Yellowknives Dene First Nation

Consolidated Financial Statements

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Management's Responsibility for Financial Reporting

March 31, 2015

The accompanying consolidated financial statements of Yellowknives Dene 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 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 Yellowknives Dene First Nation and meet when required.

On behalf of Yellowknives Dene First Nation:

Chief	Oct 1/15 Date
for Chief Executive Officer	Oct 1/15 Date

Crowe MacKay™

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Independent Auditors' Report

To the Members of
Yellowknives Dene First Nation

We have audited the accompanying consolidated financial statements of Yellowknives Dene First Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations, 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.

Crowe MacKay™

Basis for Qualified Opinion
The subsidiary investment, Deton' Cho Corporation, has issued audited financial statements, however, they have been qualified because the auditor could not obtain audited financial statements for some of the subsidiary companies of Deton' Cho Corporation.We were not able to obtain sufficient and appropriate audit evidence about the carrying amount of the investment in government business enterprises for some of Deton' Cho Corporation's investment in subsidiaries, significant influenced investments, and joint ventures as at March 31, 2015 and Deton' Cho Corporation's share of net income in those companies. Consequently we are unable to determine whether any adjustment to these amounts were necessary.

Furthermore the investment in Deton' Cho Corporation Limited Partnership has issued unaudited financial statements. We were not able to obtain sufficient and appropriate audit evidence about the carrying amount of the investment and equity earnings in Deton' Cho Limited Partnership. Consequently we are unable to determine whether any adjustment to these amounts were necessary.

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.

Crowe MacKay LLP

Yellowknife, Canada
September 26, 2015

Chartered Accountants

Yellowknives Dene First Nation

Consolidated Statement of Financial Position

As at March 31	2015	2014
Financial Assets		
Cash and cash equivalents (Note 5)	$ **4,615,446**	$ 4,558,767
Accounts receivable (Note 6)	**1,419,525**	665,133
GST receivable	**484,661**	354,777
Funds held in trust (Note 7)	**266,347**	261,450
Due from subsidiaries (Note 8)	**6,871,994**	7,597,921
	13,657,973	13,438,048
Liabilities		
Investments in government business enterprises (Note 9)	**6,236,397**	10,541
Accounts payable and accrued liabilities (Note 10)	**827,197**	1,146,036
Due to K'alemi Dene School (Note 11)	**1,493,731**	-
Damage deposit payable	**24,065**	23,416
Due to the NWT Housing Corporation (NWTHC)	**8,125**	217,299
Deferred revenue (Note 12)	**2,324,038**	4,629,699
Contributions repayable (Note 13)	**330,110**	253,576
Loan payable (Note 14)	**329,180**	684,941
Impact benefit agreement payable (Note 15)	**312,450**	333,500
Obligations under capital lease (Note 16)	**5,153**	11,291
	11,890,446	7,310,299
Net financial assets	**1,767,527**	6,127,749
Non-financial Assets		
Tangible capital assets (Note 17)	**2,206,687**	2,124,131
Prepaid expenses and deposits	**2,120**	8,909
Inventory	**24,223**	25,546
	2,233,030	2,158,586
Accumulated Surplus (Note 23)	$ **4,000,557**	$ 8,286,335

Commitments (Note 24.)
Guarantees (Note 25.)

