ended March 31,		IRMA Base Funding	Community Harvesters	IRMA Resource Pressures	2017	2016
Revenues					Actual Total	Actual Total
Government of the Northwest Territories	\$ 45,000	\$ 32,665	\$ 10,000	\$ 87,665	\$ 96,094	
Refundable contributions	-	(7,392)	-	(7,392)	-	-
Total Revenues	45,000	25,273	10,000	80,273	96,094	
Expenditures						
Equipment purchases and rental	-	-	-	-	-	400
Materials and supplies	-	2,345	-	2,345	24,085	
Office and administrative expenses	(2,434)	352	(334)	(2,416)	1,599	
Professional fees	400	-	200	600	1,589	
Rent	-	-	-	-	200	
Travel	-	-	566	566	5,136	
Utilities and telephone	-	680	-	680	-	
Vehicle	-	16,071	-	16,071	8,984	
Wages, honoraria, and benefits	49,799	5,825	11,559	67,183	57,604	
Total Expenditures	47,765	25,273	11,991	85,029	99,597	
Excess annual revenues (expenditures)	\$ (2,765)	\$ -	\$ (1,991)	\$ (4,756)	\$ (3,503)	

Schedule 7

Pehdzeh Ki First Nation

GNWT Health and Social Services - Revenues and expenditures

For the year ended March 31,	2017	2016		
	Community Wellness	Medical	Actual Total	Actual Total
Revenues				
Deferred revenue transfers	\$ (13,413)	\$ -	\$ (13,413)	\$ (5,643)
Government of the Northwest Territories	113,830	41,383	155,213	227,107
Total Revenues	100,417	41,383	141,800	221,464
Expenditures				
Advertising	-	-	-	1,729
Equipment purchases and rental	-	300	300	-
Grants and contributions	-	300	300	-
Materials and supplies	15,031	825	15,856	34,437
Medical and funeral expenses	-	6,107	6,107	2,250
Office and administrative expenses	1,672	529	2,201	7,102
Program entertainment and prizes	-	-	-	5,049
Travel	19,735	3,873	23,608	25,172
Vehicle	7,302	9,618	16,920	12,262
Wages, honoraria, and benefits	56,677	15,806	72,483	100,567
Total Expenditures	100,417	37,358	137,775	188,568
Excess annual revenues	\$ -	\$ 4,025	\$ 4,025	\$ 32,896

Schedule 8**Pehdzeh Ki First Nation****GNWT Industry, Tourism and Investment - Revenues and expenditures**

<u>For the year ended March 31,</u>		<u>2017</u>	<u>2016</u>
	North of 60	Actual Total	Actual Total
Revenues			
Government of the Northwest Territories	\$ 4,456	\$ 4,456	\$ 21,315
Expenditures			
Office and administrative expenses	4,400	4,400	1,780
Return of surplus	-	-	4,729
Travel	485	485	3,420
Wages, honoraria, and benefits	900	900	12,231
Total Expenditures	5,785	5,785	22,160
Excess annual revenues (expenditures)	\$ (1,329)	\$ (1,329)	\$ (845)

Schedule 9**Pehdzeh Ki First Nation****GNWT Department of Justice - Revenues and expenditures**

<u>For the year ended March 31,</u>		2017	2016
	Justice Coordinator	Actual Total	Actual Total
Revenues			
Government of the Northwest Territories	\$ 40,863	\$ 40,863	\$ 20,775
Other revenues	776	776	-
Total Revenues	41,639	41,639	20,775
Expenditures			
Equipment purchases and rental	250	250	-
Materials and supplies	9,742	9,742	969
Medical and funeral expenses	500	500	-
Office and administrative expenses	239	239	1,000
Program entertainment and prizes	1,000	1,000	-
Rent	3,000	3,000	-
Travel	755	755	277
Utilities and telephone	2,500	2,500	-
Vehicle	793	793	233
Wages, honoraria, and benefits	22,860	22,860	18,296
Total Expenditures	41,639	41,639	20,775
Excess annual revenues	\$ -	\$ -	\$ -

