

Independent Auditors' Report

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

Qualified Opinion

We have audited the consolidated financial statements of Deh Gah Got'ie First Nation, which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated consolidated statements of operations, accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2021, and the results of its consolidated operations, its changes in its consolidated accumulated surplus, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The First Nation derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amount recorded in the records of the First Nation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and other revenues, excess (deficiency) of revenue over expenses, and cash flow from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020 and accumulated surplus as at April 1 and March 31 for both the 2021 and 2020 fiscal years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effect of this limitation in scope.

The First Nation owns 70% of Digaa Enterprises Ltd. whose financial statements for the year ended March 31, 2021 and 2020 are reviewed not audited. Consequently, we are unable to determine whether any adjustments might be necessary to the share of income and investment in Digaa Enterprises Ltd, or excess (deficiency) of revenue over expenses and accumulated surplus of the First Nation for the years ended March 31, 2021 or 2020. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effect of this limitation in scope.

The First Nation did not prepare a budget for the year ended March 31, 2021 and March 31, 2020. Consequently, there has been no budget figures provided to these financial statements, which constitute a departure from Canadian public sector accounting standards.

Independent Auditors' Report (continued)

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 Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical 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 qualified opinion.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements of First Nation taken as a whole. The supplementary information included on the schedules starting on page on 36 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements as a whole and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation'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 First Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are 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 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.

Independent Auditors' Report (continued)

- ◆ 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 First Nation'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 First Nation'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 consolidated 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 First Nation to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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.

Yellowknife, Canada
February 3, 2022

Grove Mackay LLP
Chartered Professional Accountants

Deh Gah Got'ie First Nation

Consolidated Statement of Financial Position

As at March 31	2021	2020
Financial Assets		
<hr/>		
Cash and cash equivalents	\$ 1,007,903	\$ 123,007
Accounts receivable (Note 4)	110,286	183,240
GST receivable	23,946	10,435
Income taxes receivable	7,653	4,091
Due from related parties (Note 5)	114,931	114,250
Investment in government business enterprise (Note 6)	138,146	212,405
Investment in government business partnership (Note 7)	146,774	75,530
	<hr/>	<hr/>
	1,549,639	722,958
Liabilities		
<hr/>		
Accounts payable and accrued liabilities (Note 9)	330,194	129,466
Deferred revenue (Note 10)	517,494	215,097
Loan payable (Note 11)	129,010	129,300
Contributions repayable (Note 12)	355,984	231,302
	<hr/>	<hr/>
	1,332,682	705,165
Net financial assets	216,957	17,793
Non-financial Assets		
<hr/>		
Tangible capital assets (Note 13)	366,802	419,641
Prepaid expenses and deposits	15,215	23,595
	<hr/>	<hr/>
	382,017	443,236
Accumulated Surplus	\$ 598,974	\$ 461,029

Contractual Obligations (Note 22)
Contractual Rights (Note 23)

Approved on behalf of the Deh Gah Got'ie First Nation

Michael Vonder, Chief

 Michael Vonder, Executive Director

Deh Gah Got'ie First Nation

Consolidated Statement of Operations

For the year ended March 31	2021	2020
Revenue		
Government of Canada:		
Indigenous and Northern Affairs Canada (Note 24)	\$ 1,226,003	\$ 257,204
Health Canada (Note 24)	269,489	160,833
Government of the Northwest Territories (GNWT) (Note 24)	674,014	725,788
Dehcho First Nations (Note 24)	612,551	498,169
Administration fees	170,789	62,988
Fundraising and other revenues	272,534	100,770
Transfer from deferred revenue	38,090	98,442
Transfer to deferred revenue	(387,584)	(108,048)
Transfer to contributions repayable	(63,483)	(8,373)
Income (loss) from investments in government business enterprise	(74,259)	38,644
Income (loss) from investments in government business partnership	81,244	(380)
Rental income	34,055	36,039
Total Revenue	2,853,443	1,862,076
Expenses		
Band Government (Note 25)	1,329,751	506,077
Community Services (Note 25)	410,522	260,123
Education (Note 25)	651,991	750,564
Health (Note 25)	143,751	177,481
Economic Development (Note 25)	269,529	169,882
Total Expenses	2,805,544	1,864,127
Excess (deficiency) of revenue over expenses before other items	47,899	(2,051)
Other items		
Transfer to tangible capital assets	1,763	146,356
Gain on sale of capital assets	50,928	-
Loss on business combination	-	(105,227)
	52,691	41,129
Excess of revenue over expenses	\$ 100,590	\$ 39,078

