

**Deh Gah Got'ie First Nation**

**Consolidated Financial Statements**

**March 31, 2015**

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# Deh Gah Got'ie First Nation

## Consolidated Financial Statements

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March 31, 2015

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## Deh Gah Got'ie First Nation

### Management Report

#### Management's Responsibility for Financial Reporting

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March 31, 2015

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The accompanying consolidated financial statements of Deh Gah Got'ie First Nation and all the information included in this annual report are the responsibility of management.

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

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

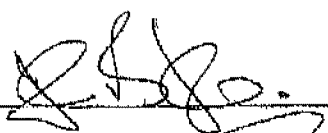
The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

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

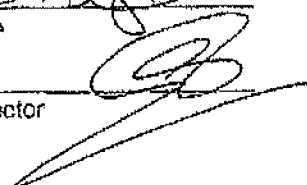
The external auditors, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Deh Gah Got'ie First Nation and meet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

On behalf of Deh Gah Got'ie First Nation :

Chief



Executive Director



Date

August 27, 2015

Date

August 22, 2015

## Independent Auditors' Report

### To the Members of Deh Gah Got'ie First Nation

We have audited the accompanying consolidated financial statements of Deh Gah Got'ie First Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, change in net financial assets 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.

#### *Auditors' Responsibility*

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

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

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

*Basis for Qualified Opinion*

The First Nation has investments in government business enterprises and other investments for which we were unable to determine the value of investments in these organizations. Specifically, the financial information for the investment in Evergreen Forestry Limited Partnership is not available for the year ended March 31, 2015 and accordingly these statements do not include any adjustments that may be necessary for the valuation of the investment and the First Nation's share of the income or loss.

The First Nation derives revenue from bingos and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the First Nation and we were not able to determine whether any adjustments might be necessary to fundraising revenues, excess of revenues over expenditures and net financial assets.

*Qualified opinion*

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements, present fairly, in all material respects, the financial position of the First Nation as at March 31, 2015 and the results of its operations, the changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Yellowknife, Canada**  
**August 28, 2015**

*Crowe MacKay LLP*  
**Chartered Accountants**

# Deh Gah Got'ie First Nation

## Consolidated Statement of Financial Position

As at March 31, 2015 2014

### Financial Assets

Cash and cash equivalents	\$ 4,387	\$ 25,812
Term deposits (Note 5)	61,266	61,266
Accounts receivable (Note 6)	658,873	52,446
GST receivable	32,904	25,008
Due from government and government organizations (Note 7)	98,839	186,742
Due from related parties (Note 8)	326,919	386,995
Investments in government business enterprises (Note 9)	889,365	773,637
	2,072,553	1,511,906

### Liabilities

Bank indebtedness (Note 10)	18,794	9,990
Line of credit (Note 11)	20,000	5,000
Accounts payable and accrued liabilities (Note 12)	77,965	89,201
Contributions repayable (Note 13)	105,721	112,474
Deferred revenue (Note 14)	52,842	67,905
Loan payable (Note 15)	6,564	11,127
Due to government and other government organizations (Note 16)	50,939	35,933
	332,825	331,630

Net financial assets 1,739,728 1,180,276

### Non-financial Assets

Tangible capital assets (Note 17)	249,246	251,019
Prepaid expenses	9,994	5,394
	259,240	256,413

Accumulated Surplus \$ 1,998,968 \$ 1,436,689

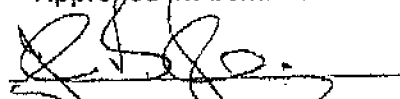
### Represented by


Transfer to equity in tangible capital assets - amortization	\$ (269)	\$ (367)
Operating equity	1,436,689	1,130,637
Net income	562,548	306,419
	\$ 1,998,968	\$ 1,436,689

Commitments (Note 18.)

Contingent liability (Note 19.)