Schedule 10

Pehdzeh Ki First Nation

GNWT Municipal and Community Affairs - Revenues and expenditures

For the year ended March 31,

	Community Government (O&M)	Water & Sewage	Community Public Infrastructure	Gas Tax	Recreation
Revenues					
Government of the Northwest Territories	\$ 656,362	\$ 438,000	\$ 692,000	\$ 75,000	\$ 14,000
Refundable contributions	-	-	-	-	(2,898)
Other revenues	-	-	-	-	-
Water and sewage fees	-	348,086	-	-	-
Interest revenue	-	-	930	1,596	-
Deferred revenue transfers	-	-	(654,404)	(76,596)	-
Total Revenues	656,362	786,086	38,526	-	11,102
Expenditures					
Advertising	549	-	-	-	-
Amortization	364,945	125,117	-	-	-
Equipment purchases and rental	1,685	6,947	74,591	-	-
Grants and contributions	-	-	-	-	-
Insurance	-	26,736	-	-	-
Interest and bank charges	390	-	-	-	-
Materials and supplies	25,199	30,516	3,254	-	-
Medical and funeral expenses	-	6,674	-	-	-
Office and administrative expenses	13,145	(716)	-	-	(1,849)
Professional fees	24,018	29,094	-	-	-
Program entertainment and prizes	-	-	-	-	-
Repairs and maintenance	3,250	7,181	-	-	-
Travel	22,896	1,887	-	-	1,938
Utilities and telephone	118,411	142,877	-	-	-
Vehicle	34,505	106,277	-	-	261
Wages, honoraria, and benefits	462,641	295,202	27,842	-	10,752
Total Expenditures	1,071,634	777,792	105,687	-	11,102
Excess operating revenues	(415,272)	8,294	(67,161)	-	-
Other revenues (expenditures)					
Tangible capital asset purchases (Contra)	2,832	5,200	73,266	-	-
Excess annual revenues (expenditures)	\$ (412,440)	\$ 13,494	\$ 6,105	\$ -	\$ -

Schedule 10

Pehdzeh Ki First Nation

GNWT Municipal and Community Affairs - Revenues and expenditures

For the year ended March 31,	2017	2016			
	Youth Centre	Youth Funding	Children and Youth Resiliency	Actual Total	Actual Total
Revenues					
Government of the Northwest Territories	\$ 13,888	\$ 3,750	\$ 13,636	\$ 1,906,636	\$ 2,191,178
Refundable contributions	-	-	(199)	(3,097)	-
Other revenues	-	-	-	-	1,334
Water and sewage fees	-	-	-	348,086	300,611
Interest revenue	-	-	-	2,526	1,445
Deferred revenue transfers	-	-	-	(731,000)	(863,702)
Total Revenues	13,888	3,750	13,437	1,523,151	1,630,866
Expenditures					
Advertising	-	-	-	549	-
Amortization	-	-	-	490,062	545,161
Equipment purchases and rental	76	150	-	83,449	7,521
Grants and contributions	-	-	-	-	15,250
Insurance	-	-	-	26,736	26,587
Interest and bank charges	-	-	-	390	1,446
Materials and supplies	-	2,817	-	61,786	48,004
Medical and funeral expenses	-	-	-	6,674	8,947
Office and administrative expenses	9	240	(506)	10,323	22,394
Professional fees	-	-	-	53,112	33,739
Program entertainment and prizes	-	-	1,001	1,001	-
Repairs and maintenance	-	-	-	10,431	340
Travel	-	774	-	27,495	25,506
Utilities and telephone	-	-	-	261,288	235,772
Vehicle	2,263	1,192	-	144,498	109,041
Wages, honoraria, and benefits	12,709	10,215	12,942	832,303	795,480
Total Expenditures	15,057	15,388	13,437	2,010,097	1,875,188
Excess operating revenues	(1,169)	(11,638)	-	(486,946)	(244,322)
Other revenues (expenditures)					
Tangible capital asset purchases (Contra)	-	-	-	81,298	-
Excess annual revenues (expenditures)	\$ (1,169)	\$ (11,638)	\$ -	\$ (405,648)	\$ (244,322)

Pehdzeh Ki First Nation

Schedule 11

GNWT Northwest Territories Housing Corporation
- Revenues and expenditures

<u>For the year ended March 31,</u>		2017	2016
	NWTHC Small Community Homelessness Fund	Actual Total	Actual Total
Revenues			
Other revenues	\$ 10,000	\$ 10,000	\$ -
NWT Housing Corporation	-	-	10,000
Total Revenues	10,000	10,000	10,000
Expenditures			
Materials and supplies	8,539	8,539	10,000
Vehicle	361	361	-
Wages, honoraria, and benefits	1,143	1,143	1,822
Total Expenditures	10,043	10,043	11,822
Excess annual revenues (expenditures)	\$ (43)	\$ (43)	\$ (1,822)