The accompanying notes are an integral part of the financial statements

Deh Gah Got'ie First Nation**Consolidated Statement of Accumulated Surplus**

For the year ended March 31	2021	2020
Accumulated surplus, beginning of year	\$ 461,029	\$ 421,951
Excess of revenue over expenses	100,590	39,078
Direct charge to equity (Note 26)	37,355	-
Accumulated surplus, end of year	\$ 598,974	\$ 461,029

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**2021****2020**

<u>Excess of revenue over expenses</u>	\$	100,590	\$	39,078
Acquisition of tangible capital assets		(39,941)		(146,356)
Amortization of tangible capital assets		42,769		62,344
Business combination impact on the net financial assets (Note 26)		37,543		-
<u>Net book value of tangible capital assets disposed</u>		<u>49,823</u>		<u>-</u>
		90,194		(84,012)
Acquisition of prepaid expenses and deposits		-		(12,744)
<u>Use of prepaid expenses and deposits</u>		<u>8,380</u>		<u>-</u>
		8,380		(12,744)
Increase (decrease) in net financial assets		199,164		(57,678)
<u>Net financial assets, beginning of year</u>		<u>17,793</u>		<u>75,471</u>
<u>Net financial assets, end of year</u>	\$	216,957	\$	17,793

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, 2021	2021	2020
Cash flows from Operating activities		
Excess of revenue over expenses	\$ 100,590	\$ 39,078
Items not affecting cash		
Amortization	42,769	62,344
Income (loss) from investments in government business enterprise	74,259	(38,644)
Income (loss) from investments in government business partnership	(81,244)	380
Loss on business combination	-	105,227
Transfer to tangible capital assets	1,763	(146,356)
Gain on sale of tangible capital assets	(50,928)	-
Business combination impact on non-cash operating working capital (Note 26)	37,543	28,006
	124,752	50,035
Change in non-cash operating working capital		
Accounts receivable	72,954	23,707
Prepaid expenses and deposits	8,380	(12,743)
Income taxes receivable	(3,562)	(1,265)
Accounts payable and accrued liabilities	200,728	(136,722)
Deferred revenue	302,397	(35,856)
Contributions repayable	124,682	113,292
GST receivable	(13,511)	7,835
	816,820	8,283
Capital activities		
Acquisition of tangible capital assets	(39,941)	-
Proceeds from sale of tangible capital assets	100,750	-
	60,809	-
Financing activities		
Loan	11,028	-
Loan repayment	(13,080)	(3,933)
	(2,052)	(3,933)
Investing activities		
Received from (paid to) related parties	(681)	9,793
Partnership distribution	10,000	51,281
	9,319	61,074
Increase in cash and cash equivalents	884,896	65,424
Cash and cash equivalents, beginning of year	123,007	57,583
Cash and cash equivalents, end of year	\$ 1,007,903	\$ 123,007

The accompanying notes are an integral part of the financial statements

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

1. Nature of Operations

Deh Gah Got'ie First Nation (the "First Nation") is established pursuant to the *Indian Act*. Operating activities of the First Nation includes 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 non-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. 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. Expenses 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 and government business partnerships, 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 or partnership and the enterprise's or partnership'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.

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

1. Undah Gogha Corporation (100% control)

Government business enterprise accounted for on a modified equity basis include:

2. Digaa Enterprises Ltd. (70% subsidiary)

Government business partnership accounted for on a modified equity basis include:

3. Evergreen Forestry Limited Partnership (50% Partner)

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

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

(c) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, 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 and deposits.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdraft and term deposits having a maturity of three months or less at acquisition for the purpose of meeting short-term cash commitments.

(e) Employee benefit obligations

Under the conditions of employment, employees earn vacation pay. Vacation pay is earned at a rate of 4% for employees with tenure less than or equal to 5 years and 6% for employees with tenure over 5 years. Payment of any accrued benefit is dependent on employees leaving the First Nation and other criteria as outlined in the policies of the First Nation. The amounts are not funded.

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

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

(f) Revenue recognition

Government transfers

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

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

Government transfers are recognized as revenues when the transfer is authorized and any eligibility 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.

Contributions

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

Rental Income

Rental income is recognized when space is provided according to the terms of the rent agreement and when services are provided.

Other sources of revenues

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

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

(g) Net financial assets

The consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation are determined by financial assets less liabilities. Net financial assets combined with non-financial assets comprises a second indicator of financial position: accumulated surplus.

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

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

(h) Tangible capital assets

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

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

Buildings	4% Declining balance
Automotive equipment	30% Declining balance
Computer equipment	30-55% Declining balance
Furniture and equipment	20% Declining balance
Heavy equipment	20% Declining balance
Boats	15% Declining balance

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to the 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.

