



INDEPENDENT AUDITOR'S REPORT

To the members of Pehdzeh Ki First Nation

I have audited the accompanying consolidated financial statements of Pehdzeh Ki First Nation, which comprise the statement of financial position as at March 31, 2018 and the consolidated statements of operations and accumulated surplus, changes in net financial debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 entity'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 entity'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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. I was 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, I was 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
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31,	2018	2017
Financial Assets		
Cash (note 2)	\$ 255,344	\$ 510,452
Restricted deposits (note 3)	691,948	1,304,974
Accounts receivable (note 4)	341,771	509,471
Contributions receivable (note 5)	4,323,819	4,080,901
Total Financial Assets	5,612,882	6,405,798
Liabilities		
Accounts payable and accrued liabilities (note 6)	760,030	828,845
Contributions repayable (note 7)	26,215	18,215
Deferred contributions (note 8)	5,649,897	5,946,279
Long term debt (note 9)	352,174	233,768
Total Liabilities	6,788,316	7,027,107
Net Financial Debt	(1,175,434)	(621,309)
Non-Financial Assets		
Long term investments (note 10)	307,479	267,389
Tangible capital assets (note 11)	6,110,268	5,720,403
Prepaid expenses and deposits	47,064	44,879
Total Non-Financial Assets	6,464,811	6,032,671
Accumulated Surplus (note 13)	\$ 5,289,377	\$ 5,411,362

Approved on behalf of the Council:

Ralph Councillor

George Councillor

The accompanying notes and schedules are an integral part of these consolidated financial statements. 5.

PEHDZEH KI FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,

		2018	2018	2017
	Budget (Unaudited)	Actual	Actual	
Revenue				
Contributions - MACA	\$ -	\$ 2,040,793	\$ 1,654,231	
Contributions - AANDC		343,692	137,174	
Contributions - DFN		82,659	199,863	
Contributions - GNWT		338,659	391,960	
Contributions - others		25,448	120,571	
Other revenue and recoveries		843,132	681,660	
Add opening deferred revenue		5,946,279	5,103,115	
<u>Less closing deferred revenue</u>		<u>(5,849,897)</u>	<u>(5,946,279)</u>	
		3,970,765	2,342,295	
Expenditure				
Municipal Services:				
Municipal administration		1,304,882	666,392	
Recreation		38,479	54,909	
Water and sewage		746,828	652,784	
Other Municipal Programs		369,642	-	
AANDC Band Member Services:				
Band support administration		166,502	115,065	
Consultation and policy development		83,593	-	
Summer and youth programs		55,866	26,705	
Dehcho First Nation Funded Programs:				
Advisory		104,266	51,848	
Literacy programs		10,778	-	
Language and culture		19,718	17,512	
Resource management		35,030	31,854	
GNWT Funded Programs:				
Education, cultural and employment		60,965	58,930	
Economic Development		-	45,500	
Health and social services		128,249	146,915	
Hunters and trappers assistance		32,768	29,509	
Transportation and public works		46,680	41,563	
Industry & Tourism		46,221	7,351	
Resource programs		68,889	58,741	
Other GNWT programs		15,422	-	
Others:				
Administration		457,989	541,744	
Fundraising		24,904	24,511	
Community events		133,558	96,482	
Other projects		122,783	94,129	
Environmental		32,391	-	
		4,106,403	2,783,444	
Operating Surplus (Deficit)		(135,638)	(421,149)	
Earnings (loss) from subsidiaries		<u>13,653</u>	<u>71,585</u>	
Annual Surplus (Deficit)		(121,985)	(349,564)	
Accumulated Surplus, beginning of year	5,411,362	5,411,362	5,760,926	
Accumulated Surplus, end of year	\$ 5,411,362	\$ 5,289,377	\$ 5,411,362	

The accompanying notes and schedules are an integral part of these consolidated financial statements. 6.

PEHDZEH KI FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL DEBT

For the year ended March 31,	2018	2018	2017
	Budget (Unaudited)	Actual	Actual
Annual Surplus (Deficit)	\$ -	\$(121,985)	\$(349,564)
Acquisition of tangible capital assets	-	(869,558)	(126,798)
Amortization of tangible capital assets	-	479,693	490,063
Decrease (increase) in long term investments	-	(40,090)	-
	-	(551,940)	13,701
Decrease (increase) in prepaid expenses and deposits	-	(2,185)	(44,879)
Increase (Decrease) in Net Financial Assets	-	(554,125)	(31,178)
Net Financial Assets, beginning of year	(621,309)	(621,309)	(590,131)
Net Financial Assets, end of year	\$(621,309)	\$(1,175,434)	\$(621,309)

The accompanying notes and schedules are an integral part of these consolidated financial statements. 7.