Approved on behalf of the Chief and Council

_______________, **Chief**

_______________, for **Chief Executive Officer**

The accompanying notes are an integral part of the financial statements

Consolidated Statement of Operations

For the year ended March 31	2015 Budget	2015 Actual	2014 Actual
Revenue			
Federal Government:			
Aboriginal Affairs and Northern Development Canada	$ -	$ 1,008,776	$ 1,049,457
Other federal contributions	-	82,508	159,151
Health Canada	-	353,730	340,605
Government of the Northwest Territories (GNWT)	-	3,120,433	5,017,162
Contributions from NWT Housing Corporation (NWTHC)	-	673,123	1,189,496
Akaitcho Territory Government	-	280,117	126,372
IBA Revenue	-	1,763,394	2,926,339
Administration fees	-	1,443,976	469,663
Other contributions	-	193,527	449,857
Water and sewer - municipal services	-	305,787	37,561
Other income	-	432,844	355,900
Transfers	-	254,194	120,293
Rental revenue - housing division	-	(139,102)	307,894
Recoveries - housing division	-	9,934	110,311
Interest income	-	95,806	88,532
Contributions repayable	-	(110,526)	(3,175)
Transfer to deferred revenue	-	(170,636)	(409,021)
Transfer from deferred revenue	-	68,314	-
	6,494,561	9,666,199	12,336,397
Expenses			
Band Government	2,008,187	2,193,413	2,477,476
Community Services	2,438,095	1,767,490	1,817,181
Economic Development	1,152,712	1,666,065	1,931,530
Education	598,163	590,795	2,670,202
Health	1,011,025	933,334	769,361
Social Services	-	90,795	151,756
Housing	652,649	609,790	1,267,929
	7,860,831	7,851,682	11,085,435
Excess of revenue over expenses before other items	(1,366,270)	1,814,517	1,250,962
Other items			
Writedown of Weledeh Holdings Inc.	-	(91,508)	(94,338)
Loss on disposal of tangible capital assets	-	(2,950)	-
Share of partnership earning (loss)	-	(32,343)	8,044
Equity earnings (loss)	-	(6,193,513)	(3,310,976)
Transfer to tangible capital assets	-	256,109	-
Deficit funding by NWTHC for Housing operations	-	548,956	(18,795)
Impairment of advance due from subsidiary	-	(668,890)	-
	-	(6,184,139)	(3,416,065)
Deficiency of revenue over expenses	$ (1,366,270)	$ (4,369,622)	$ (2,165,103)

The accompanying notes are an integral part of the financial statements

Consolidated Statement of Accumulated Surplus

For the year ended March 31	2015	2014
Accumulated surplus, beginning of year	$ 8,286,335	$ 10,451,438
Deficiency of revenue over expenses	(4,369,622)	(2,165,103)
Transfer of rental revenue from NWTHC	83,844	-
Accumulated surplus, end of year	$ 4,000,557	$ 8,286,335

The accompanying notes are an integral part of the financial statements

Yellowknives Dene First Nation

Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2015 Budget	2015 Actual	2014
Deficiency of revenue over expenses	**$ (1,366,270)**	**$ (4,369,622)**	$ (2,165,103)
Acquisition of tangible capital assets	-	**(263,109)**	-
Amortization of tangible capital assets	-	**170,603**	160,959
Proceeds on disposal of tangible capital assets	-	**7,000**	-
Loss on disposal of tangible capital assets	-	**2,950**	-
	-	**(82,556)**	160,959
Use of prepaid asset	-	**6,789**	43,124
Use of inventory	-	**1,323**	30,246
Transfer of rental revenue from NWTHC	-	**83,844**	-
Decrease in net financial assets	**(1,366,270)**	**(4,360,222)**	(1,930,774)
Net financial assets, beginning of year	**6,127,749**	**6,127,749**	8,058,523
Net financial assets, end of year	**$ 4,761,479**	**$ 1,767,527**	$ 6,127,749

The accompanying notes are an integral part of the financial statements

Consolidated Statement of Cash Flows

For the year ended March 31, 2015	2015	2014
Cash flows from		
Operating activities		
Deficiency of revenue over expenses	**$ (4,369,622)**	$ (2,165,103)
Items not affecting cash		
Amortization	**170,603**	160,959
Equity (earnings) loss in subsidiary	**6,193,513**	3,310,976
Share of partnership (earnings) loss	**32,343**	(8,044)
Writedown of Weledeh Building Society	**91,508**	94,338
Loss on disposal of tangible capital assets	**2,950**	-
Transfer of rental revenue from NWTHC	**83,844**	-
Impairment of advance due from subsidiary	**668,890**	-
	2,874,029	1,393,126
Change in non-cash operating working capital		
Accounts receivable	**(754,392)**	(83,112)
Inventory	**1,323**	30,246
Prepaid expenses and deposits	**6,789**	43,124
Accounts payable and accrued liabilities	**(318,839)**	55,646
Damage deposit payable	**649**	144
Deferred revenue	**(2,305,661)**	409,021
Impact benefit agreement payable	**(21,050)**	(13,500)
Contributions repayable	**76,534**	(78,726)
GST receivable	**(129,884)**	370,303
Funds held in trust	**(4,897)**	(4,307)
Due to NWTHC	**(209,174)**	(2,981)
Due to K'alemi Dene School	**1,493,731**	2,402
	709,158	2,121,386
Capital activities		
Purchase of tangible capital assets	**(263,109)**	-
Proceeds on disposal of tangible capital assets	**7,000**	-
	(256,109)	-
Financing activities		
Repayment of loan	**(355,761)**	(337,643)
Repayment of obligations under capital lease	**(6,138)**	(5,155)
	(361,899)	(342,798)
Investing activity		
Advance to subsidiaries	**(34,471)**	(103,081)
Increase in cash and cash equivalents	**56,679**	1,675,507
Cash and cash equivalents, beginning of year	**4,558,767**	2,883,260
Cash and cash equivalents, end of year	**$ 4,615,446**	$ 4,558,767