(i) Financial instruments

The First Nation classifies its financial instruments at cost or amortized cost. The First Nation's accounting policy for financial instruments is as follows:

Financial instruments include cash and cash equivalents, accounts receivable, due from related parties, accounts payable and accrued liabilities, loan payable and contributions repayable. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the Consolidated Statement of Operations.

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

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

(j) Segment disclosures

The First Nation segments are:

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;

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

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

Economic Development which provides future financial viability of the First Nation.

(k) 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, 2021.

At each financial reporting date, the First Nation reviews the carrying amounts of the liability, if any. Any revisions required to the amount previously recognized are accounted for in the period revisions are made.

The First Nation has concluded that there is no contamination that exceeds environmental standards and as a result there are no liabilities for contaminated sites

(l) Measurement uncertainty

The preparation of these non-consolidated 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 non-consolidated financial statements and the reported amounts of revenue and expenses during the reporting period.

Some of the more significant estimates used in these non-consolidated financial statements affect deferred revenue, contributions receivable, and contribution repayable. Actual results could differ from those estimates. For many common financial statement items such as accounts payable and allowances for doubtful accounts, measurement uncertainty is inherent but inestimable.

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

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

(m) Investments in Government Business Enterprise

The First Nation records its investments in government business enterprises (GBE) using the modified equity method. Under this method, the investments are initially recorded at cost and increased (decreased) by the proportionate share of earnings (loss) and are decreased by any dividends or distributions paid to the First Nation. No adjustments are made for any differences between the accounting policies of the GBE and those of the First Nation.

At the end of each reporting period, the First Nation assesses whether there are any indications that an investment may be impaired, and if such is the case, the impairment loss is expensed.

(n) Investments in Government Business Partnership

The First Nation records its investments in government business partnership (GBP) using the modified equity method. Under this method, the investments are initially recorded at cost and increased (decreased) by the proportionate share of earnings (loss) and are decreased by any dividends paid to the First Nation. No adjustments are made for any differences between the accounting policies of the GBP and those of the First Nation.

At the end of each reporting period, the First Nation assesses whether there are any indications that an investment may be impaired, and if such is the case, the impairment loss is expensed.

(o) 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.

3. COVID-19

There was a global outbreak of a novel coronavirus identified as "COVID-19". On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increase volatility in national and global equity and commodity markets.

The First Nation applied for various emergency funds to support members during the period. This included the following funding agreements:

- 1) Government of the Northwest Territories - Advanced Cleaning Grant - \$15,000
- 2) Dehcho First Nations - COVID-19 At Home / On the Land - \$78,700
- 3) Dehcho First Nations - COVID-19 Mental Health Support - \$25,524
- 4) Dehcho First Nations - COVID-19 Aboriginal Head Start Risk Support - \$13,000
- 5) Government of Canada - COVID-19 Need Base - \$92,000
- 6) Government of Canada - COVID-19 Wave 3 Top Up - \$196,564

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

4. Accounts receivable

	2021	2020
Trades receivable	\$ 117,715	\$ 139,933
Due from Government of the Northwest Territories	60,580	64,666
Due from Dehcho First Nations	56,088	34,526
Due from Government of Canada	25,934	40,857
	260,317	279,982
Less: allowance for doubtful accounts	(150,031)	(96,742)
	\$ 110,286	\$ 183,240

5. Due from (to) Related Parties

The First Nation has amounts due from (to) the following related parties:

Digaa Enterprises Ltd., 70% owned subsidiary
Yamoria Grocery Ltd., significant influence
Deh Gah Betterment Corporation, significant influence
Evergreen Forestry Limited Partnership, 50% general partnership interest

	2021	2020
Yamoria Grocery Ltd.	\$ 116,678	\$ 116,678
Less: Allowance for doubtful accounts	(116,678)	(116,678)
Deh Gah Betterment Corporation	88,208	88,208
Less: Allowance for doubtful accounts	(88,208)	(88,208)
Digaa Enterprises Ltd.	114,931	114,250
	\$ 114,931	\$ 114,250

Yamoria Grocery Ltd. has ceased operations. As there is significant doubt regarding collectability, the balance due from Yamoria Grocery Ltd. has been allowed for.

Deh Gah Betterment Corporation has ceased operations. As there is significant doubt regarding collectability, the balance due from Deh Gah Betterment Corporation has been allowed for.

Amounts due from (to) related parties are unsecured, non-interest bearing and have no set terms of repayment.