PEHDZEH KI FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2018	2017
Cash Flows from Operating Activities		
Cash receipts from government transfers	\$ 2,562,885	\$ 857,724
Cash receipts from contributions and recoveries	1,044,280	1,541,762
Cash paid to suppliers and employees	(3,697,710)	(2,036,380)
	(90,545)	363,106
Cash Flows from Financing Activities		
Increase (decrease) in long term debt	(47,065)	(39,259)
Proceeds from long term debt	165,471	-
	118,406	(39,259)
Cash Flows from Investing Activities		
Decrease (increase) in receivable from related parties	(26,437)	71,585
	(26,437)	71,585
Capital Transactions		
Purchase of tangible capital assets	(869,558)	(126,798)
	(869,558)	(126,798)
Net Increase (Decrease) In Cash and Cash Equivalents	(868,134)	268,634
Cash and Cash Equivalents, beginning of year	1,815,426	1,546,792
Cash and Cash Equivalents, end of year	\$ 947,292	\$ 1,815,426
Represented By:		
Cash	\$ 255,344	\$ 510,452
Restricted cash	691,948	1,304,974
	\$ 947,292	\$ 1,815,426

The accompanying notes and schedules are an integral part of these consolidated financial statements. 8.

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

The Pehdzeh Ki First Nation ("Council") is an Indian Band registered under the *Indian Act*. It provides services to the band members of Pehdzeh Ki First Nation. It is also recognized by Department of Municipal and Community Affairs, the Government of NWT, as the designated authority responsible for the provision of municipal services to the Community of Wrigley, NT.

The Council recognized as a municipality and is exempt for income tax purposes under Section 149 of the *Income Tax Act*.

1. Significant Accounting Policies

(a) Basis of Preparation

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(b) Reporting Entity

The consolidated financial statements includes the accounts of Pehdzeh Ki First Nation along with its following subsidiary and associated companies using the modified equity method.

	Percentage Owned	Year End
Pehdzeh Ki Contractors Ltd.	100%	March 31, 2018
Petanea Corporation	100%	March 31, 2018
Pehdzeh Ki Development Corporation	100%	March 31, 2018
Deh Cho Helicopters Regional LP	14%	May 31, 2017

(c) Fund Accounting

The Pehdzeh Ki First Nation follows the deferral method of accounting for capital contributions. Externally restricted contributions are recognized as revenue when the related capital expenditures are incurred. Contributions received in advance of making the related expenditures is recorded as deferred revenue.

The general operating fund reports the core operating accounts of the Council and other programs in accordance with contribution agreements with funding agencies.

The water and sewage Fund records the revenue and expenditure relating to the water and sewage services in the community.

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

1. Significant Accounting Policies (Continued)

(d) Cash and Cash Equivalents

Cash includes cash and demand deposits. Cash equivalents includes highly liquid investments that can be readily converted into cash for a fixed amount and that matures less than three months from the date of acquisition.

(e) Revenue Recognition

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenues as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipts of goods or services and /or legal obligations to pay.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(f) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

(i) Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Amortization expense is recorded over the estimated useful lives of the assets, with half the amortization for the year of acquisition, using the following method and annual rates:

Buildings	4-10%	Declining Balance
Water treatment plant	5-10%	Declining Balance
Automotive equipment	30%	Declining Balance
Office furniture and equipment	30%	Declining Balance
Heavy equipment	30%	Declining Balance
Shop equipment	30%	Declining Balance

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

1. Significant Accounting Policies (Continued)

(g) Long Term Investments

The Council's long term investments have been accounted for on a modified equity basis. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the Council and inter-organizational transactions and balances are not eliminated. Further, the business enterprise's accounting principles are not adjusted to conform with those of the Council and inter-organizational transactions and balances are not eliminated.

(h) Allocation of Expenditure

Certain common expenditure have been allocated to programs based on estimate of services provided.

(i) Financial Instruments - Recognition and Measurement

The Council has elected the following classifications with respect to its financial assets and financial liabilities:

- Cash and restricted cash are classified as assets held-for-trading and is subsequently measured at fair value with gains and losses arising from changes in the fair value recognized in net income in the period in which they arise. The estimated fair value of cash is assumed to approximate its carrying amount.
- Accounts receivable are classified as loans and receivables and are subsequently measured at amortized cost using the effective interest method. The amortized cost using the effective interest method approximates their fair values due to the short term nature.
- Accounts payable and accrued liabilities are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest method. At inception, the estimated fair values of accounts payable and accrued liabilities are assumed to approximate their carrying amounts.

Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest, currency or credit risks arising from these financial instruments.

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

1. Significant Accounting Policies (Continued)

(j) Use of Estimates

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 year. Actual results could differ from those estimates.

(k) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

2. Cash	2018	2017
Bank main operating	\$ 254,372	\$ 508,452
Cash on hand	972	2,000
	<u>\$ 255,344</u>	<u>\$ 510,452</u>

3. Restricted Deposits	2018	2017
CIBC Business Interest Account - Community Public		
Infrastructure	\$ 291,338	\$ 491,147
CIBC Business Interest Account - Federal Gas Tax	400,610	813,827
	<u>\$ 691,948</u>	<u>\$ 1,304,974</u>

Interests on CIBC Business Interest Account are paid monthly at rates ranging from 0.10% to 0.65% per annum depending on monthly average account balance.

PEHDZEH KI FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

3. Restricted Deposits (Continued)

	Community Public Infrastructure	Federal Gas Tax Funding	Total
Deferred contributions	\$ 3,974,651	\$ 1,509,678	\$ 5,484,329
Less contributions receivable	(3,460,000)	(660,514)	(4,120,514)
Required balance	514,651	849,164	1,363,815
Restricted cash deposits	291,338	400,610	691,948
Deposit (deficiency)	<u><u>\$ (223,313)</u></u>	<u><u>\$ (448,554)</u></u>	<u><u>\$ (671,867)</u></u>

Sufficient funds must be deposited to separate restricted bank accounts to correspond with the respective balances required. Interest earned on these accounts is credited to the appropriate restricted bank accounts. As at March 31, 2018, total net deposit deficiency amounts to \$671,867.

4. Accounts Receivable

	2018	2017
Trade and others	\$ 315,856	\$ 695,476
GST refundable	217,681	141,162
Less allowances for doubtful for trade and other	(191,766)	(327,167)
	<u><u>\$ 341,771</u></u>	<u><u>\$ 509,471</u></u>

PEHDZEH KI FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

5. Contributions Receivable

		2018	2017
Dehcho First Nations Language	2016/2017	\$ -	\$ 35,387
Aboriginal Affairs and Northern Development Canada			
Core Band Support Funding	2017/2018	29,005	-
Leadership & Capacity Dev. Amend #1	2017/2018	2,500	-
Capacity Building Amend #2	2017/2018	10,400	-
Summer Work Experience	2017/2018	2,000	-
Skills Link Amend #2	2017/2018	3,400	-
Government of NWT			
MACA - CPI	2012/2013	692,000	692,000
MACA - CPI	2013/2014	692,000	692,000
MACA - CPI	2014/2015	692,000	692,000
MACA - CPI	2015/2016	692,000	692,000
MACA - CPI	2016/2017	692,000	692,000
MACA - Gas Tax Fund	2013/2014	170,257	170,257
MACA - Gas Tax Fund	2014/2015	170,257	170,257
MACA - Gas Tax Fund	2015/2016	170,000	170,000
MACA - Gas Tax Fund	2016/2017	75,000	75,000
MACA - Gas Tax Fund	2017/2018	75,000	-
MACA - Small Communities Fund	2017/2018	125,000	-
ECE - Cultural Workshop	2017/2018	5,000	-
ENR - IRMA Base	2017/2018	1,500	-
ENR - IRMA Resource Pressures Fund	2017/2018	4,500	-
<u>NWT On the Land</u>		<u>20,000</u>	<u>-</u>
		<u>\$ 4,323,819</u>	<u>\$ 4,080,901</u>

6. Accounts Payable and Accrued Liabilities

		2018	2017
Trade and others		\$ 215,837	\$ 374,992
Accrued wages and benefits		7,566	17,301
Remittances payable		536,629	436,554
		<u>\$ 760,032</u>	<u>\$ 828,847</u>

PEHDZEH KI FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

7. Contributions Repayable	2018	2017
Dehcho First Nations	\$ 3,718	\$ 3,718
Government of NWT - MACA	3,098	3,098
Government of NWT - DOT	2,274	2,274
Government of NWT - ITI	8,520	520
Government of NWT - ENR	8,605	8,605
	\$ 26,215	\$ 18,215

