

PEHDZEH KI FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31,	2022	2021
Financial Assets		
Cash and cash equivalents (note 2)	\$ 416,258	\$ 557,027
Restricted deposits (note 3)	138	138
Accounts receivable (note 4)	178,030	133,234
Contributions receivable (note 5)	7,714,558	7,013,970
Total Financial Assets	8,308,984	7,704,369
Liabilities		
Accounts payable and accrued liabilities (note 6)	1,250,328	1,623,823
Contributions repayable (note 7)	74,874	137,327
Deferred contributions (note 8)	8,591,816	7,791,824
Long term debt (note 9)	145,146	192,138
Total Liabilities	10,062,164	9,745,112
Net Financial Debt	(1,753,180)	(2,040,743)
Non-Financial Assets		
Long term investments (note 10)	599,288	525,860
Tangible capital assets (note 11)	5,023,601	5,349,771
Prepaid expenses and deposits	628	2,982
Total Non-Financial Assets	5,623,517	5,878,613
Accumulated Surplus (note 13)	\$ 3,870,337	\$ 3,837,870

Approved on behalf of the Council:

Councillor

Councillor

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

PEHDZEH KI FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,	2022	2022	2021
	Budget (Unaudited)	Actual	Actual
Revenue			
Contributions - MACA	\$ -	\$ 2,099,947	\$ 2,146,351
Contributions - Indigenous Services Canada	-	685,530	720,929
Contributions - Government of Canada	-	578	79,357
Contributions - Dehcho First Nations	-	137,830	90,883
Contributions - GNWT	-	394,978	425,224
Other revenue and recoveries	-	523,623	347,373
Add opening deferred revenue	-	7,791,824	7,165,383
Less closing deferred revenue	-	(8,599,856)	(7,791,826)
	-	3,034,454	3,183,674
Expenditure			
Municipal Services:			
Municipal administration	-	934,266	1,249,022
Recreation	-	59,967	79,209
Utilities and operating	-	-	50,534
Water and sewage	-	709,507	608,241
COVID and community assistance	-	27,980	55,116
Other municipal programs	-	1,087	1,492
Indigenous Services Canada Services:			
Band support administration	-	276,602	94,538
Consultation and policy development	-	124,019	200,203
COVID and community assistance	-	253,611	149,252
Summer and youth programs	-	14,040	49,456
Community economic development	-	6,460	-
Dehcho First Nations Funded Programs:			
COVID-19 assistance	-	-	8,426
Community health	-	-	16,893
Language and culture	-	27,674	-
Resource management	-	27,497	26,959
GNWT Funded Programs:			
Education, cultural and employment	-	103,529	41,318
Community justice	-	-	39,963
Health and social services	-	157,322	163,364
Hunters and trappers assistance	-	32,061	13,892
Transportation and infrastructure	-	20,000	-
Industry and tourism	-	11,141	41,939
Resource and lands programs	-	87,108	192,345
Other GNWT programs	-	969	-
Others:			
Administration	-	114,394	28,406
Fundraising and store	-	23,124	106,820
Community events	-	4,949	23,550
Other projects	-	2,200	5,906
Language and culture	-	33,147	44,555
	-	3,052,654	3,291,399
Operating Surplus (Deficit)	-	(18,200)	(107,725)
Earnings (loss) from subsidiaries	-	50,667	16,265
Annual Surplus (Deficit)	-	32,467	(91,460)
Accumulated Surplus, beginning of year	3,837,870	3,837,870	3,929,330

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

Accumulated Surplus, end of year	\$ 3,837,870	\$ 3,870,337	\$ 3,837,870
---	--------------	--------------	--------------

Draft 1

PEHDZEH KI FIRST NATION

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL DEBT

For the year ended March 31,	2022	2022	2021
	Budget (Unaudited)	Actual	Actual
Annual Surplus (Deficit)	\$ -	\$ 32,467	\$(91,460)
Acquisition of tangible capital assets	-	(69,192)	(74,148)
Amortization of tangible capital assets	-	395,362	349,865
Decrease (increase) in long term investments	-	(73,428)	127,334
	-	285,209	311,591
Decrease (increase) in prepaid expenses and deposits	-	2,354	(2,665)
Increase (Decrease) in Net Financial Assets (Debt)	-	287,563	308,926
Net Financial Assets (Debt), beginning of year	(2,040,743)	(2,040,743)	(2,349,669)
Net Financial Assets (Debt), end of year	\$(2,040,743)	\$(1,753,180)	\$(2,040,743)

The accompanying notes and schedules are an integral part of these consolidated financial statements. 9.