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

6. Investments in Government Business Enterprises

The First Nation owns 70% of Digaa Enterprises Ltd.

Digaa Enterprises Ltd. was incorporated under the laws of the Northwest Territories and its major activities are construction services and commercial and residential property rental in Fort Providence, NT.

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

	2021	2020
Investment in Digaa Enterprises Ltd.		
7 Class A common shares	\$ 7	\$ 7
Share of equity in retained earnings since date of acquisition	<u>138,139</u>	<u>212,398</u>
	\$ 138,146	\$ 212,405

The condensed supplementary financial information of Digaa Enterprises Ltd. as at March 31, 2021 is as follows:

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

6. Investment in government business enterprises (continued)

Total assets and liabilities segregated by main classification:

	2021	2020
Cash	\$ 184,995	\$ 66,909
Accounts receivable	61,186	315,077
Tangible capital assets	946,057	1,027,216
Other assets	134,673	185,153
 Total assets	 \$ 1,326,911	 \$ 1,594,355
 Accounts payable	 \$ 801,981	 \$ 867,193
Long-term debt	99,283	130,844
Other liabilities	228,296	266,917
 Total liabilities	 1,129,560	 1,264,954
 Equity	 197,351	 340,423
 Total liabilities and equity	 \$ 1,326,911	 \$ 1,605,377

Net operating results:

	2021	2020
Revenue	\$ 985,589	\$ 1,396,549
	985,589	1,396,549
Expenses	1,150,015	1,381,353
Other expenses (revenues)	(21,354)	(87,519)
 Total expenses	 1,128,661	 1,293,834
 Net income (loss)	 \$ (143,072)	 \$ 102,715

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

7. Investment in government business partnership

The First Nation holds a 50% general partnership interest of Evergreen Forestry Limited Partnership.

Evergreen Forestry Limited Partnership was formed by virtue of a limited partnership agreement to provide forest fire fighting and other forestry services near Hay River, Northwest Territories. The partnership receives 100% of its revenue pursuant to a fire suppression contract with the Government of the Northwest Territories. Evergreen Forestry Limited Partnership's financial statements for 2021 fiscal year were in draft form at the time of release of these financial statements and the recent statement of financial position is presented for comparative purposes only.

The condensed supplementary financial information of Evergreen Forestry Limited Partnership as at March 31, 2021 is as follows:

Total assets and liabilities segregated by main classification:

	2021	2020
Assets		
Current assets	\$ 410,459	\$ 283,071
Property and equipment	2,180	756
Goodwill	1	1
Investment in Denendeh Helicopters Ltd.	1,020	1,020
Due from related parties	50	50
	<hr/> \$ 413,710	<hr/> \$ 284,898
Liabilities		
Current liabilities	\$ 109,046	\$ 123,494
Due to related parties	11,118	10,345
	<hr/> 120,164	<hr/> 133,839
Partners' Capital	293,546	151,059
	<hr/> \$ 413,710	<hr/> \$ 284,898

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

7. Investment in government business partnership, (continued)

Net assets and partnership share:

	2021	2020
Opening Partners' Capital	\$ 151,059	\$ 254,380
Net income	162,488	(759)
Withdrawals	(20,000)	(102,562)
Closing Partners' Capital	293,547	151,059
Partnership interest	50%	50%
Investment in Evergreen Forestry Limited Partnership	\$ 146,774	\$ 75,530

8. Bank Indebtedness

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, 2021 the amount used was nil (2020 - nil).

9. Accounts Payable and Accrued Liabilities

	2021	2020
Trade payables	\$ 254,930	\$ 92,469
Due to Government of Canada	27,088	20,324
Due to Government of the Northwest Territories	16,810	3,889
Vacation payable	24,784	5,903
Due to Workers' Safety Compensation Commission	6,582	6,881
	\$ 330,194	\$ 129,466

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

10. Deferred Revenue

	March 31, 2020	Funding received	Revenue transferred	March 31, 2021
Government of Canada				
Skill Links	\$ 49,687	\$ -	\$ (49,687)	\$ -
Aboriginal Head Start	11,641	66,322	-	77,963
Education Innovation	26,762	-	(26,762)	-
Youth Work Experience	278	-	-	278
COVID 19 Supplement	-	75,614	-	75,614
100 year Treaty	-	59,500	-	59,500
Language Camp	-	26,561	-	26,561
Community Capacity Building	-	96,763	-	96,763
	88,368	324,760	(76,449)	336,679
Government of the Northwest Territories				
EDU - Early Childhood	32,173	-	-	32,173
COM - Community Wellness Plan	13,482	42,604	-	56,086
ENR - Community Hunt	3,524	-	(3,524)	-
ECE - Adult Literacy	9,386	-	-	9,386
ENR - Boreal Caribou Workshop	5,214	-	(5,214)	-
ECE - Early Childhood Intervention Program	-	5,943	-	5,943
ECE - COVID 19 Cleaning grant	-	5,014	-	5,014
	63,779	53,561	(8,738)	108,602
Dehcho First Nation				
Interim Resource Development				
Agreement Economic Development	62,950	-	-	62,950
COVID 19 Mental Health	-	6,413	-	6,413
Aboriginal Headstart	-	2,850	-	2,850
	62,950	9,263	-	72,213
	\$ 215,097	\$ 387,584	\$ (85,187)	\$ 517,494