8. Deferred Contributions	2018	2017
MACA - Community Public Infrastructure	\$ 3,974,651	\$ 4,059,001
MACA - Federal Gas Tax Funding	1,509,678	1,579,406
MACA - Community Capacity Building	113,579	113,579
DFN - Agreement in Principal Negotiations	-	98,752
New Horizon - Seniors	-	25,075
DCHSS - Community Wellness Program	-	70,466
AANDC - Consultation and Policy Dev. (Amend #2)	43,461	-
AANDC - Leadership and Governance (Amend #1)	8,528	-
	\$ 5,649,897	\$ 5,946,279

PEHDZEH KI FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

9. Long Term Debt

	2018	2017
Arctic Canada Cooperatives Ltd. demand loan, was due in full on July 14, 2011 without interest, secured by the Co-op store and hotel with a nil carrying value.	\$ 97,500	\$ 97,500
Contract loan payable - 4.40% due September 2018 with total monthly payments of \$1,332 principal and interest, secured by a chattel mortgage over a vehicle with a carrying value of \$14,568.	15,448	24,036
Contract loan payable - 4.40% due February 2020 with total monthly payments of \$607 principal and interest, secured by a chattel mortgage over a vehicle with a carrying value of \$11,140.	17,039	20,264
Contract loan payable - 4.40% due March 2020 with total monthly payments of \$743 principal and interest, secured by a chattel mortgage over a vehicle with a carrying value of \$13,641.	16,823	24,808
Contract loan payable - 0% due October 2021 with total monthly payments of \$1,221 principal, secured by a chattel mortgage over a vehicle with a carrying value of \$43,593.	53,728	67,161
Contract loan payable - 0% due January 2023 with total monthly payments of \$1,459 principal, secured by a chattel mortgage over a vehicle with a carrying value of \$73,934.	79,686	-
Contract loan payable - 0% due January 2023 with total monthly payments of \$1,308 principal, secured by a chattel mortgage over a vehicle with a carrying value of \$66,717.	71,949	-
Less current portion	352,173	233,769
	174,948	141,573
	\$ 177,225	\$ 92,196

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

9. Long Term Debt (Continued)

Principal repayment required on long term debt for the next five years are as follows:

2019	\$ 174,948
2020	63,269
2021	47,860
2022	38,987
2023	27,109
	<hr/>
	\$ 352,173

10. Long Term Investments

Pehdzeh Ki Contractors Ltd.

The Council owns 100% of Pehdzeh Ki Contractors Ltd. The Corporation's principal activities are property rental and construction. The financial statements of Pehdzeh Ki Contractors Ltd. are not available.

	2018	2017
Investments:		
Investment at cost	\$ 100	\$ 100
Receivable from Corporation	86,541	60,104
Accumulated equity earnings	462,107	462,107
Less: impairment	(522,211)	(522,211)
<hr/> <u>Investment in Corporation</u>	<hr/> <u>\$ 26,537</u>	<hr/> <u>\$ 100</u>

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

10. Long Term Investments (Continued)

Deh Cho Helicopters Regional Limited Partnership

The Council owns 5,000 of 35,000 (14.27%) limited partnership units in Deh Cho Helicopters Regional Limited Partnership (DCHRLP). DCHRLP was formed on June 1, 2004, under the Partnership Act of the Northwest Territories.

The Partnership's principal activities are to own and lease a Eurocopter AS350 B2 Helicopter and other helicopter charters through Great Slave Helicopters Ltd. in the Deh Cho areas in Northwest Territories.

The following summarizes the financial position and results of operations of the Partnership as at and for the year ended May 31, 2017:

	2017	2016
Financial Position		
Current assets	\$ 1,888,083	\$ 1,611,342
Non-current assets	927,536	1,093,580
Total assets	2,815,619	2,704,922
Current liabilities	30,585	15,314
Non-current liabilities	4,650	4,796
Partners' equity	\$ 2,780,384	\$ 2,684,812
Financial Performance		
Revenues	\$ 405,503	\$ 439,571
Expenses	309,931	321,878
Net earnings (loss)	\$ 95,572	\$ 117,693
Net earnings attributable to the Council	\$ 13,653	\$ 16,813
Investments:		
Investment at cost	\$ 50,000	\$ 50,000
Receivable from Partnership	-	-
Accumulated equity earnings	230,742	217,089
Investment in Partnership	\$ 280,742	\$ 267,089

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

10. Long Term Investments (Continued)

Petanea Corporation

The Council owns 100% of Petanea Corporation. The Company is inactive. The financial statements of Petanea Corporation are not available.

	2018	2017
<u>Investments:</u>		
Investment at cost	\$ 100	\$ 100

Investment in company	\$ 100	\$ 100
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Pehdzeh Ki Development Corporation

The Council owns 100% of Pehdzeh Ki Development Corporation. The Company is inactive. The financial statements of Pehdzeh Ki Development Corporation are not available.