Pehdzeh Ki First Nation
Statement of Revenue and Expenditures
MACA Funding

SCHEDULE 12

March 31, 2017

Program	MACA 16/17 funding	Other Revenue	Deferred Revenue Opening	Deferred Revenue Ending	Total Revenue	Total Expenditure	2017 Excess Revenue (Deficiency)	2016 Excess Revenue (Deficiency)
Community government funding:								
Operations and maintenance	\$ 656,362	\$ -	\$ -	\$ -	\$ 656,362	\$ 1,068,802	\$ (412,440)	\$ (335,491)
Mobile equipment	-	-	-	-	-	-	-	12,653
Utility costs	-	-	-	-	-	-	-	842
Insurance	-	-	-	-	-	-	-	20,413
Water and Sewer	438,000	348,086	-	-	786,086	772,592	13,494	56,378
Youth funding	3,750	-	-	-	3,750	15,388	(11,638)	-
Youth centre	13,888	-	-	-	13,888	15,057	(1,169)	-
Recreation	11,102	-	-	-	11,102	11,102	-	300
Youth resiliency	13,437	-	-	-	13,437	13,437	-	-
	\$ 1,136,539	\$ 348,086	\$ -	\$ -	\$ 1,484,625	\$ 1,896,378	\$ (411,753)	\$ (256,543)
Other funding received:								
CPI funding	\$ 692,000							
Gas tax	75,000							
	\$ 1,903,539							

Reconciliation of Federal Government Funding**For the year ended March 31, 2017****Indigenous and Northern Affairs Canada**

Revenue per financial statements (Schedule 2)	\$ 204,697
Revenue per funding confirmation	208,266
	(3,569)
Reconciling items:	
Basic Administration Governance Capacity Development (NG1C-001 Amend 0003)	
Consultation and Polcy Development - Governance (NGD0-001 Amend 0002)	
- unearned funding of \$3,568	3,569
Total reconciling items	\$ 3,569

Gas Tax Funding

March 31,	Pre - 2013	2013	2014	2015	2016	2017	Cumulative
Funding							
Opening balance	\$ -	\$ 809,410	\$ 984,068	\$ 1,158,660	\$ 1,331,776	\$ 1,503,067	\$ -
Government transfers	805,408	170,257	170,257	170,257	170,257	75,000	1,561,436
Interest income	4,002	4,401	4,335	2,859	1,034	1,596	18,227
	809,410	984,068	1,158,660	1,331,776	1,503,067	1,579,663	1,579,663
Closing deferred revenue	\$ 809,410	\$ 984,068	\$ 1,158,660	\$ 1,331,776	\$ 1,503,067	\$ 1,579,663	\$ 1,579,663

SCHEDULE 15

Pehdzeh Ki First Nation

Community Public Infrastructure Plan Report

March 31,	Pre 2013	2013	2014	2015	2016	2017	Cumulative
Funding							
Opening balance deferred revenue	\$ -	\$ 1,565,955	\$ 1,446,691	\$ 2,141,117	\$ 2,712,187	\$ 3,404,598	\$ -
Government transfers - capital	\$ 3,327,275	\$ 692,000	\$ 692,000	\$ 692,000	\$ 692,000	\$ 692,000	\$ 6,787,275
Interest income	\$ 7,337	\$ 4,513	\$ 2,426	\$ 1,631	\$ 411	\$ 930	\$ 17,248
	3,334,612	2,262,468	2,141,117	2,834,748	3,404,598	4,097,528	6,804,523
Eligible Project Costs - Capital							
Equipment purchase - D4 caterpillar	173,286	-	-	-	-	-	173,286
Equipment purchase - house trailers	379,878	-	-	-	-	-	379,878
Water treatment plant	1,000,000	-	-	-	-	-	1,000,000
Equipment purchase - sewage truck	151,550	-	-	-	-	-	151,550
Equipment purchase - Ford F150	27,238	-	-	-	-	-	27,238
Equipment purchase - Ford F350	36,705	34,955	-	-	-	-	71,660
Equipment purchase - fire truck	-	249,800	-	-	-	-	249,800
Equipment purchase - water truck	-	243,301	-	-	-	-	243,301
Equipment purchase - Caterpillar grader	-	280,478	-	-	-	-	280,478
Equipment purchase - environmental monitoring equipment	-	1,907	-	-	-	-	1,907
Freight and miscellaneous	-	1,100	-	-	-	-	1,100
Materials and supplies	-	4,236	-	-	-	-	4,236
Equipment purchase - Ford F250	-	-	-	50,312	-	-	50,312
Equipment purchase - Ford F150	-	-	-	32,478	-	-	32,478
Equipment purchase - Ford F150	-	-	-	39,771	-	-	39,771
Oldtown Project	-	-	-	-	-	18,021	18,021
River Bank Project	-	-	-	-	-	14,400	14,400
Equipment purchase - Ford F250	-	-	-	-	-	6,106	6,106
	1,768,657	815,777	-	122,561	-	38,527	2,745,522
Closing deferred revenue	\$ 1,565,955	\$ 1,446,691	\$ 2,141,117	\$ 2,712,187	\$ 3,404,598	\$ 4,059,001	\$ 4,059,001