Approved on behalf of the Chief and Council

 , Chief

 , Executive Director

The accompanying notes are an integral part of the financial statements

# Deh Gah Got'ie First Nation

## Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31,

	2015 Budget	2015 Actual	2014 Actual
<b>Revenue</b>			
Federal Government			
Aboriginal Affairs and Northern Development Canada	\$ -	\$ 1,013,697	\$ 499,022
Health Canada	-	163,833	188,478
Government of the Northwest Territories (GNWT)	-	501,426	486,123
Dehcho First Nations	-	397,562	399,724
Administration fees	-	72,474	44,435
Fundraising and other revenue	-	117,737	155,471
Transfer from deferred revenue	-	15,000	28,612
Income from investments in GBE	-	115,728	267,615
Contributions repayable	-	(7,129)	(42,226)
	-	2,390,328	2,027,254
<b>Expenses</b>			
Band Government	-	639,387	615,849
Community Services	-	142,661	49,776
Education	-	634,358	619,851
Health	-	184,980	157,255
Economic Development	-	226,394	278,104
	-	1,827,780	1,720,835
<b>Excess of revenue over expenses</b>	-	562,548	306,419
<b>Accumulated surplus, beginning of year</b>	-	1,436,689	1,130,637
<b>Transfer to investment in tangible capital assets - amortization</b>	-	(269)	(367)
<b>Accumulated surplus, end of year</b>	\$ -	\$ 1,998,968	\$ 1,436,689

The accompanying notes are an integral part of the financial statements

## Deh Gah Got'ie First Nation

### Consolidated Statement of Change in Net Financial Assets

For the year ended March 31,	2015 Budget	2015 Actual	2014
<b>Excess of revenue over expenses</b>	\$ -	\$ 562,548	\$ 306,419
Acquisition (disposal) of tangible capital assets	-	(21,446)	(8,098)
Amortization of tangible capital assets	-	23,219	21,463
	-	1,773	13,365
Consumption (aquisition) of prepaid expenses	-	(4,600)	314
Transfer to investment in tangible capital assets - amortization	-	(269)	(367)
Increase in net financial assets	-	559,452	319,731
Net financial assets, beginning of year	-	1,180,276	860,545
<b>Net financial assets, end of year</b>	\$ -	\$ 1,739,728	\$ 1,180,276

The accompanying notes are an integral part of the financial statements



# Deh Gah Got'ie First Nation

## Consolidated Statement of Cash Flows

For the year ended March 31, 2015

2015

2014

### Cash flows from

#### Operating activities

Excess of revenue over expenses	\$ 562,548	\$ 306,419
Items not affecting cash		
Amortization	23,219	21,463
Income from investment in government business enterprises	(115,728)	(267,615)
Transfer to equity in tangible capital assets - amortization	(269)	(367)

469,770 59,900

#### Change in non-cash operating working capital

Accounts receivable	(606,427)	(43,987)
Due from government and government organizations	87,903	16,209
Prepaid expenses	(4,600)	314
Accounts payable and accrued liabilities	(11,236)	(60,963)
Deferred revenue	(15,063)	35,469
GST receivable	(7,896)	-
Contributions repayable	(6,753)	22,996
Due to government and other government organizations	15,006	3,839

(79,296) 33,777

#### Capital activity

Purchase of tangible capital assets	(21,446)	(8,098)
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#### Financing activity

Repayment of loan	(4,563)	(4,277)
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#### Investing activities

Investments in government business enterprises	-	65,000
Advances (to) from related parties	60,076	(35,665)
Investments in term deposits	-	(1,266)

60,076 28,069

#### Increase (decrease) in cash and cash equivalents

(45,229) 49,471

#### Cash and cash equivalents, beginning of year

10,822 (38,649)

#### Cash and cash equivalents, end of year

\$ (34,407) \$ 10,822

#### Represented by

Cash and cash equivalents	\$ 4,387	\$ 25,812
Bank indebtedness	(18,794)	(9,990)
Line of credit	(20,000)	(5,000)

\$ (34,407) \$ 10,822

The accompanying notes are an integral part of the financial statements

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# Deh Gah Got'ie First Nation

## Notes to Consolidated Financial Statements

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March 31, 2015

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### 1. Nature of operations

Deh Gah Got'ie First Nation ("First Nation") is established pursuant to the *Indian Act*. Operating activities of the First Nation include the administration and delivery of services to its members in the Hamlet of Fort Providence, Northwest Territories. The First Nation is classified as an Indian Band and as such is a non-taxable entity under Section 149 of the *Income Tax Act*.