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

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

11. Loan Payable

	2021	2020
NWT Metis Dene Development Fund loan for the three bedroom house repayable in monthly instalments of \$1,028 including interest at 7% per annum. Secured by mortgage registered against the property with the net book value of \$87,053 (2020 - \$90,680), matures in July 2033.	<u>\$ 129,010</u>	<u>\$ 129,300</u>

Assuming loan terms will remain unchanged, the estimated principal repayments are as follow:

2022	\$ 3,372
2023	3,615
2024	3,877
2025	4,157
2026	4,457
2027 and thereafter	<u>109,532</u>
	<u>\$ 129,010</u>

12. Contributions Repayable

	2021	2020
Government of Canada - Indigenous and Northern Affairs Canada	\$ 199,494	\$ 117,575
Government of Canada - Health Canada	18,176	18,176
Government of Canada - Canadian Northern Development Agency	30,336	-
Government of the Northwest Territories		
Department of Education, Culture and Employment		
Adult Literacy Tutors	6,941	6,941
Junior Power Plant Trainee	3,865	3,865
Special Needs Support	2,029	2,029
Department of Environment and Natural Resources		
Community Based monitoring	1,786	1,786
Boreal Caribou	5,214	-
Local Wildlife	-	6,924
Department of Industry, Tourism and Investment		
Telemia Lodge	5,230	-
Community Harvesters Assistance Program	-	11,240
Degh Cho First Nation		
Language Initiative	693	693
ISEPTS	27,920	-
Dehcho Language Initiative	9,000	-
IRDA Resource Royalties Service	45,300	45,300
Aboriginal Aquatic Resources and Ocean Management	-	16,773
	<u>\$ 355,984</u>	<u>\$ 231,302</u>

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

13. Tangible Capital Assets

	Cost			Accumulated amortization			Net book value		
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2021
Land	\$ 135,381	\$ -	\$ -	\$ 135,381	\$ -	\$ -	\$ -	\$ 135,381	
Buildings	250,807	-	(72,648)	178,159	69,205	4,442	(22,825)	50,822	127,337
Automotive equipment	278,669	-	-	278,669	252,433	19,211	-	271,644	7,025
Computer equipment	81,687	1,763	(8,005)	75,445	79,374	1,465	(7,929)	72,910	2,535
Furniture and equipment	57,546	38,178	(5,008)	90,716	48,933	13,323	(4,896)	57,360	33,356
Heavy equipment	52,780	-	-	52,780	45,585	1,439	-	47,024	5,756
Boats	81,237	-	-	81,237	22,936	2,889	-	25,825	55,412
	\$ 938,107	\$ 39,941	\$ (85,661)	\$ 892,387	\$ 518,466	\$ 42,769	\$ (35,650)	\$ 525,585	\$ 366,802

	Cost			Accumulated amortization			Net book value		
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2020
Land	\$ 135,381	\$ -	\$ -	\$ 135,381	\$ -	\$ -	\$ -	\$ 135,381	
Buildings	104,451	146,356	-	250,807	61,641	7,564	-	69,205	181,602
Automotive equipment	278,669	-	-	278,669	217,666	34,767	-	252,433	26,236
Computer equipment	81,687	-	-	81,687	76,179	3,195	-	79,374	2,313
Furniture and equipment	57,546	-	-	57,546	37,312	11,621	-	48,933	8,613
Heavy equipment	52,780	-	-	52,780	43,786	1,799	-	45,585	7,195
Boats	81,237	-	-	81,237	19,538	3,398	-	22,936	58,301
	\$ 791,751	\$ 146,356	\$ -	\$ 938,107	\$ 456,122	\$ 62,344	\$ -	\$ 518,466	\$ 419,641

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

14. Risk Management

The First Nation is exposed to credit, liquidity, and interest rate risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Board's financial instruments by type of risk is provided below:

a) Credit risk

The First Nation does have credit risk in cash of \$1,007,903 (2020 - \$123,007), in accounts receivable of \$110,286 (2020 - \$183,240), and due to (from) related parties of \$114,931 (2020 - \$114,250). Credit risk is the risk of financial loss to the First Nation if a debtor fails to make payments of interest and principal when due. Credit risk is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection.