PEHDZEH KI FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2022	2021
Cash Flows from Operating Activities		
Cash receipts from government transfers	\$ 2,618,275	\$ 2,704,380
Cash receipts from contributions and recoveries	408,334	510,068
Cash paid to suppliers and employees	(3,028,433)	(2,571,912)
	(1,824)	642,536
Cash Flows from Financing Activities		
Increase (decrease) in long term debt	(46,992)	(46,588)
	(46,992)	(46,588)
Cash Flows from Investing Activities		
Decrease (increase) in restricted deposits	-	(146)
Decrease (increase) in receivable from related parties	(22,761)	(18,415)
	(22,761)	(18,561)
Capital Transactions		
Purchase of tangible capital assets	(69,192)	(74,148)
	(69,192)	(74,148)
Net Increase (Decrease) in Cash and Cash Equivalents	(140,769)	503,239
Cash and Cash Equivalents, beginning of year	557,027	53,788
Cash and Cash Equivalents, end of year	\$ 416,258	\$ 557,027
Represented By:		
Cash	\$ 416,258	\$ 557,027
	\$ 416,258	\$ 557,027

The accompanying notes and schedules are an integral part of these consolidated financial statements.10.

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

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, 2022
Petanea Corporation	100%	March 31, 2022
Pehdzeh Ki Development Corporation	100%	March 31, 2022
Deh Cho Helicopters Regional Limited Partnership	14%	May 31, 2021

(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, 2022

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:

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

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

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, 2022

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 and Cash Equivalents

	2022	2021
Bank main operating	\$ 413,738	\$ 554,507
ATM Cash	2,520	2,520
	\$ 416,258	\$ 557,027

3. Restricted Deposits

	2022	2021
CIBC Business Interest Account - Community Public Infrastructure	\$ 69	\$ 69
CIBC Business Interest Account - Federal Gas Tax	69	69
	\$ 138	\$ 138

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, 2022

3. Restricted Deposits (Continued)

	Community Public Infrastructure	Federal Gas Tax Funding	Total
Deferred contributions	\$ 6,148,372	\$ 2,108,716	\$ 8,257,088
Less contributions receivable	(6,228,000)	(1,220,514)	(7,448,514)
Required balance	(79,628)	888,202	808,574
Restricted cash deposits	69	69	138
Deposit (deficiency)	\$ 79,697	\$(888,133)	\$(808,436)

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, 2022, the total net deposit deficiency amounts to \$808,436.

4. Accounts Receivable

	2022	2021
Trade and others	\$ 240,976	\$ 186,605
GST refundable	73,345	37,945
	314,321	224,550
Less allowances for doubtful for trade and others	(136,291)	(91,316)
	\$ 178,030	\$ 133,234

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

5. Contributions Receivable

		2022	2021 (Restated)
Dehcho First Nations			
Language	2017/2018	\$ 7,957	\$ 7,957
Language Revitalization	2018/2019	6,933	6,933
COVID-19 Funding	2020/2021	3,840	3,840
Language	2019/2020	-	6,919
Literacy	2019/2020	-	3,125
AAROM	2020/2021	5,061	5,061
Mental Health	2020/2021	-	3,826
AAROM	2021/2022	17,577	-
COVID Public Health Fund	2021/2022	6,346	-
Indigenous Services Canada			
Youth Employment Strategy	2016/2017	2,010	2,010
Leadership & Capacity Dev. (Amend #1)	2017/2018	2,500	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	3,400
P&ID - IM/IT (Amend #3)	2018/2019	4,500	4,500
P&ID - Wellness (Amend #4)	2018/2019	2,000	2,000
Summer Youth & Skills (Amend #2)	2018/2019	3,790	3,790
Estates Planning (Amend #1)	2018/2019	2,156	2,156
Governance Capacity Dev. (Amend#5)	2018/2019	10,400	10,400
Youth Employment Strategy (Amend #2)	2018/2019	1,750	1,750
Youth Employment/Skills (Amend #1)	2019/2020	4,590	4,590
Govt Capacity (Amend #3)	2019/2020	10,100	10,100
Basic Admin Dev (Amend #4)	2019/2020	4,500	4,500
Covid-19 Funding	2020/2021	-	145,000
Summer Youth Employment	2020/2021	1,580	1,580
Financial Management (Amend#7)	2021/2022	40,000	-
Summer Youth Employment (Amd#2)	2021/2022	1,560	-
Government of NWT			
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 - CPI	2017/2018	692,000	692,000
MACA - CPI	2018/2019	692,000	692,000
MACA - CPI	2019/2020	692,000	692,000
MACA - CPI	2020/2021	692,000	692,000
MACA - CPI	2021/2022	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	75,000
MACA - Gas Tax Fund	2018/2019	160,000	160,000

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

Contributions Receivable (Continued)

