

## INDEPENDENT AUDITORS' REPORT

To the members of Pehdzeh Ki First Nation

### Qualified Opinion

We have audited the accompanying consolidated financial statements of Pehdzeh Ki First Nation, which comprise the statement of financial position as at March 31, 2024 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 (hereinafter referred to as the "financial statements").

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Pehdzeh Ki First Nation (the "Council") as at March 31, 2024, and the consolidated results of its operations, changes net financial debt and cash flows of the Council for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

As described in Note 5 to the financial statements, the Council has a contribution receivable of \$692,000 from the Government of NWT that cannot be confirmed by them as outstanding. We were unable to obtain sufficient appropriate audit evidence about whether this amount from the year ending March 31, 2013, was subsequently received. As such, we were unable to determine if further adjustments, if any, are necessary to correct this balance.

Pehdzeh Ki First Nation operates a landfill. Under Canadian public sector accounting standards reporting requirements, the Council must estimate the closure and post-closure costs associated with the remediation of the landfill. The Council 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.

### Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### **Responsibilities of Management and Those Charged with Governance for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditors' report. However, future events or conditions may cause the Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

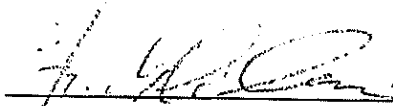
Calgary, Alberta  
November XX, 2024

# PEHDZEH KI FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31,	2024	2023
<b>Financial Assets</b>		
Cash and cash equivalents (note 2)	\$ 1,007,594	\$ 309,680
Restricted deposits (note 3)	144	140
Accounts receivable (note 4)	171,603	402,557
Contributions receivable (note 5)	9,729,826	8,342,789
<b>Total Financial Assets</b>	<b>10,909,167</b>	<b>9,055,166</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 6)	1,029,240	1,161,769
Contributions repayable (note 7)	75,900	53,108
Deferred contributions (note 8)	12,023,450	9,494,127
Long term debt (note 9)	97,500	112,134
<b>Total Liabilities</b>	<b>13,226,090</b>	<b>10,821,138</b>
<b>Net Financial Debt</b>	<b>( 2,316,923)</b>	<b>( 1,765,972)</b>
<b>Non-Financial Assets</b>		
Long term investments (note 10)	930,763	758,231
Tangible capital assets (note 11)	6,589,447	4,628,195
Prepaid expenses and deposits	15,600	61,059
<b>Total Non-Financial Assets</b>	<b>7,535,810</b>	<b>5,447,485</b>
<b>Accumulated Surplus (note 13)</b>	<b>\$ 5,218,887</b>	<b>\$ 3,681,513</b>