### 2. Basis of Presentation and Significant Accounting Policies

The consolidated financial statements of the First Nation are the representation of management prepared in accordance with Canadian public sector accounting standards, as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the First Nation are as follows:

#### (a) Basis of accounting

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

#### (b) Principles of consolidation

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

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

Organizations consolidated in Deh Gah Got'ie First Nation's financial statements include:

Undah Gogha Corporation  
Fort Providence Resource Management Board

Organizations accounted for on a modified equity basis include:

5343 NWT Ltd. (100% control)  
Digaa Enterprises Ltd. (70% subsidiary)  
Evergreen Forestry Limited Partnership (50% Partner)

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# Deh Gah Got'ie First Nation

## Notes to Consolidated Financial Statements

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March 31, 2015

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

#### (c) Revenue recognition

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

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

Government transfers, 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.

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

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

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

Revenues, and interest income are recognized in the period when the related expenses are incurred, services performed or the related tangible capital assets built, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. Amounts received in advance of the service being provided are deferred to the period the service is provided.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Fundraising revenues are recognized when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Administration fees are recognized when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

#### (d) Cash and cash equivalents

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

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# Deh Gah Got'ie First Nation

## Notes to Consolidated Financial Statements

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March 31, 2015

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

#### (e) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to the acquisition, construction development or betterment of the asset.

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

Land	0% Declining balance
Buildings	4% Declining balance
Vehicles	30% Declining balance
Computer equipment	30-55% Declining balance
Furniture and equipment	20% Declining balance
Other equipment	20% Declining balance
Boat	15% Declining balance

One half the regular amortization is recorded in the year of acquisition of assets. No amortization is recorded in the year of disposal.

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

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

Assets under construction are not amortized until the asset is available to be put into service.

#### (f) Asset classification

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

#### (g) Related party transactions

Related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

#### (h) Financial asset (net debt)

The First Nation's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

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# Deh Gah Got'ie First Nation

## Notes to Consolidated Financial Statements

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March 31, 2015

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

#### (i) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when: contamination exceeding an environmental standard exists; the First Nation is either directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available as at March 31, 2015.

At each financial reporting date, the First Nation reviews the carrying amounts of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation has concluded that there is no contamination that exceeds environment standards and will not recognize any liability.

#### (j) Measurement uncertainty

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

#### (k) Segment disclosures

Segment financial information for certain departments is provided in Note 26. The accounting policies used in these segments is consistent with those followed in preparation of the consolidated financial statements. The segments include:

Band Government which provides internal support to the Council and other departments that provide direct services to band members;

Community Services which provides basic municipal services to the community and provides additional services that are a benefit to the entire community;

Economic Development which provides support and programs to the community to foster job creation and economic growth;

Education which provides educational services and programs to the community; and

Health which provides health services and related programs to the community.

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## Deh Gah Got'ie First Nation

### Notes to Consolidated Financial Statements

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March 31, 2015

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#### 3. Changes in Accounting Policies

Liability for contaminated sites, Section PS 3260

Effective April 1, 2014, the First Nation adopted Section PS 3260, Liability for Contaminated Sites issued by the Canadian Public Sector Accounting Standards Board. This section establishes standards for governments and government type organizations reporting under Canadian public sector accounting standards about how to account for and report a liability which is associated with the remediation of a contaminated site. The change in accounting policy has been applied prospectively.