MACA - Gas Tax Fund	2019/2020	80,000	80,000
MACA - Gas Tax Fund	2020/2021	160,000	160,000
MACA - Gas Tax Fund	2021/2022	160,000	-
MACA - Small Communities Fund	2017/2018	-	125,000
ENR - IRMA Additional	2019/2020	10,000	10,000
ENR - IRMA Base	2019/2020	-	4,500
ENR - IRMA Base	2020/2021	-	41,000
HSS - Anti Poverty	2019/2020	-	20,000
HSS - On the Land	2019/2020	-	7,782
ITI - Community Economic Dev.	20/8/2019	7,826	7,826
ITI - Garden Infrastructure	2018/2019	1,000	1,000
ITI - CITC Tourism	2018/2019	5,000	5,000
ITI - CITC Tourism	2019/2020	3,000	3,000
ITI - Tourism Prod. Dev & Marketing	2019/2020	-	5,000
ITI - Community Garden	2019/2020	5,375	5,375
SEED - Community Events	2019/2020	1,320	1,320
ITI - Growth and Recovery	2020/2021	1,770	1,770
Justice - CJC Co-ordinator	2020/2021	-	8,500
ENR - IRMA Additional Pressures Fund	2020/2021	41,000	-
Infrastructure - Joan's Lake/Yendi	2021/2022	20,000	-
ENR - IRMA Base	2021/2022	4,500	-
ITI - Tourism Restart	2021/2022	936	-
HSS - Anti-Poverty	2021/2022	10,000	-
HSS - Community Wellness	2021/2022	60,177	-
Others		15,849	20,133
		7,778,817	7,112,057
Less allowances for contributions receivable		(64,259)	(98,087)
		\$ 7,714,558	\$ 7,013,970

6. Accounts Payable and Accrued Liabilities

	2022	2021
Trade and others	\$ 468,039	\$ 630,481
Accrued wages and benefits	5,668	29,307
Remittances payable	776,620	964,039
	\$ 1,250,327	\$ 1,623,827

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

7. Contributions Repayable

	2022	2021
Dehcho First Nations	\$ 5,412	\$ 9,130
Government of NWT - MACA	2,898	16,986
Government of NWT - DOT	7,190	9,464
Government of NWT - ITI	-	520
Government of NWT - ENR	37,814	41,934
Government of NWT - Justice	-	37,733
Indigenous Services Canada	21,560	21,560
	\$ 74,874	\$ 137,327

8. Deferred Contributions

	2021 Opening	Additions	Utilized	2022 Closing
Community Public Infrastructure	\$ 5,540,433	\$ 692,000	\$ 84,061	\$ 6,148,372
Federal Gas Tax Funding	1,948,716	160,000	-	2,108,716
ISC Amd#1 - 21/22 - ICSF Direct COVID	-	138,568	80,574	57,994
ISC Amd#2 - 21/22 - Summer Work	-	15,600	14,040	1,560
ISC Amd#5 - 21/22 - North Inf. Housing	-	70,000	6,460	63,540
ISC Amd#7 - 21/22 - Financial Mgt	-	40,000	-	40,000
ISC - 20/21 Amd#3 - COVID-19 Wave 3 UPIP	55,717	-	55,717	-
ISC - 20/21 - COVID-19 (Prgms & Svcs)	55,201	-	55,201	-
ISC-19/20 Amd#3-Comm Gov Capacity	23,818	-	23,818	-
ISC-19/20 Amd#4-Admin Gov Capacity	45,000	-	45,000	-
Fall Health Fair	10,000	-	-	10,000
HSS - I Can Say	33,872	-	33,872	-
ENR-IRMA Additional	-	45,000	45,000	-
ENR - Community Harvesters Assistance	18,773	32,665	32,060	19,378
GNWT ENR-IRMA Resource Pressures Base	-	25,000	25,000	-
ENR - Take a Family on the Land	-	10,000	-	10,000
ITI-SEED - Community Economic Development	2,720	-	2,720	-

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

Deferred Contributions (Continued)

DFN - Public Health Fund	-	63,464	-	63,464
DFN-AAROM	-	44,453	27,497	16,956
DFN-At Home COVID OTL	29,974	-	-	29,974
PKFN Youth Activities - Donations	-	1,862	-	1,862
Second Harvest Canada	-	20,000	-	20,000
Cdn Heritage - Land Base	27,600	3,350	30,950	-
	\$ 7,791,824	\$ 1,361,962	\$ 561,970	\$ 8,591,816

9. Long Term Debt

	2022	2021
Arctic Canada Cooperatives Ltd. demand loan, without interest, due on demand, secured by the Co-op store and hotel with a nil carrying value.	\$ 97,500	\$ 97,500
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 \$51,754.	9,650	27,159
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 \$46,702.	9,157	24,855
Contract loan payable - 0% due January 2023 with total monthly payments of \$1,239 principal, secured by a chattel mortgage over a vehicle with a carrying value of \$59,685.	28,838	42,624
	145,145	192,138
Less current portion	130,511	146,136
	\$ 14,634	\$ 46,002

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

2023	\$ 130,511
2024	14,634
	\$ 145,145

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

10. Long Term Investments

Pehdzeh Ki Contractors Ltd.