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,	2024	2024	2023
	Budget (Unaudited)	Actual	Actual
<b>Revenue</b>			
Contributions - MACA	\$ -	\$ 1,354,470	\$ 2,173,387
Contributions - Indigenous Services Canada	-	915,105	560,169
Contributions - Government of Canada	-	4,084,426	29,044
Contributions - Dehcho First Nations	-	195,170	143,819
Contributions - GNWT	-	724,088	880,643
Other revenue and recoveries	-	656,473	478,508
Interest income	-	2	-
Add opening deferred revenue	-	9,494,126	8,524,856
Less closing deferred revenue	-	( 11,241,449)	( 9,494,126)
	-	6,182,411	3,296,300
<b>Expenditure</b>			
<b>Municipal Services:</b>			
Municipal administration	-	1,020,862	1,022,826
Recreation	-	57,731	61,077
Water and sewage	-	1,063,482	782,061
Other municipal programs	-	252	-
<b>Indigenous Services Canada Programs:</b>			
Band support administration	-	333,671	183,453
Consultation and policy development	-	12,452	47,883
COVID and community assistance	-	-	87,719
Summer and youth programs	-	23,649	29,689
Political and institutional development	-	31,341	-
Community economic development	-	443,242	17,515
Risks and Planning	-	49,058	-
<b>Dehcho First Nations Funded Programs:</b>			
COVID-19 assistance	-	56,300	13,072
Community health	-	89,849	59,369
Language and culture	-	85,800	33,982
Resource management	-	51,544	67,951
<b>GNWT Funded Programs:</b>			
Education, culture and employment	-	109,030	103,395
Community justice	-	50,654	39,573
Health and social services	-	286,799	140,690
Hunters and trappers assistance	-	32,665	52,043
Transportation and infrastructure	-	41,846	-
Industry and tourism	-	110,921	294,414
Resource and land programs	-	116,579	99,272
<b>Others:</b>			
Office administration	-	379,253	139,039
Fundraising and store	-	-	16,027
Community events	-	256,136	86,188
Other projects	-	11,099	64,413
<b>Loss (Gains) on Disposal of Capital Assets</b>	-	-	90,321
	-	4,714,215	3,531,972
<b>Operating Surplus (Deficit)</b>	-	1,468,196	( 235,672)
<b>Earnings (loss) from subsidiaries</b>	-	88,460	54,891
<b>Annual Surplus (Deficit)</b>	-	1,556,656	( 180,781)
<b>Accumulated Surplus, beginning of year</b>	3,681,513	3,681,513	3,862,294
<b>Accumulated Surplus, end of year</b>	\$ 3,681,513	\$ 5,238,169	\$ 3,681,513

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

# PEHDZEH KI FIRST NATION

## CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL DEBT

For the year ended March 31,	2024	2024	2023
	Budget (Unaudited)	Actual	Actual
<b>Annual Surplus (Deficit)</b>	\$ -	\$ 1,556,656	\$( 180,781)
Acquisition of tangible capital assets	-	( 2,383,296)	( 64,414)
Amortization of tangible capital assets	-	402,761	369,499
Loss (gains) on sale of tangible capital assets	-	-	90,321
Decrease (increase) in long term investments	-	( 172,532)	( 158,945)
	-	( 596,411)	55,680
Decrease (increase) in prepaid expenses and deposits	-	45,459	( 317)
<b>Increase (Decrease) in Net Financial Assets (Debt)</b>	-	( 550,952)	55,363
<b>Net Financial Assets (Debt), beginning of year</b>	( 1,765,972)	( 1,765,972)	( 1,821,335)
<b>Net Financial Assets (Debt), end of year</b>	\$( 1,765,972)	\$( 2,316,924)	\$( 1,765,972)

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

# **PEHDZEH KI FIRST NATION** **SCHEDULE 1 - SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**

For the Year Ended March 31, 2024	General Operating Fund	Water and Sewer	Equity in Tangible Capital Assets	Total
<b>Annual Surplus (Deficit)</b>	\$ 1,994,890	\$( 438,234)	\$ -	\$ 1,556,656
<b>Net Interfund Transfers:</b>				
Amortization	-	402,761	( 402,761)	-
Additions of tangible capital assets	( 2,383,296)	-	2,383,296	-
Repayment of long term debt	( 14,634)	-	14,634	-
<b>Changes in Fund Balances</b>	( 403,040)	( 35,473)	1,995,169	1,556,656
<b>Fund Balances, beginning of year</b>	( 1,765,567)	931,019	4,516,061	3,681,513
<b>Fund Balances, end of year</b>	\$( 2,168,607)	\$ 895,546	\$ 6,511,230	\$ 5,238,169