The accompanying notes are an integral part of the financial statements

1. Nature of operations

Yellowknives Dene First Nation ("YKDFN") is established pursuant to the *Indian Act*. Operating activities of YKDFN includes the administration and delivery of services to the communities of Dettah, NT and N'Dilo, NT. YKDFN 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 YKDFN 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 YKDFN 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 government business enterprise, which are included in the Consolidated Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the YKDFN'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 the YKDFN.

Organizations consolidated in YKDFN's financial statements include:

1. Yellowknives Dene First Nation Housing Division (100% control)

Organizations accounted for on a modified equity basis include:

2. Deton' Cho Corporation (100% control)
3. Deton' Cho Limited Partnership (99.99% partner)
4. Weledeh Holdings Inc. (100% control)

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

(c) 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, 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.

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.

Funding and contributions from NWTHC are recognized as the funding and contributions are received or receivable.

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.

Water and sewer fees are recognized when services are provided.

Other income which includes donations, rental, and other funding are recognized when received or receivable and collection is reasonably assured.

Transfers are internal reallocations of project funds received or receivable to other eligbile projects as specified in the funding agreement.

Rental revenue is recognized when housing units are occupied. An allowance is recognized for any rental amounts owing which are deemed uncollectible.

Interest income is recognized as it is earned.

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

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand at the bank, restricted cash and restricted 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.

(e) Inventory

Inventory held for use consists of materials and supplies to be consumed in the process of constructing or maintenance of the buildings or properties administered by NWT Housing Corporation. The cost of inventory is valued on a weighted average basis at the lower of cost and replacement value.

(f) Tangible capital assets under capital lease

Tangible capital assets under capital leases are recorded at cost and are being amortized over their estimated useful lives on a declining balance basis. The annual amortization rates are as follows:

Vehicles	30% Declining balance

(g) 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:

Buildings	3% Declining balance
Vehicles	30% Declining balance
Computer equipment	55% Declining balance
Equipment	20% 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 YKDFN'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.

(h) 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.

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

(i) Employee leave and termination benefits

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Employees also earn severance remuneration based on the number of years of service. The estimated employee leave and termination benefits payable is accrued.

(j) 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.

(k) Security deposits in trust

Security deposits are collected from tenants and held in a separate bank account in trust. Interest is accrued on the deposits based on the rates prescribed by the NWT Rental Office. Upon termination of a tenancy the deposit, including accrued interest, is either applied against the cost of damages to the unit, unpaid rent or refunded to the tenant.

(l) Net debt or net financial assets

The YKDFN'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 YKDFN is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

(m) 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 YKDFN 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, management reviews the carrying amounts of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. Management has concluded that there is no contamination that exceeds environment standards and as a result there is no liability to recognize.

(n) 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.

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

(o) 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 non-consolidated financial statements. Revenues not directly attributable to a specific segment are shown in the general government services revenue. 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;

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

Housing which provides housing services and related programs to the community;

Social Services which provides support services and programs to the community to assist in promoting community justice and to reduce or prevent issues of public concern such as crime and drug and alcohol abuse.

3. Changes in Accounting Policies

Liability for contaminated sites, Section PS 3260

Effective April 1, 2014, the YKDFN 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 YKDFN's liabilities.