The adoption of PS 3260 does not have an impact on the measurement of the First Nation's liabilities but has resulted in additional disclosure.

#### 4. Future accounting changes

**Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1200**

PSAB approved new Section PS 3450, Financial Instruments, and related to Section PS 1201, Financial Statement Presentation. The effective date for Section PS 3450 is April 1, 2012 for government organizations and April 1, 2016 for Governments. Earlier adoption is permitted. Governments and government organizations adopt Section PS 3450 in the same fiscal year Section PS 2601, Foreign Currency Translation, is adopted.

The impact of the transition to these accounting standards has not yet been determined.

**Inter-entity Transactions, Section PS 3420**

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

The impact of the transition to these accounting standards has not yet been determined.

**Related party disclosures, Section PS 2200**

In December of 2014, PSAB approved Section PS 2200, Related Party Disclosures. The new section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed.

The effective date for Section PS 2200 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has not yet been determined.

# Deh Gah Got'ie First Nation

## Notes to Consolidated Financial Statements

March 31, 2015

### 5. Term deposit

	2015	2014
CIBC 1 Year GIC earning interest at 0.9% , matures May 2015	\$ 61,266	\$ 61,266

In May 2015, the GIC was reinvested and matures May 2016.

### 6. Accounts receivable

	2015	2014
Accounts receivable	\$ 695,388	\$ 71,583
Less Allowance for doubtful accounts	(36,515)	(19,137)
	\$ 658,873	\$ 52,446

### 7. Due from government and other government organizations

	2015	2014
Federal government - Aboriginal Affairs and Northern Development Canada	\$ 35,917	\$ 52,266
GNWT - Department of Health and Social Services	10,854	34,051
GNWT - Department of Education, Culture and Employment	10,484	51,660
GNWT - Department of Environment and Natural Resources	-	2,380
GNWT - Department of Industry, Tourism and Investment	14,473	950
Other government organization - Dehcho First Nations	27,111	45,435
	\$ 98,839	\$ 186,742

### 8. Due from related parties

The First Nation entered into transactions with the following related parties:

5343 NWT Ltd., 100% control

Digaa Enterprises Ltd., 70% owned subsidiary

	2015	2014
Yamoria Grocery Ltd.	\$ 116,678	\$ 116,678
Deh Gah Betterment Corporation	88,208	88,208
5343 NWT Ltd.	188,729	180,613
Digaa Enterprises Ltd.	138,190	206,383
Less: Allowance for doubtful accounts	(204,886)	(204,887)
	\$ 326,919	\$ 386,995

# Deh Gah Got'ie First Nation

## Notes to Consolidated Financial Statements

March 31, 2015

### 9. Investments in government business enterprises

The First Nation owns 70% of Digaa Enterprises Ltd. and 50% of Evergreen Forestry Limited Partnership.

The First Nation's investments in government business enterprises consist of the following:

	2015	2014
<b>Investment in Digaa Enterprises Ltd.</b>		
7 Class A common shares	\$ 7	\$ 7
Share of equity in retained earnings since date of acquisition	872,906	757,178
<b>Investment in Evergreen Forestry Limited Partnership</b>		
Partner's capital	16,452	16,452
	<b>\$ 889,365</b>	<b>\$ 773,637</b>