Cash is held with one federally regulated chartered bank and is insured by the Canadian Deposit Insurance Corporation up to prescribed limits. In the event of default, the First Nation's cash is insured up to the limit. The First Nation holds cash in excess of the insurable limit. The credit risk has increased from the prior year.

At March 31, 2021, the following accounts receivable were past due, but not impaired:

30 days	\$ 7,831
60 days	1,777
<u>90 days</u>	<u>49,931</u>
Total	\$59,539

At March 31, 2021, the First Nation's management has determined that a portion of accounts receivable are impaired. Management's assessment was based on specific identification and age of receivables.

The First Nation has concentration of credit risk in its accounts receivable. Concentration of credit risk is the risk that a customer(s) has a significant portion of the total balance and thus there is a higher risk to the First Nation in the event of a default. At March 31, 2021, receivables from two funders comprised 55% (2020 - 39%) of the total outstanding accounts receivables. The First Nation reduces this risk by monitoring overdue balances.

There have been no significant changes from previous year in the exposure to risk or policies, procedures and method used to measure the risk.

b) Liquidity risk

Liquidity risk is the risk that the First Nation cannot repay its obligations when they become due to its creditors. The First Nation has liquidity risk in its loan payable, accounts payable and accrued liabilities, and contributions repayable of \$686,178 (2020 - \$360,768). The First Nation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due.

The First Nation mitigates its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains an adequate line of credit to repay trade creditors.

Cash and cash equivalents, accounts receivable, due from related parties, accounts payable and accrued liabilities, and contributions repayable are expected to mature within 6 months.

There have been no significant changes from previous year in the exposure to risk or policies, procedures and method used to measure the risk.

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

15. Comparative Amounts

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

16. 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 consolidated 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.

17. Related Party Transactions

These transactions are in the normal course of operations and have been valued in these non-consolidated financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

	2021	2020
Evergreen Forestry Ltd. - Partnership distribution	\$ 10,000	\$ 51,281
Digaa Enterprises Ltd. - Rent	44,347	44,347
Digaa Enterprises Ltd. - Renovations	-	1,986
Digaa Enterprises Ltd. - Equipment rent	5,772	-
Digaa Enterprises Ltd. - Training	1,666	-
Total expenses	\$ 51,785	\$ 56,381

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

18. Expenses by Object

The following is a summary of expenses by object.

<u>For the year ended March 31</u>	<u>2021</u>	<u>2020</u>
Administration	\$ 168,976	\$ 61,114
Amortization	42,769	62,345
Bad debt (recovery)	61,769	(70,647)
Contract services	85,940	53,278
Cultural events	166,570	100,270
Debt servicing	11,028	12,347
Donations	3,450	-
Equipment rental	54,647	13,193
Honoraria	24,300	21,459
Insurance	47,357	23,045
Interest and bank charges	4,555	7,130
Licenses and registration	6,025	7,651
Materials and supplies	476,290	112,188
Meeting expenses	11,112	12,887
Office supplies	68,698	32,333
Professional fees	86,717	61,040
Rent	56,677	51,514
Repairs and maintenance	9,635	26,553
Salaries and benefits	1,056,992	902,773
Training	186,179	225,776
Travel	98,197	81,487
Utilities and telephone	81,223	67,653
Income tax recovery	(3,562)	(1,265)
	<hr/> \$ 2,805,544	<hr/> \$ 1,864,124

19. Economic Dependence

The First Nation received 84% (2020 - 56%) of funding from three (2020 - two) sources; Deh Cho First Nation, the Government of Canada and the Government of the Northwest Territories. Management is of the opinion that discontinuance of funding would significantly affect operations.

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

20. Subsequent event

Subsequent to year end, the First Nation signed an agreement with the Canadian Mortgage and Housing Corporation ("CMHC") to renovate six properties and construct four additional properties located on Deh Gah Got'ie traditional land.

The agreement stipulates that the First Nation will receive a maximum of \$4,795,598 to cover all costs related to the project. The First Nation will maintain ownership of the buildings and related land and be responsible for maintaining insurance with a liability coverage of no less than \$5,000,000 per occurrence.