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.

Portfolio Investments, Section PS 3041

PSAB released Section PS 3041 - Portfolio Investments. This new Section establishes recognition, measurement and disclosure standards for Portfolio Investments for governments and those organizations applying the CPA Public Sector Accounting Handbook.

This Section is effective for fiscal periods beginning on or after April 1, 2015 for governments. 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.

5. Cash and cash equivalents

	2015	2014
Externally restricted		
Royal Bank of Canada (RBC) - Gas Tax	$ 454,566	$ 405,525
Royal Bank of Canada (RBC) - Community Public Infrastructure	2,002,263	1,773,614
Security deposits "In Trust"	24,065	23,416
	2,480,894	2,202,555
Unrestricted		
Cash	2,134,552	2,379,628
	$ 4,615,446	$ 4,582,183

6. Accounts receivable

	2015	2014
Accounts receivable - trade	$ 1,908,078	$ 1,215,310
Tenant receivables	1,145,023	1,097,503
	3,053,101	2,312,813
Less: Allowance for doubtful accounts	(1,633,576)	(1,647,680)
	$ 1,419,525	$ 665,133

7. Funds held in trust

	2015	2014
One year cashable guaranteed investment certificate - RBC	$ 77,018	$ 76,406
Guaranteed investment certificate - RBC	165,264	161,628
Guaranteed investment certificate - RBC (damage deposits)	24,065	23,416
	$ 266,347	$ 261,450

The term deposits consist of guaranteed investments certificates (GIC's). The one year cashable GIC has an annual interest rate of 0.65% and matures on March 5, 2016. The second GIC has an annual interest rate of 2.25% and matures on March 20, 2018 and is held pursuant to a loan guarantee provided on behalf of Deton' Cho Corporation Ltd. in favour of the Government of the Northwest Territories. The third GIC has an annual interest rate of 1.05% and matures on January 20, 2016 and is made up of tenant damage deposits.

8. Due (to) from subsidiaries

The YKDFN entered into transactions with the following subsidiaries:

Deton' Cho Corporation Ltd., 100% control
Weledeh Holdings Inc., 100% control
Deton' Cho Corporation Limited Partnership, 99.99% control

	2015	2014
Due from Deton' Cho Corporation Ltd.	$ 3,913,333	$ 4,547,752
Due from Weledeh Holdings Inc.	2,958,760	3,050,268
Due to Deton' Cho Corporation Limited Partnership	(99)	(99)
	$ 6,871,994	$ 7,597,921

Deton' Cho Corporation's (DCC) operations have resulted in a signifcant deficit in the 2014 and 2015 fiscal years as such the amounts due from DCC are subject to measurement uncertainty. The amounts recognized are based on the YKDFN's best information and judgement. The management of DCC has plans in place to improve the results of operations and have secured contracts that they expect will be profitable. The collectablity of the related party balance is contingent on the success of the recovery plan that the management of DCC has in place.

As a result, a write down of $668,890 was recorded on amounts due from Deton' Cho Corporation.

9. Investments in government business enterprises

YKDFN owns 99.99% of Deton' Cho Corporation Limited Partnership, 100% of Deton' Cho Corporation and 100% of Weledeh Holdings Inc.

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

	2015	2014
Investment in Deton' Cho Corporation		
1 Class A common share	$ 1	$ 1
Share of equity in retained earnings since date of acquisition	(5,800,821)	1,642,692
Dividends declared	-	(1,250,000)
	(5,800,820)	392,693
Investment in Deton' Cho Corporation Limited Partnership		
9999 Class A common shares (99.99% ownership)	99	99
Share of equity in retained earnings since date of acquisition	(435,676)	(403,333)
	(435,577)	(403,234)
	$ (6,236,397)	$ (10,541)

9. Investments in government business enterprises, continued

The following table presents condensed consolidated financial information for Deton' Cho Corporation:

	2015	2014
Total assets	**$ 32,443,663**	$ 30,150,215
Total liabilities	36,591,686	28,439,511
Equity	(5,800,820)	392,693
Other items affecting equity	1,652,797	1,318,011
Total liabilities and equity	**$ 32,443,663**	$ 30,150,215
Revenues	$ 75,621,137	$ 65,102,467
Direct expenses	(63,417,206)	(53,063,138)
Operating expenses	(16,943,929)	(15,523,841)
Other income	358,930	568,089
Other expenses	(1,233,372)	(268,447)
Income taxes	(94,839)	206,315
Non-controlling interest	(484,234)	(332,421)
Net income (loss)	**$ (6,193,513)**	$ (3,310,976)

The following table presents condensed financial information for Deton' Cho Corporation Limited Partnership:

	2015	2014
Total assets	**$ 663,793**	$ 698,537
Total liabilities	1,099,410	1,101,781
Partners' deficit	(435,617)	(403,244)
Total liabilities and partners' deficit	**$ 663,793**	$ 698,537
Direct expenses	(1,501)	(7,500)
Other income	13,257	8,052
Net income (loss)	**$ 11,756**	$ 552

The following table presents condensed financial information for Weledeh Holding Inc.

	2015	2014
Total assets	**$ 2,958,760**	$ 3,050,268
Total liabilities	2,958,660	3,050,168
Shareholder's equity	100	100
Total liabilities and partners' deficit	**$ 2,958,760**	$ 3,050,268
Net income (loss)	$ -	$ -

10. Accounts payable and accrued liabilities

	2015	2014
Trade payables	$ **510,101**	$ 713,235
Accrued salaries and benefits payable	**317,096**	432,801
	$ **827,197**	$ 1,146,036

11. Due to K'alemi Dene School

K'alemi Dene School advanced funds to the YKDFN to run the school's day to day operations and pay vendors and suppliers. At March 31, 2015 there is an unspent balance of the funds received from the school.

12. Deferred revenue

	March 31, 2014	Funding received, 2015	Revenue recognized, 2015	March 31, 2015
Government Of Canada				
Health Services	$ 6,292	$ -	$ (6,292)	$ -
Territorial Government				
Education, Culture, and Employment	2,407,984	-	(2,407,984)	-
Municipal and Community Affairs - Gas Tax	459,524	126,058	(126,058)	**459,524**
Municipal and Community Affairs - CPI	1,603,442	708,000	(496,150)	**1,815,292**
ECE Child and Family Resources	59,752	-	(10,530)	**49,222**
	4,530,702	834,058	(3,040,722)	**2,324,038**
Other				
Akaitcho Territory Government - Believe in yourself program	19,166	-	(19,166)	-
NWT Treaty 8 - IMA Coordinator	32,331	-	(32,331)	-
DeBeers - IBA Negotiations Funding	41,213	-	(41,213)	-
	92,710	-	(92,710)	-
	$ 4,629,699	$ 834,058	$ (3,139,724)	$ **2,324,038**

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.

13. Contributions repayable

	2015	2014
Government of Canada - Aboriginal Affairs and Northern Development Canada	$ 143,064	$ 91,913
GNWT - Department of Education, Culture and Employment	4,730	4,730
GNWT - Department of Munipical and Community Affairs	182,316	156,933
	$ 330,110	$ 253,576

14. Loan payable

	2015	2014
RBC loan bearing interest at 5.00% per annum, repayable with blended annual payments of $390,000, maturing in June 2015, secured by a general security agreement.	$ 329,180	$ 684,941

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

2016	$ 329,180

15. Impact benefit agreement

	2015	2014
Member impact benefit agreement payable	$ **312,450**	$ 333,500

The amount consists of portions of funds received pursuant to Impact Benefit Agreements declared payable to YKDFN members which remain unpaid at March 31, 2015.