	5343 NWT Ltd.	Digaa Enterprises Ltd.	Evergreen Forestry Limited Partnership	2015 Total	2014 Total
			\$		
Cash	\$ 3,395	\$ 250,050	\$ -	\$ 253,445	\$ 142,921
Accounts receivable	9,574	279,867	-	289,441	573,922
Tangible capital assets	172,317	1,328,550	-	1,500,867	1,604,637
Other assets	9,916	44,682	-	54,598	39,872
<b>Total assets</b>	<b>\$ 195,202</b>	<b>\$ 1,903,149</b>	<b>\$ -</b>	<b>\$ 2,098,351</b>	<b>\$ 2,361,352</b>
			\$		
Accounts payable	\$ 6,737	\$ 238,724	\$ -	\$ 245,461	\$ 488,193
Long-term debt	171,182	92,636	-	263,818	304,426
Other liabilities	188,729	324,762	-	513,491	638,179
<b>Total liabilities</b>	<b>366,648</b>	<b>656,122</b>	<b>-</b>	<b>1,022,770</b>	<b>1,430,798</b>
<b>Equity</b>	<b>(171,446)</b>	<b>1,247,027</b>	<b>-</b>	<b>1,075,581</b>	<b>930,554</b>
<b>Total equity</b>	<b>(171,446)</b>	<b>1,247,027</b>	<b>-</b>	<b>1,075,581</b>	<b>930,554</b>
<b>Total liabilities and equity</b>	<b>\$ 195,202</b>	<b>\$ 1,903,149</b>	<b>\$ -</b>	<b>\$ 2,098,351</b>	<b>\$ 2,361,352</b>



# Deh Gah Got'ie First Nation

## Notes to Consolidated Financial Statements

March 31, 2015

### 9. Investments in government business enterprises , continued

	5343 NWT Ltd.	Digaa Enterprises Ltd.	Evergreen Forestry Limited Partnership	2015 Total	2014 Total
		\$	\$		
Revenue	\$ 50,000	\$ 2,461,299	\$ -	\$ 2,511,299	\$ 1,993,963
Expenses	69,488	2,292,638	-	2,362,126	1,849,196
Other expenses	-	2,564	-	2,564	-
Net income (loss)	\$ (19,488)	\$ 166,097	\$ -	\$ 146,609	\$ 144,767

1. The financial information for this enterprise was not available for the year ended March 31, 2015 as of the audit date and accordingly the value of the investment is reported as the 50% equity as at March 31, 2012.

### 10. Bank indebtedness

Bank indebtedness consists of cheques written in excess of the available funds held at March 31, 2015.

### 11. Line of credit

The First Nation has an operating line of credit facility to a maximum of \$75,000 bearing interest at the bank's prime lending rate plus 5% per annum. As at March 31, 2015 the amount used was nil.

The Fort Providence Resource Management Board has a Royal Bank revolving line of credit that accrues interest at the Royal Bank prime rate plus 7.50% per annum and the credit limit is \$20,000. The amount owing at March 31, 2015 consists of \$20,000 (2014 - \$5,000) of principal. The facility states that the line of credit revolves in \$5,000 increments and the client decides when to repay amounts owing, unless the Royal Bank recalls the line of credit at its discretion.

### 12. Accounts payable and accrued liabilities

	2015	2014
Trade payables	\$ 41,802	\$ 43,080
Credit card payable	3,336	5,692
Other accrued payable	32,827	40,429
	\$ 77,965	\$ 89,201

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## Deh Gah Got'ie First Nation

### Notes to Consolidated Financial Statements

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March 31, 2015

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#### 13. Contributions repayable

	2015	2014
Federal government - Aboriginal Affairs and Northern Development Canada	\$ 41,472	\$ 37,077
Federal government - Health Canada	7,129	-
Government of the Northwest Territories	40,347	31,128
DehCho First Nation	16,773	44,269
	<u>\$ 105,721</u>	<u>\$ 112,474</u>

#### 14. Deferred revenue

	March 31, 2014	Revenue recognized, 2015	March 31, 2015
<b>Government of the Northwest Territories</b>			
EDU - Small community funds	\$ 4,300	\$ -	\$ 4,300
<b>Dehcho First Nations</b>			
Aboriginal aquatic resource and ocean management	3,247	-	3,247
Interim resource development agreement	60,300	(15,000)	45,300
	<u>63,547</u>	<u>(15,000)</u>	<u>48,547</u>
<b>Other</b>			
Operating project	63	-	63
	<u>\$ 67,905</u>	<u>\$ (15,000)</u>	<u>\$ 52,842</u>

Deferred revenue consists of amounts received for which project completion dates extending beyond the fiscal year end, or conditions attached to the use of the funds have not yet been met, or an operating advance received from a funding agency for the upcoming fiscal year. These amounts will be recognized in revenue as expenditures are incurred or conditions of funding are satisfied.