	2018	2017
<u>Investments:</u>		
Investment at cost	\$ 100	\$ 100
Investment in company	\$ 100	\$ 100

<u>Total investments</u>	<u>\$ 307,479</u>	<u>\$ 267,389</u>
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11. Tangible Capital Assets

	2018	2017		
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 6,339,494	\$ 2,618,159	\$ 3,721,335	\$ 3,945,136
Buildings under construction	499,660		499,660	
Water treatment plant	1,929,250	652,356	1,276,894	1,344,761
Automotive equipment	1,764,752	1,411,083	353,669	273,970
Office furniture and equipment	1,278,163	1,032,248	245,915	138,257
Heavy equipment	173,286	163,296	9,990	14,271
Shop equipment	70,869	68,064	2,805	4,008
	\$ 2,055,474	\$ 5,945,206	\$ 6,110,268	\$ 5,720,403

PEHDZEH KI FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

12. Equity in Tangible Capital Assets

	2018	2017
Tangible capital assets	\$ 12,055,474	\$ 11,185,917
Accumulated amortization	(5,945,206)	(5,465,514)
Long term debt and other changes	(352,173)	(233,769)
	\$ 5,758,095	\$ 5,486,634

13. Accumulated Surplus

	2018	2017
Unrestricted		
General Operating Fund	\$(1,276,637)	\$(823,634)
Water and Sewer	807,919	748,362
Equity in Tangible Capital Assets	5,758,095	5,486,634
	\$ 5,289,377	\$ 5,411,362

14. Government Transfers

	2018	2017
Government of NWT - MACA	\$ 2,040,793	\$ 1,654,231
Government of NWT	338,659	391,960
Aboriginal Affairs and Northern Development Canada	343,692	137,174
Dehcho First Nations	82,659	199,863
	\$ 2,805,803	\$ 2,383,228

PEHDZEH KI FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

15. Expenditure by Object

	2018	2018	2017
	Budget	Actual	Actual
Advertising and promotion	\$ -	\$ 13,295	\$ 1,965
Administration	-	6,899	3,560
Amortization	-	479,693	490,063
Bad debts	-	158,964	11,829
Bank charges and interest	-	6,599	1,221
Contracted services	-	123,519	48,950
Contributions repaid (net)	-	15,314	25,146
Donations	-	15,437	18,311
Equipment rental	-	153,616	13,201
Honoraria	-	59,783	56,410
Insurance	-	88,323	47,636
Materials and supplies	-	323,346	304,901
Miscellaneous	-	78,833	(233,834)
Mobile equipment costs	-	220,311	191,113
Office	-	60,407	49,638
Power	-	222,501	229,193
Professional fees	-	110,360	67,318
Rent and utilities	-	11,300	3,600
Repairs and maintenance	-	37,521	22,315
Telephone and Internet	-	44,424	40,929
Training and scholarships	-	450	300
Travel and accommodation	-	242,500	124,775
Wages and benefits	-	1,633,008	1,244,904
Total Expenditure	\$ -	\$ 4,106,403	\$ 2,763,444

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018

16. 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 there was no approved budget. While having no effect on reported revenues, expenses, and surplus (deficit), omission of this information is considered a departure from PSAB.

17. Economic Dependence

The Council receives a major portion of its revenue from the Aboriginal Affairs and Northern Development Canada of the Government of Canada and the Department of Municipal and Community Affairs of the Government of the Northwest Territories. The nature and extent of this revenue is of such significance that the Council is economically dependent on this source of revenue.

18. Comparative Figures

Certain figures presented for comparative purposes have been reclassified to conform with current year's presentation.

19. Financial Instruments and Risk Management

The Council's financial instruments are exposed to certain risks, which include credit risk, market risk, interest rate risk and liquidity risk.

Credit Risk - Credit risk refers to the potential that the funding agencies or counter party to a financial instrument will fail to discharge its contractual obligations. The Council is exposed mainly to credit risk from funding agencies' refusal to contribute the full funding due to the Council's non-compliance to the contribution agreements. The Council manages credit risk by ensuring that it complies with the terms and conditions of the contribution agreements.

Liquidity Risk - Liquidity risk is the risk that the Council will not be able to meet its financial obligations as they fall due. The Council manages liquidity risk through the management of its capital structure.

Unless otherwise noted, it is management's opinion that the Council is not exposed to other significant interest, currency and market risks arising from these financial instruments.