16. Capital lease obligation

	2015	2014
Capital lease due October 2016, repayable in monthly installments of $511 including interest at 8.39% per annum with a maturity date of October 2016, secured by a motor vehicle with a net book value of $5,536.	$ **5,153**	$ 11,291

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

2016	$ **6,138**
Imputed interest	**985**
	$ **5,153**

17. Tangible Capital Assets

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	**2015 net book value**
Buildings	$ 2,775,092	$ -	$ -	$ 2,775,092	$ 972,888	$ 54,067	$ -	$ 1,026,955	$ 1,748,137
Vehicles	413,985	199,520	(69,643)	543,862	312,172	57,486	(59,693)	309,965	233,897
Computer equipment	201,323	16,453	-	217,776	200,069	5,213	-	205,282	12,494
Equipment	664,869	47,136	-	712,005	446,009	53,837	-	499,846	212,159
	$ 4,055,269	$ 263,109	$ (69,643)	$ 4,248,735	$ 1,931,138	$ 170,603	$ (59,693)	$ 2,042,048	$ 2,206,687

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2014 Net book value
Buildings	$ 2,775,092	$ -	$ -	$ 2,775,092	$ 917,148	$ 55,740	$ -	$ 972,888	$ 1,802,204
Vehicles	413,985	-	-	413,985	268,537	43,635	-	312,172	101,813
Computer equipment	201,323	-	-	201,323	198,537	1,532	-	200,069	1,254
Equipment	664,869	-	-	664,869	385,957	60,052	-	446,009	218,860
	$ 4,055,269	$ -	$ -	$ 4,055,269	$ 1,770,179	$ 160,959	$ -	$ 1,931,138	$ 2,124,131

18. Related party transactions

The YKDFN entered into transactions with the following related parties:

Yellowknives Dene First Nation Housing Division, 100% control
Bouwa Whee Catering Ltd., 100% control
Chief and Council, significant influence
Deton' Cho Construction, 100% control
Deton' Cho Corporation, 100% control
Deton' Cho Logistics Ltd., 100% control
Deton' Cho Stantec Ltd., 100% control
We Le Dai Corporation., 100% control

	2015	2014
Revenues		
Deton' Cho Corporation - Project contribution	$ -	$ 11,000
Deton' Cho Logistics Ltd. - Donation	500	-
Deton' Cho Stantec Ltd. - Rent	225	-
	725	11,000
Expenses		
Bouwa Whee Catering Ltd. - Meals	10,276	1,113
Chief and Council - Wages and travel	593,260	418,757
Deton' Cho Construction Ltd. - Municipal services	-	30,503
Deton' Cho Corporation - Rent	84,000	84,000
Deton' Cho Corporation - Capital projects	-	367,375
Deton' Cho Logistics Ltd. - Travel	20,000	-
Deton' Cho Stantec Ltd. - Service contracts	66,354	-
We Le Dai Corporation - Training and education	150	-
	774,040	901,748
Accounts receivable		
Deton' Cho Corporation	40,999	44,999
Accounts payable		
Chief and Council	6,479	800
Deton' Cho Stantec Ltd.	19,170	-
	$ 25,649	$ 800

19. Government Transfers

			2015
	Operating	Capital	Total
Federal government transfers			
Aboriginal Affairs and Northern Development Canada	$ 1,008,776	$ -	$ 1,008,776
Health Canada	353,730	-	353,730
Other	82,508	-	82,508
Total	**1,445,014**	-	**1,445,014**
Government of the Northwest Territories	**2,959,498**	**834,058**	**3,793,556**
Other territorial transfers	**473,644**	-	**473,644**
Total	**$ 4,878,156**	**$ 834,058**	**$ 5,712,214**

			2014
	Operating	Capital	Total
Federal government transfers			
Aboriginal Affairs and Northern Development Canada	$ 1,049,457	$ -	$ 1,049,457
Health Canada	340,605	-	340,605
Other	159,151	-	159,151
Total	1,549,213	-	1,549,213
Government of the Northwest Territories	5,498,523	708,136	6,206,659
Other territorial transfers	576,229	-	576,229
Total	$ 7,623,965	$ 708,136	$ 8,332,101

20. Subsequent Events

On April 16, 2015, the YKDFN agreed to provide an unlimited guarantee to the Bank of Montreal in favour of Deton' Cho Corporation's full borrowing of $5,425,000. The credit facilities were approved on April 21, 2015 and the funds were disbursed to Deton' Cho Corporation.

21. Expenses by Object

The following is a summary of expenses by object.