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## Deh Gah Got'ie First Nation

### Notes to Consolidated Financial Statements

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March 31, 2015

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#### 15. Loan payable

	2015	2014
Ford Credit vehicle loan due March 2017 repayable in blended monthly payments of \$429 including interest at 6.49%. Secured by 2011 Ford Escape with a net book value of \$6,885 (2014 - \$9,836).	\$ 6,564	\$ 11,127

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

2016	\$ 4,869	
2017	1,695	
2016	\$ 6,564	

#### 16. Due to government and other government organizations

	2015	2014
Government of Canada	\$ 41,540	\$ 26,965
Government of the Northwest Territories	4,900	4,181
Other governments	4,499	4,787
	\$ 50,939	\$ 35,933

# Deh Gah Got'ie First Nation

## Notes to Consolidated Financial Statements

March 31, 2015

### 17. Tangible Capital Assets

	Cost			Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2015 net book value
Land	\$ 135,381	\$ -	\$ 135,381	\$ -	\$ -	\$ -	\$ 135,381
Buildings	104,451	-	104,451	51,947	2,100	54,047	50,404
Vehicles	204,962	-	204,962	185,719	5,838	191,557	13,405
Computer equipment	39,933	21,273	61,206	33,332	7,728	41,060	20,146
Furniture and equipment	18,696	(95)	18,601	10,403	1,563	11,966	6,635
Other equipments	52,780	-	52,780	25,333	5,489	30,822	21,958
Boat	16,518	-	16,518	14,969	232	15,201	1,317
	\$ 572,721	\$ 21,178	\$ 593,899	\$ 321,703	\$ 22,950	\$ 344,653	\$ 249,246

	Cost			Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2014 Net book value
Land	\$ 135,381	\$ -	\$ 135,381	\$ -	\$ -	\$ -	\$ 135,381
Buildings	104,451	-	104,451	49,759	2,188	51,947	52,504
Vehicles	204,962	-	204,962	177,470	8,249	185,719	19,243
Computer equipment	40,181	(248)	39,933	30,751	2,581	33,332	6,601
Furniture and equipment	10,717	7,979	18,696	9,460	943	10,403	8,293
Other equipments	52,780	-	52,780	18,471	6,862	25,333	27,447
Boat	16,518	-	16,518	14,696	273	14,969	1,549
	\$ 564,990	\$ 7,731	\$ 572,721	\$ 300,607	\$ 21,096	\$ 321,703	\$ 251,019

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## Deh Gah Got'ie First Nation

### Notes to Consolidated Financial Statements

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March 31, 2015

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#### 18. Commitments

The nature of the First Nation's activities can result in some multi-year contracts whereby it will be obligated to make future payments when the goods or services are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2016	2017	2018	2019	2020
Hamlet of Fort Providence - Office Rent	\$ 9,716	\$ 9,716	\$ 9,716	\$ 9,716	\$ 9,716

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#### 19. Contingent liability

The First Nation has entered into contribution agreements with Government of Canada and the Government of the Northwest Territories. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's financial statements.

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**Deh Gah Got'ie First Nation****Notes to Consolidated Financial Statements**

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**March 31, 2015**

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**20. Government Transfers**