For the Year Ended March 31, 2023	General Operating Fund	Water and Sewer	Equity in Tangible Capital Assets	Total
<b>Annual Surplus (Deficit)</b>	\$( 65,282)	\$( 115,499)	\$ -	\$( 180,781)
<b>Net Interfund Transfers:</b>				
Amortization	305,121	64,378	( 369,499)	-
Loss (gain) on disposal of tangible capital assets	90,321	-	( 90,321)	-
Additions of tangible capital assets	( 64,414)	-	64,414	-
Repayment of long term debt	( 33,012)	-	33,012	-
<b>Changes in Fund Balances</b>	232,734	( 51,121)	( 362,394)	( 180,781)
<b>Fund Balances, beginning of year</b>	( 1,998,301)	982,140	4,878,455	3,862,294
<b>Fund Balances, end of year</b>	\$( 1,765,567)	\$ 931,019	\$ 4,516,061	\$ 3,681,513

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

# PEHDZEH KI FIRST NATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2024	2023
<b>Cash Flows from Operating Activities</b>		
Cash receipts from government transfers	\$ 6,668,222	\$ 3,083,829
Cash receipts from contributions and recoveries	910,221	232,216
Cash paid to suppliers and employees	( 4,398,523)	( 3,221,143)
	3,179,920	94,902
<b>Cash Flows from Financing Activities</b>		
Increase (decrease) in long term debt	( 14,634)	( 33,012)
	( 14,634)	( 33,012)
<b>Cash Flows from Investing Activities</b>		
Decrease (increase) in restricted deposits	( 4)	-
Decrease (increase) in long term investments	( 84,072)	( 104,054)
	( 84,076)	( 104,054)
<b>Capital Transactions</b>		
Purchase of tangible capital assets	( 2,383,296)	( 64,414)
	( 2,383,296)	( 64,414)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	697,914	( 106,578)
<b>Cash and Cash Equivalents, beginning of year</b>	309,680	416,258
<b>Cash and Cash Equivalents, end of year</b>	\$ 1,007,594	\$ 309,680

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



# PEHDZEH KI FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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March 31, 2024

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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 Canadian public sector accounting standards ("PSAB"), the 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 subsidiaries and associated companies using the modified equity method.

	Percentage Owned	Year End
Pehdzeh Ki Contractors Ltd.	100%	March 31, 2024
Petanea Corporation	100%	March 31, 2024
Pehdzeh Ki Development Corporation	100%	March 31, 2024
Deh Cho Helicopters Regional Limited Partnership	14%	May 31, 2023

#### (c) Fund Accounting

The Pehdzeh Ki First Nation follows the deferral method of accounting for 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

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March 31, 2024

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### 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 methods and annual rates:

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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

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# PEHDZEH KI FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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March 31, 2024

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### 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, 2024

### 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

	2024	2023
Bank main operating	\$ 1,005,074	\$ 307,160
ATM Cash	2,520	2,520
	<b>\$ 1,007,594</b>	<b>\$ 309,680</b>

### 3. Restricted Deposits

	2024	2023
CIBC Business Interest Account - Community Public Infrastructure	\$ 72	\$ 70
CIBC Business Interest Account - Federal Gas Tax Funding	72	70
	<b>\$ 144</b>	<b>\$ 140</b>

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, 2024

### 3. Restricted Deposits (Continued)

	Community Public Infrastructure	Federal Gas Tax Funding	Total
Deferred contributions	\$ 6,408,339	\$ 2,118,717	\$ 8,527,056
Less contributions receivable	( 6,920,000)	( 1,230,514)	( 8,150,514)
Required balance	( 511,661)	888,203	376,542
Restricted cash deposits	72	72	144
Deposit surplus (deficiency)	\$ 511,733	\$( 888,131)	\$( 376,398)

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, 2024, the total net deposit deficiency amounts to \$376,398.