For the year ended March 31	2015 Budget	2015 Actual	2014 Actual
Administration fees	$ -	$ **177,474**	$ 495,037
Advertising	-	**17,909**	23,311
Amortization	-	**170,603**	160,959
Bad debts (recovery)	-	**(128,506)**	382,738
Basic needs	-	**16,434**	37,000
Contract services	-	**447,177**	2,077,159
Cultural events	-	**44,290**	62,977
Donations	-	**24,050**	42,424
Equipment lease	-	**310,494**	75,007
Honorariums	-	**241,885**	253,229
Impact benefit agreement payouts	-	**375,576**	428,630
Insurance	-	**107,958**	102,460
Interest and bank charges	-	**25,344**	44,159
Language, culture and interpreting	-	**202,350**	224,612
Materials and supplies	-	**300,560**	385,214
Meals and entertainment	-	**45,099**	34,825
Occupancy cost	-	**128,040**	767,488
Office equipment	-	**13,242**	5,695
Office expenses	-	**6,493**	8,510
Professional fees	-	**635,077**	772,315
Rent	-	**157,923**	145,976
Repairs and maintenance	-	**124,734**	107,772
Student allowance	-	**66,600**	103,600
Training	-	**21,949**	53,775
Travel	-	**439,207**	319,502
Utilities and telephone	-	**355,080**	364,813
Vehicle	-	**76,369**	83,072
Wages and benefits	-	**3,448,271**	3,523,176
	$ 7,860,831	**$ 7,851,682**	$ 11,085,435

22. Budget Information

The budget for the YKDFN was approved by Chief and Council on July 2, 2014. The budget for the YKDFN Housing Division were those approved by the NWTHC.

The budget figures are not audited and are intended for information purposes only.

23. Accumulated surplus

	2015	2014
Restricted		
IBA Reserves	$ 3,884,536	$ 3,884,536
Investment in tangible capital assets	1,872,354	1,427,998
Transfer of rental revenue from NWTHC	83,844	-
	5,840,734	5,312,534
Unrestricted		
General operating fund	(1,840,177)	2,973,801
	$ 4,000,557	$ 8,286,335

24. Commitments

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

	2016	2017	2018
Xerox copier lease	$ 27,618	$ 27,618	$ 27,618
Xerox copier lease	4,754	-	-
Deton' Cho Corporation rent	88,200	-	-
Postage machine lease	1,418	-	-
	$ 121,990	$ 27,618	$ 27,618

25. Guarantees

The YKDFN has provided an unlimited guarantee to the First Nations Bank of Canada in favour of Bouwa Whee Catering Ltd. As at March 31, 2015, there is an outstanding balance on the loan of $1,584,576.

Subsequent to the year end, the YKDFN provided an unlimited guarantee to the Bank of Montreal in favour of Deton' Cho Corporation's for three credit facilities totalling and not to exceed $5,425,000. Facility #1 is for an operating loan amount of $1,000,000 bearing interest at RBC prime rate plus 1.50% per annum, repayable monthly, incurring a monthly fee of $125, and due on demand. Facility #2 is for a non revolving demand loan and/or a fixed rate fixed term loan amount of $4,325,000 bearing interest at RBC prime floating rate plus 1.25% per annum, repayable monthly and/or bearing interest at a fixed rate of 3.45% over 3 years subject to change up to and including the advance date unless a rate hold is formalized, maturing in April 2025. Facility #3 is a loan amount of $100,000 on a corporate MasterCard, repayable monthly in full.

26. Economic Dependence

The YKDFN 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.