	<b>2015</b>		
	<b>Operating</b>	<b>Capital</b>	<b>Total</b>
<b>Federal government transfers</b>			
Aboriginal Affairs and Northern Development Canada	\$ 1,013,697	\$ -	\$ 1,013,697
Health Canada	163,833	-	163,833
<b>Total</b>	<b>1,177,530</b>	<b>-</b>	<b>1,177,530</b>
<b>Government of the Northwest Territories</b>	<b>501,426</b>	<b>-</b>	<b>501,426</b>
<b>Dehcho First Nations</b>	<b>397,562</b>	<b>-</b>	<b>397,562</b>
	<b>\$ 2,076,518</b>	<b>\$ -</b>	<b>\$ 2,076,518</b>
<hr/>			
	<b>2014</b>		
	<b>Operating</b>	<b>Capital</b>	<b>Total</b>
<b>Federal government transfers</b>			
Aboriginal Affairs and Northern Development Canada	\$ 499,022	\$ -	\$ 499,022
Health Canada	188,478	-	188,478
<b>Total</b>	<b>687,500</b>	<b>-</b>	<b>687,500</b>
<b>Government of the Northwest Territories</b>	<b>486,123</b>	<b>-</b>	<b>486,123</b>
<b>Dehcho First Nations</b>	<b>399,724</b>	<b>-</b>	<b>399,724</b>
	<b>\$ 1,573,347</b>	<b>\$ -</b>	<b>\$ 1,573,347</b>

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## Deh Gah Got'ie First Nation

### Notes to Consolidated Financial Statements

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March 31, 2015

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#### 21. Related party transactions

The First Nation entered into transactions with the following related parties:

5343 NWT Ltd., 100% control  
Digaa Enterprises Ltd. 70% owned subsidiary  
Fort Providence Resource Management Board, 100% control  
Undah Gogha Corporation, 100% control

Transactions:

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2015	2014
<b>Revenues</b>		
Digaa Enterprises Ltd. - dividend revenue	\$ -	\$ 35,000
Denendeh Helicopters Ltd. - donation revenue	-	18,000
Evergreen Forestry Ltd. - donation revenue	-	30,000
<b>Expenses</b>		
5343 NWT Ltd. - rent and utilities	17,920	900
Digaa Enterprises Ltd. - casual wages	4,241	892
Digaa Enterprises Ltd. - rent	40,651	-
Fort Providence Resource Management Board - materials	-	1,884
Undah Gogha Corporation - materials	-	170
<b>Accounts receivable</b>		
Evergreen Forestry Ltd. - accounts receivable	1,056	1,056
	<b>\$ 63,868</b>	<b>\$ 87,902</b>

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#### 22. Budget Information

Canadian public sector accounting standards ("PSAS") require the 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 financial statements as this information is not available for the entire reporting entity. While having no effect on reported revenues, expenses, and surplus (deficit), omission of this information is considered a departure from PSAS.

#### 23. Comparative figures

Certain of the comparative figures have been reclassified to conform with the presentation adopted in the current year.

# Deh Gah Got'ie First Nation

## Notes to Consolidated Financial Statements

March 31, 2015

### 24. Economic Dependence

The First Nation receives a significant amount of funding from the Government of Canada and the Government of the Northwest Territories in the form of operating and capital grants. Management is of the opinion that discontinuance of funding would significantly affect operations.

### 25. Expenses by Object

The following is a summary of expenses by object.

For the year ended March 31,	2015 Actual	2014 Actual
Administration	\$ 73,837	\$ 47,189
Amortization	23,219	21,463
Bad debts (recovery)	22,280	(10,011)
Childcare	140	525
Community Harvestors Assistance	300	-
Contract services	-	47,834
Cultural events	165,225	132,337
Debt Servicing	588	874
Donations	-	5,900
Equipment rental	11,168	7,646
Gas and oil	25,618	20,691
Honoraria	34,250	52,984
Insurance	7,748	9,127
Interest and bank charges	12,357	16,346
Licenses	6,696	10,467
Materials and supplies	52,222	49,865
Meeting expenses	10,491	29,235
Office Supplies	55,965	15,998
Professional fees	84,231	36,369
Program expenditures	188,989	289,405
Property and land taxes	1,016	2,254
Rent	64,628	34,883
Repairs and maintenance	4,688	1,317
Salaries and benefits	839,264	733,088
Telephone and utilities	44,379	46,471
Transfer to tangible capital assets	(269)	(367)
Travel	97,042	116,825
Vehicles	1,708	2,120
	<b>\$ 1,827,780</b>	<b>\$ 1,720,835</b>