The Council owns 100% of Pehdzeh Ki Contractors Ltd. The Corporation's principal activities of the Company are construction and contracting services. The financial statements of Pehdzeh Ki Contractors Ltd. are not available.

	2022	2021
Investments:		
Investment at cost	\$ 150	\$ 150
Receivable from Corporation	264,132	241,371
Accumulated equity earnings	462,107	462,107
Less: impairment	(522,211)	(522,211)
Investment in Corporation	\$ 204,178	\$ 181,417

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

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, 2021:

	2021	2020
Financial Position		
Current assets	\$ 3,126,515	\$ 2,690,186
Non-current assets	553,470	553,470
Total assets	3,679,985	3,243,656
Current liabilities	65,422	15,913
Non-current liabilities	-	2,857
Partners' equity	\$ 3,614,563	\$ 3,224,886
Financial Performance		
Revenues	\$ 621,288	\$ 444,206
Expenses	231,611	330,351
Net earnings (loss)	\$ 389,677	\$ 113,855
Net earnings attributable to the Council	\$ 55,668	\$ 16,265
Investments:		
Investment at cost	\$ 50,000	\$ 50,000
Accumulated equity earnings	344,910	294,243
Investment in Partnership	\$ 394,910	\$ 344,243

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

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.

	2022	2021
Investments:		
Investment at cost	\$ 100	\$ 100
Investment in company	\$ 100	\$ 100

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.

	2022	2021
Investments:		
Investment at cost	\$ 100	\$ 100
Investment in company	\$ 100	\$ 100
Total investments	\$ 599,288	\$ 525,860

11. Tangible Capital Assets

			2022	2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automotive equipment	\$ 1,803,915	\$ 1,615,464	\$ 188,451	\$ 170,373
Buildings	7,193,250	3,468,052	3,725,198	3,180,395
Buildings under construction	-	-	-	800,258
Heavy equipment	173,286	170,887	2,399	3,426
Office furniture and equipment	1,298,074	1,234,559	63,515	93,718
Shop equipment	79,477	73,682	5,795	8,279
Water treatment plant	1,929,250	891,007	1,038,243	1,093,322
	\$ 12,477,252	\$ 7,453,651	\$ 5,023,601	\$ 5,349,771

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

12. Equity in Tangible Capital Assets

	2022	2021
Tangible capital assets	\$ 12,477,252	\$ 12,408,062
Accumulated amortization	(7,453,651)	(7,058,291)
Long term debt and other changes	(145,145)	(192,138)
	\$ 4,878,456	\$ 5,157,633

13. Accumulated Surplus

	2022	2021
Unrestricted		
General Operating Fund	\$(1,990,476)	\$(2,219,466)
Water and Sewer	982,357	899,703
Equity in Tangible Capital Assets	4,878,456	5,157,633
	\$ 3,870,337	\$ 3,837,870

14. Government Transfers

	2022	2021
Government of NWT - MACA	\$ 2,099,947	\$ 2,146,351
Government of NWT	394,978	425,224
Indigenous Services Canada	685,530	720,929
Government of Canada	578	79,357
Dehcho First Nations	137,830	90,883
	\$ 3,318,863	\$ 3,462,744

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

15. Expenditure by Object

	2022	2021
		(Restated)
Advertising and promotion	\$ 7,881	\$ 4,160
Administration	18,902	8,229
Amortization	395,362	349,865
Bad debts	(71,378)	(5,174)
Bank charges and interest	28,219	7,098
Community events	-	2,700
Contracted services	33,280	49,749
Contributions repaid (net)	13,206	77,502
Donations	20,149	5,650
Equipment rental	38,646	53,656
Honoraria	16,550	7,300
Insurance	116,250	133,036
Materials and supplies	146,720	316,762
Miscellaneous	345,867	330,034
Mobile equipment costs	173,058	123,636
Office	59,810	27,186
Power	209,756	409,385
Professional fees	175,084	181,164
Rent and utilities	-	14,750
Repairs and maintenance	41,712	81,551
Telephone and Internet	40,001	40,525
Travel and accommodation	111,863	92,942
Wages and benefits	1,131,716	979,693
Total Expenditure	\$ 3,052,654	\$ 3,291,399

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

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 Indigenous Services 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.

PEHDZEH KI FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

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.