### 4. Accounts Receivable

	2024	2023
Trade and others	\$ 260,834	\$ 452,818
GST refundable	51,934	72,264
	312,768	525,082
Less allowances for doubtful for trade and others	( 141,165)	( 122,525)
	\$ 171,603	\$ 402,557

# PEHDZEH KI FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

### 5. Contributions Receivable

			2024	2023
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
AAROM	2021/2022		17,577	17,577
COVID Public Health Fund	2021/2022		6,346	6,346
AAROM	2022/2023		13,840	13,840
Community Mental Health	2022/2023		-	8,523
Language Program	2022/2023		16,837	16,837
AAROM	2023/2024		30,924	-
Language Program	2023/2024		35,798	-
ECCC	2023/2024		7,153	-
Community Mental Health	2023/2024		10,652	-
Indigenous Services Canada				
Leadership & Capacity Dev. (Amend #1)	2017/2018		2,500	2,500
Summer Work Experience	2017/2018		2,000	2,000
Skills Link (Amend #2)	2017/2018		3,400	3,400
P&ID - IM/IT (Amend #3)	2018/2019		4,500	4,500
Summer Youth & Skills (Amend #2)	2018/2019		-	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
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
Summer Youth Employment	2020/2021		-	1,580
Financial Management (Amend#7)	2021/2022		4,000	4,000
Summer Youth Employment (Amd#2)	2021/2022		1,560	1,560
Youth Employment (Amd#2)	2022/2023		3,000	3,000
Infrastructure and Housing (Amd#5)	2021/2023		12,834	12,834
Infrastructure and Housing (Amd#5)	2022/2023		12,834	-
Wildfire Guard (Amd#6)	2023/2024		9,992	-
Leadership Gov Cap Dev (Amd#4)	2023/2024		50,000	-
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 - 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	692,000
MACA - CPI	2022/2023		692,000	692,000
MACA - Gas Tax Fund	2013/2014		170,257	170,257
MACA - Gas Tax Fund	2014/2015		170,257	170,257

# PEHDZEH KI FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

### 5. Contributions Receivable (Continued)

		2024	2023
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
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	85,000	85,000
MACA - Gas Tax Fund	2022/2023	85,000	85,000
ENR - IRMA Additional	2019/2020	10,000	10,000
ITI - Community Economic Dev.	2018/2019	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	20,500	4,569
ITI - Community Garden	2019/2020	5,375	5,375
SEED - Community Events	2019/2020	1,320	1,320
ENR - IRMA Additional Pressures Fund	2020/2021	40,995	41,000
HSS - Anti-Poverty	2022/2023	-	10,000
ENR - IRMA Resource Base	2022/2023	-	4,500
ENR - IRMA Resource Pressure Add	2022/2023	-	1,000
ENR - IRMA Resource Pressure	2022/2023	-	4,500
ITI - Community Garden	2022/2023	5,674	17,145
ENR - IRMA Resource Base	2023/2024	4,500	-
ENR - IRMA Resource Pressure Add	2023/2024	1,500	-
ENR - IRMA Resource Pressure	2023/2024	4,000	-
ITI - Community Garden	2023/2024	5,624	-
ITI - AME Round Up	2023/2024	4,875	-
HSS - Anti-Poverty	2023/2024	29,500	-
HSS - Wellness Initiative	2023/2024	234,172	-
INFR - CAP Spring & Summer	2023/2024	16,900	-
INFR - MVH Edmonton Trip	2023/2024	49,200	-
Others		163,796	35,195
		9,058,494	8,453,457
Less allowances for contributions receivable		( 110,668)	( 110,668)
		\$ 8,947,826	\$ 8,342,789

# PEHDZEH KI FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

### 6. Accounts Payable and Accrued Liabilities

	2024	2023
Trade and others	\$ 580,533	\$ 322,045
Accrued wages and benefits	43,926	34,926
Government remittances payable	404,783	804,798
	<b>\$ 1,029,242</b>	<b>\$ 1,161,769</b>

### 7. Contributions Repayable

	2024	2023
Government of NWT - DOT	-	7,190
Government of NWT - ENR	14,358	24,358
Indigenous Services Canada	61,542	21,560
	<b>\$ 75,900</b>	<b>\$ 53,108</b>