# Deh Gah Got'ie First Nation

## Notes to Consolidated Financial Statements

March 31, 2015

### 26. Segmented information

	Band Government			Community Services			Education		
	2015 Budget	2015 Actual	2014 Actual	2015 Budget	2015 Actual	2014 Actual	2015 Budget	2015 Actual	2014 Actual
Revenues									
Aboriginal Affairs and Northern Development Canada	\$ -	\$ 236,731	\$ 393,527	\$ -	\$ 27,900	\$ 13,992	\$ -	\$ 694,500	\$ 13,003
Deh Cho First Nations	-	-	60,577	-	-	-	-	342,114	268,842
Health Canada	-	-	-	-	-	-	-	163,833	188,478
Government of the Northwest Territories (GNWT)	-	23,650	12,000	-	115,719	37,160	-	76,132	176,968
Contributions repayable	-	-	(12,000)	-	-	(2,729)	-	(7,129)	(27,497)
Fundraising and other revenues	-	105,447	141,207	-	500	-	-	-	-
Administration fees	-	68,590	34,575	-	-	-	-	-	-
Other revenue	-	130,728	296,227	-	-	-	-	-	1
Total revenue	-	565,146	926,113	-	144,119	48,423	-	1,269,450	619,795
Expenses									
Salaries and benefits	-	304,825	274,773	-	97,684	29,081	-	287,255	280,823
Debt Servicing	-	588	874	-	-	-	-	-	-
Amortization	-	22,950	21,096	-	-	-	-	-	-
Other expenses	-	311,024	319,106	-	44,977	20,695	-	347,103	339,028
Total expenses	-	639,387	615,849	-	142,661	49,776	-	634,358	619,851
Annual surplus (deficit)	\$ -	\$ (74,241)	\$ 310,264	\$ -	\$ 1,458	\$ (1,353)	\$ -	\$ 635,092	\$ (56)

# Deh Gah Got'ie First Nation

## Notes to Consolidated Financial Statements

March 31, 2015

### 26. Segmented information, continued

	2015 Budget	Health 2015 Actual	2014 Actual	2015 Budget	Economic Development 2015 Actual	2014 Actual	2015 Budget	Consolidated totals 2015 Actual	2014 Actual
							\$	\$	\$
Revenues									
Aboriginal Affairs and Northern Development Canada	\$ -	\$ -	\$ -	\$ -	\$ 54,566	\$ 78,500	-	\$ 1,013,697	\$ 499,022
Deh Cho First Nations	-	-	-	-	55,449	70,305	-	397,563	399,724
Health Canada	-	-	-	-	-	-	-	163,833	188,478
Government of the Northwest Territories (GNWT)	-	189,033	157,255	-	96,892	102,740	-	501,426	486,123
Contributions repayable	-	-	-	-	-	-	-	(7,129)	(42,226)
Fundraising and other revenues	-	-	-	-	-	-	-	105,947	141,207
Administration fees	-	-	-	-	3,884	9,860	-	72,474	44,435
Other revenue	-	-	-	-	11,789	14,263	-	142,517	310,491
Total revenue	-	189,033	157,255	-	222,580	275,668	-	2,390,328	2,027,254
Expenses									
Salaries and benefits	-	43,401	25,220	-	106,099	123,192	-	839,264	733,089
Debt Servicing	-	-	-	-	-	-	-	588	874
Amortization	-	-	-	-	269	367	-	23,219	21,463
Other expenses	-	141,579	132,035	-	120,026	154,545	-	964,709	965,409
Total expenses	-	184,980	157,255	-	226,394	278,104	-	1,827,780	1,720,835
Annual surplus (deficit)	\$ -	\$ 4,053	\$ -	\$ -	\$ (3,814)	\$ (2,436)	-	\$ 562,548	\$ 306,419