The First Nation will be required to maintain these units as rental properties with special covenants over the next twenty years, until fiscal 2041. These covenants are as follows:

- 1) the First Nation must submit a project report, due 60 days after construction is complete, that details occupancy specifications, material deviations from the initial construction plan, and confirming there are no issues generated as a result of the construction.
- 2) the First Nation must submit annual compliance reports, due 120 days after the fiscal year end, which includes a detailed report of housing units prices, occupancy, affordability and demographic of the occupants.
- 3) the First Nation must submit audited financial statements, due 120 days after the fiscal year end, which includes a section detailing the First Nations compliance with the agreement.
- 4) the First Nation must maintain affordable rental rates, which is defined as beloww 80% of the median market rental rate, for a minimum of 30% of the units developed.
- 5) the First Nation must ensure all units constructed under the agreement meet accessibility standards.

At the time these financial statements were prepared, it was unknown what the financial impact of this event will be.

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

21. Future Accounting Changes

Asset Retirement Obligations, Section PS 3280

This section will establish the reporting of legal obligations associated with the retirement of certain tangible capital assets and solid waste landfill sites. This section applies to fiscal years beginning on or after April 1, 2022.

Revenue, Section PS 3400

This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions". This section applies to fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted.

Purchased intangibles, Public Sector Guideline PSG-8

This Guideline establishes standards on how to account for and report on purchase intangibles. This guideline applies to fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted.

The impact of the transition to these accounting standards is being reviewed by management.

22. Contractual Obligations

The First Nation has entered into a lease agreement for office space with the Hamlet of Fort Providence that expires on March 31, 2022. Future estimated minimum payments are as follows:

	2022
Office rent - Hamlet of Fort Providence	\$ 3,690

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

23. Contractual Rights

The First Nation has signed and is entitled to the following contribution agreements to receive funding for the future fiscal years:

	2022	2023	2024	Total
Dehcho First Nations - Fort Providence Sport and Food Fishery Survey	\$ 47,864	\$ -	\$ -	\$ 47,864
Dehcho First Nations - Indigenous Skills and Employment Training Program	275,000	-	-	275,000
GNWT - Education, Culture and Employment - Early Childhood Infrastructure	197,876	-	-	197,876
GNWT - Education, Culture and Employment - Support Child Inclusion and Participation Program	11,990	-	-	11,990
GNWT - Education, Culture and Employment - Community Service Training	24,713	-	-	24,713
GNWT - Environment and Natural Resources - CHAP/LWC Program	49,835	-	-	49,835
GNWT - Environment and Natural Resources - Community Economic Development	10,000	-	-	10,000
GNWT - Environment and Natural Resources - Interim Resource Management Assistance	105,000	105,000	105,000	315,000
Health Canada - Aboriginal Head Start in Urban and Northern Communities	146,208	146,208	-	292,416
Canadian Heritage - 100 Year Commemoration	73,500	-	-	73,500
INAC - Core funding	154,669	-	-	154,669
INAC - Preparation and Response for COVID-19 Pandemic	272,343	-	-	272,343
CMHC - Rapid Housing Initiative (Note 20)	4,795,598	-	-	4,795,598
	\$ 6,164,596	\$ 251,208	\$ 105,000	\$ 6,520,804

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

24. Government Transfers

	2021		
	Operating	Capital	Total
Government of Canada			
Indigenous and Northern Affairs Canada	\$ 1,226,003	\$ -	\$ 1,226,003
Health Canada	269,489	-	269,489
Government of the Northwest Territories	674,014	-	674,014
Dehcho First Nations	612,551	-	612,551
Total Government Transfers	\$ 2,782,057	\$ -	\$ 2,782,057
 2020			
	Operating	Capital	Total
Government of Canada			
Indigenous and Northern Affairs Canada	\$ 257,204	\$ -	\$ 257,204
Health Canada	160,833	-	160,833
Government of the Northwest Territories	725,788	-	725,788
Dehcho First Nations	498,169	-	498,169
Total Government Transfers	\$ 1,641,994	\$ -	\$ 1,641,994