### 8. Deferred Contributions

	2023 Opening	Additions	Utilized	2024 Closing
Community Public Infrastructure	\$ 6,824,920	\$ 1	\$ 416,582	\$ 6,408,339
Federal Gas Tax Funding	2,118,716	1	-	2,118,717
ISC Amd#1 - 21/22 - ICSF Direct COVID	12,886	-	-	12,886
ISC Amd#5 - 22/23 - Infra. & Housing	163,866	128,333	144,376	147,823
ISC Amd#1 - 22/23 - COVID Indigenous Comm Support	11,672	-	-	11,672
ISC Amd#2 - 22/23 -Youth Employment Strategy	1,871	-	1,871	-
ISC Amd#4 - 22/23 - Conservation & Protection	27,451	-	12,451	15,000
ISC Amd#4 - 23/24 - Leadership Gov Cap Dev	-	50,000	31,341	18,659
ISC Amd#1 - 23/24 -Spec. Claim Submission	-	40,000	17,780	22,220
ISC Amd#6 - 23/24 - Policy & Coordination	-	99,920	49,058	50,862
AAFC - Local Food Infrastructure Fund	-	18,487	18,487	-
ISC Amd#2 - 23/24 - North Participant Funding	-	130,193	90,504	39,689

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# PEHDZEH KI FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

### 8. Deferred Contributions (Continued)

	2023 Opening	Additions	Utilized	2024 Closing
CMHC - Housing Repairs	-	120,000	92,928	27,072
CMHC - Modular Housing	-	3,925,939	1,836,787	2,089,152
CPRA - Reaching each and everyone	-	20,000	16,824	3,176
GNWT HSS - Community Wellness	-	234,172	234,172	-
GNWT ITI - Community Garden Infrastructure	18,887	28,118	31,416	15,589
GNWT INF - Airport Lake Dock	-	70,581	70,581	-
GNWT ENR - IRMA Program Base	-	45,000	45,000	-
GNWT ENR - Community Harvesters Assistance	-	32,665	32,665	-
GNWT ENR - IRMA Resource Pressures	-	40,000	40,000	-
GNWT ENR - Take a Family on the Land	10,000	-	-	10,000
GNWT - ITI - AME Roundup	-	5,000	5,000	-
GNWT INF - MVH Legal & Consultants	27,868	-	26,489	1,379
GNWT INF - MVH Traditional Knowledge	99,802	-	-	99,802
GNWT- Infra - Edmonton Trip	-	49,200	41,846	7,354
DFN COVID - Public Health Fund	56,300	-	56,300	-
DFN AAROM - Community Monitoring	2,329	40,924	43,253	-
DFN COVID - At Home OTL	24,066	-	18,000	6,066
DFN - IRDA Resource Royalty Funds	-	125,000	-	125,000
PKFN Youth Activities - Donations	-	2,000	2,000	-
AAF - Agricultural Youth Employment	10,993	-	-	10,993
PKFN Dividends	82,500	( 57,804)	24,696	-
Moccasin Carnival	-	13,500	13,500	-
	\$ 9,494,127	\$ 5,161,230	\$ 3,413,907	\$ 11,241,450

# PEHDZEH KI FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

### 9. Long Term Debt

	2024	2023
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.	-	-
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.	-	-
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.	-	14,634
	97,500	112,134
Less current portion	97,500	112,134
	\$ -	\$ -

### 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.

	2024	2023
Investments:		
Investment at cost	\$ 150	\$ 150
Receivable from Corporation	502,256	368,184
Accumulated equity earnings	-	-
Less: impairment	( 60,104)	( 60,104)
Investment in Corporation	\$ 442,302	\$ 308,230