27. Segmented information

	Band Government			Community Services			Economic Development		
	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	$ -	$ 605,318	$ 461,604	$ -	$ 68,585	$ 138,131	$ -	$ 334,873	$ 449,047
Other federal contributions	-	30,002	2,091	-	49,006	300	-	3,500	150,000
IBA Revenue	-	45,349	38,852	-	21,400	525	-	1,634,895	2,815,086
Municipal services	-	13,645	11,886	-	292,141	25,675	-	-	-
Government of the Northwest Territories (GNWT)	-	105,880	160,232	-	1,753,018	1,835,371	-	322,063	35,005
Akaitcho Territory Government	-	171,130	40,919	-	9,325	62,608	-	46,600	22,845
Other revenue	1,099,646	2,713,084	1,202,902	2,315,775	59,257	248,686	887,303	(761,780)	(618,074)
Total revenue	1,099,646	3,684,408	1,918,486	2,315,775	2,252,732	2,311,296	887,303	1,580,151	2,853,909
Expenses									
Wages and benefits	-	990,111	1,013,673	-	541,945	468,727	-	522,390	560,738
Amortization	-	170,605	160,959	-	-	-	-	-	-
Other expenses	2,008,187	1,032,697	1,302,844	2,438,095	1,225,545	1,348,454	1,152,712	1,143,675	1,370,792
Total expenses	2,008,187	2,193,413	2,477,476	2,438,095	1,767,490	1,817,181	1,152,712	1,666,065	1,931,530
	(908,541)	1,490,995	(558,990)	(122,320)	485,242	494,115	(265,409)	(85,914)	922,379
Other income	-	(6,733,095)	(3,397,270)	-	-	-	-	-	-
Annual surplus (deficit)	$ (908,541)	$ (5,242,100)	$ (3,956,260)	$ (122,320)	$ 485,242	$ 494,115	$ (265,409)	$ (85,914)	$ 922,379

27. Segmented information, continued

	Education			Health			Social Services		
	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	$ -	$ -	$ -	$ -	$ -	$ 675	$ -	$ -	$ -
Other federal contributions	-	-	-	-	-	225	-	-	6,535
IBA Revenue	-	27,750	35,875	-	32,000	21,500	-	2,000	14,500
Health Canada	-	353,730	340,605	-	-	-	-	-	-
Government of the Northwest Territories (GNWT)	-	12,300	2,166,899	-	851,601	723,747	-	75,570	95,910
Akaitcho Territory Government	-	-	-	-	53,063	-	-	-	-
Other revenue	528,163	143,719	204,306	1,011,025	43,219	17,129	-	10,000	17,100
Total revenue	528,163	537,499	2,747,685	1,011,025	979,883	763,276	-	87,570	134,045
Expenses									
Wages and benefits	-	296,814	457,626	-	575,636	471,174	-	66,107	92,707
Other expenses	598,163	293,981	2,212,576	1,011,025	357,698	298,187	-	24,688	59,049
Total expenses	598,163	590,795	2,670,202	1,011,025	933,334	769,361	-	90,795	151,756
	(70,000)	(53,296)	77,483	-	46,549	(6,085)	-	(3,225)	(17,711)
Other income	-	-	-	-	-	-	-	-	-
Annual surplus (deficit)	$ (70,000)	$ (53,296)	$ 77,483	$ -	$ 46,549	$ (6,085)	$ -	$ (3,225)	$ (17,711)

27. Segmented information, continued

	Housing 2015 Budget	Housing 2015 Actual	Housing 2014 Actual	Consolidated totals 2015 Budget	Consolidated totals 2015 Actual	Consolidated totals 2014 Actual
Revenues						
Aboriginal Affairs and Northern Development Canada	$ -	$ -	$ -	$ -	$ 1,008,776	$ 1,049,457
Other federal contributions	-	-	-	-	82,508	159,151
IBA Revenue	-	-	-	-	1,763,394	2,926,338
Health Canada	-	-	-	-	353,730	340,605
Municipal services	-	-	-	-	305,786	37,561
Government of the Northwest Territories (GNWT)	-	-	-	-	3,120,432	5,017,164
Akaitcho Territory Government	-	-	-	-	280,118	126,372
Other revenue	652,649	543,956	1,607,700	6,494,561	2,751,455	2,679,749
Total revenue	652,649	543,956	1,607,700	6,494,561	9,666,199	12,336,397
Expenses						
Wages and benefits	652,649	455,268	458,531	652,649	3,448,271	3,523,176
Amortization	-	-	-	-	170,605	160,959
Other expenses	-	154,522	809,398	7,208,182	4,232,806	7,401,300
Total expenses	652,649	609,790	1,267,929	7,860,831	7,851,682	11,085,435
	-	(65,834)	339,771	(1,366,270)	1,814,517	1,250,962
Other income	-	548,956	(18,795)	-	(6,184,139)	(3,416,065)
Annual surplus (deficit)	$ -	$ 483,122	$ 320,976	$ (1,366,270)	$ (4,369,622)	$ (2,165,103)