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

25. Segmented Information

	Band Government 2021 Actual	2020 Actual	Community Services 2021 Actual	2020 Actual	Education 2021 Actual	2020 Actual
Revenue						
Indigenous and Northern Affairs Canada	\$ 1,226,003	\$ 178,152	\$ 52,290	\$ 26,762		
Health Canada	-	-	-	269,489	160,833	
Government of the Northwest Territories	-	-	206,835	231,723	69,060	162,561
Dehcho First Nations	46,425	43,996	161,802	9,410	404,324	444,763
Administration fees	170,789	62,988	-	-	-	-
Fundraising and other revenues	171,887	45,151	10,000	26,834	12,645	11,450
Transfer from deferred revenue	-	95,888	38,090	-	-	2,554
Transfer to deferred revenue	(258,439)	-	(6,413)	(58,418)	(80,128)	(36,148)
Transfer to contribution repayable	-	-	-	(1,786)	(27,918)	(6,587)
Income (loss) from investments in government business enterprise	(74,259)	38,644	-	-	-	-
Income (loss) from investments in government business partnership	81,244	(380)	-	-	-	-
Rental income	34,055	36,039	-	-	-	-
Total revenue	1,397,705	500,478	410,314	260,053	647,472	766,188
Expenses						
Salaries and benefits	425,673	302,507	124,799	107,501	333,961	388,743
Debt servicing	11,028	12,347	-	-	-	-
Amortization	33,800	56,132	-	-	-	-
Other expenses	859,250	135,091	285,723	152,622	318,030	361,821
Total expenses	1,329,751	506,077	410,522	260,123	651,991	750,564
Excess (deficiency) of revenue over expenses before other items	67,954	(5,599)	(208)	(70)	(4,519)	15,624
Transfer to tangible capital assets	1,763	146,356	-	-	-	-
Gain on sale of capital assets	50,928	-	-	-	-	-
Loss on business combination	-	(105,227)	-	-	-	-
Excess (deficiency) of revenue over expenses	\$ 120,645	\$ 35,530	(208)\$	(70)\$	(4,519)\$	15,624

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

25. Segmented Information, (continued)

	Health 2021 Actual	2020 Actual	Economic Development 2021 Actual	2020 Actual	Consolidated totals 2021 Actual	2020 Actual
Revenue						
Indigenous and Northern Affairs Canada	\$ -	\$ -	\$ -	\$ -	\$ 1,226,003	\$ 257,204
Health Canada	-	-	-	-	269,489	160,833
Government of the Northwest Territories	184,147	190,963	213,972	140,541	674,014	725,788
Dehcho First Nations	-	-	-	-	612,551	498,169
Administration fees	-	-	-	-	170,789	62,988
Fundraising and other revenues	-	-	78,002	17,335	272,534	100,770
Transfer from deferred revenue	-	-	-	-	38,090	98,442
Transfer to deferred revenue	(42,604)	(13,482)	-	-	(387,584)	(108,048)
Transfer to contributions repayable	-	-	-	-	(27,918)	(8,373)
Income (loss) from investments in government business enterprise	-	-	-	-	(74,259)	38,644
Income (loss) from investments in government business partnership	-	-	-	-	81,244	(380)
Rental income	-	-	-	-	34,055	36,039
Total revenue	141,543	177,481	256,409	157,876	2,889,008	1,862,076
Expenses						
Salaries and benefits	51,587	50,962	120,972	53,060	1,056,992	902,773
Debt servicing	-	-	-	-	11,028	12,347
Amortization	-	-	8,969	6,213	42,769	62,345
Other expenses	92,164	126,519	139,588	110,609	1,694,755	886,662
Total expenses	143,751	177,481	269,529	169,882	2,805,544	1,864,127
Excess (deficiency) of revenue over expenses before other items	(2,208)	-	(13,120)	(12,006)	83,464	(2,051)
Transfer to tangible capital assets	-	-	-	-	1,763	146,356
Gain on sale of capital assets	-	-	-	-	50,928	-
Loss on business combination	-	-	-	-	-	(105,227)
Excess (deficiency) of revenue over expenses	\$ (2,208)	\$ -	\$ (13,120)	\$ (12,006)	\$ 136,155	\$ 39,078

Deh Gah Got'ie First Nation

Notes to Consolidated Financial Statements

March 31, 2021

26. Direct charge to accumulated surplus due to business combination

On March 31, 2021, Fort Providence Resource Management Board, a 100% owned subsidiary, was dissolved. The First Nation combined its operations with Fort Providence Resource Management Board effective March 31, 2021 without compensation. In the business combination the following assets and liabilities were transferred to the First Nation.

Assets	
Cash	\$ 2,755
Goods and services taxes receivable	<u>1,815</u>
	<hr/> <u>4,570</u>
Liabilities	
Accounts payable and accrued liabilities	7,177
Contribution repayable	<u>34,936</u>
	<hr/> <u>42,113</u>
Net Contributions repayable	37,543
less: Tangible capital assets	(188)
Direct charge to accumulated surplus	<hr/> <u>\$ 37,355</u>

The excess of liabilities over the financial assets of \$37,543 is reported on the statement of Changes in Net Financial Assets and on the statement of cash flow.