# PEHDZEH KI FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

### 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, 2023:

	May 31, 2023	May 31, 2022
<b>Financial Position</b>		
Current assets	\$ 2,836,394	\$ 3,056,027
Non-current assets	3,068,296	2,759,424
<b>Total assets</b>	<b>5,904,690</b>	<b>5,815,451</b>
Current liabilities	156,007	220,516
Non-current liabilities	1,480,670	1,596,135
<b>Partners' equity</b>	<b>\$ 4,268,013</b>	<b>\$ 3,998,800</b>
<b>Financial Performance</b>		
Revenues	\$ 1,245,550	\$ 859,442
Expenses	626,336	475,205
<b>Net earnings (loss)</b>	<b>\$ 619,214</b>	<b>\$ 384,237</b>
<b>Net earnings attributable to the Council</b>	<b>\$ 88,459</b>	<b>\$ 54,891</b>
<b>Investments:</b>		
Investment at cost	\$ 50,000	\$ 50,000
Accumulated equity earnings	438,261	399,801
<b>Investment in Partnership</b>	<b>\$ 488,261</b>	<b>\$ 449,801</b>

# PEHDZEH KI FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

### 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.

	2024	2023
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.

	2024	2023
Investments:		
Investment at cost	\$ 100	\$ 100
Investment in company	\$ 100	\$ 100
Total investments	\$ 930,763	\$ 758,231

### 11. Tangible Capital Assets

			2024	2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automotive equipment	\$ 2,017,851	\$ 1,728,269	\$ 289,582	\$ 131,915
Buildings	8,597,447	3,642,775	4,954,672	3,407,090
Heavy equipment	486,024	219,021	267,003	1,679
Office furniture and equipment	1,457,937	1,299,631	158,306	97,494
Shop equipment	79,477	76,637	2,840	4,057
Water treatment plant	1,929,250	992,923	936,327	985,959
	\$ 14,567,986	\$ 7,959,256	\$ 6,608,730	\$ 4,628,194

# PEHDZEH KI FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

### 12. Equity in Tangible Capital Assets

	2024	2023
Tangible capital assets	\$ 14,567,986	\$ 12,184,690
Accumulated amortization	( 7,959,256)	( 7,556,495)
Long term debt and other changes	( 97,500)	( 112,134)
	\$ 6,511,230	\$ 4,516,061

### 13. Accumulated Surplus

	2024	2023
Unrestricted		
General Operating Fund	\$( 2,168,607)	\$( 1,765,567)
Water and Sewer	895,546	931,019
Equity in Tangible Capital Assets	6,511,230	4,516,061
	\$ 5,238,169	\$ 3,681,513

### 14. Government Transfers

	2024	2023
Government of NWT - MACA	\$ 1,354,470	\$ 2,173,387
Government of NWT	724,088	880,643
Indigenous Services Canada	915,105	560,169
Government of Canada	4,084,426	29,044
Dehcho First Nations	195,170	143,819
	\$ 7,273,259	\$ 3,787,062

# PEHDZEH KI FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

### 15. Expenditure by Object

	2024	2023
Administration	\$ 41,961	\$ 25,079
Advertising and promotion	-	31,188
Amortization	402,761	369,499
Bad debts (recovered)	20,336	( 112,479)
Bank charges and interest	247,757	101,622
Community events	2,500	2,850
Contracted services	67,192	38,270
Contributions repaid (net)	39,982	7,352
Donations	92,289	89,735
Equipment rental	63,364	28,500
Honoraria	108,340	29,150
Insurance	168,328	127,263
Loss (gain) on disposal of assets	-	90,321
Materials and supplies	729,924	330,415
Mobile equipment costs	191,964	202,046
Office	65,203	16,269
Utilities	214,650	211,082
Professional fees	274,143	229,494
Rent	1,100	3,438
Repairs and maintenance	54,292	45,613
Telephone and Internet	40,397	43,229
Training and scholarships	-	8,450
Travel and accommodation	246,573	174,545
Wages and benefits	1,641,159	1,439,041
<b>Total Expenditure</b>	<b>\$ 4,714,215</b>	<b>\$ 3,531,972</b>

# PEHDZEH KI FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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March 31, 2024

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### **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.

### **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.