

**Liidlil Kue First Nation**  
**Consolidated Financial Statements**  
*March 31, 2025*

**Liidlíi Kue First Nation**  
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*For the year ended March 31, 2025*

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To the Members of Liidlí Kue First Nation:

### Qualified Opinion

We have audited the consolidated financial statements of Liidlí Kue First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, accumulated surplus, change in net financial assets (net debt) and cash flows for the year then ended, and supporting schedules and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect 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 financial position of the First Nation as at March 31, 2025, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

The First Nation's consolidated statement of operations and consolidated statement of change in net financial assets do not present a comparison of the results for the accounting period with those originally planned which constitutes a departure from Canadian public sector accounting standards.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's 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 opinion.

### Other Matter

The consolidated financial statements for the year ended March 31, 2024 prior to adjustments that were applied to restate certain comparative information explained in Note 3, were audited by another auditor who expressed an unmodified opinion on those statements on July 25, 2025.

### 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.

## Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's 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 auditor's 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the First Nation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

Winnipeg, Manitoba

January 21, 2026


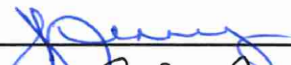

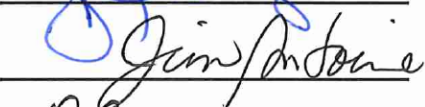

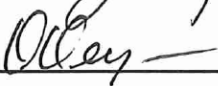
*MNP LLP*

Chartered Professional Accountants

**Liidlíi Kue First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2025*

	2025	2024 (Restated)
<b>Financial assets</b>		
Cash (Note 4)	2,997,529	2,914,387
Accounts receivable (Note 5)	3,792,228	2,132,259
Investments (Note 6)	1,677,006	2,000,731
	<b>8,466,763</b>	<b>7,047,377</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 7)	2,244,102	901,421
Deferred revenue (Note 8)	5,985,634	3,434,809
Long-term debt (Note 9)	487,625	156,250
	<b>8,717,361</b>	<b>4,492,480</b>
<b>Net financial assets (net debt)</b>	<b>(250,598)</b>	<b>2,554,897</b>
<b>Contingencies (Note 10)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	4,600,164	2,333,892
Prepaid expenses	45,211	269,487
	<b>4,645,375</b>	<b>2,603,379</b>
<b>Accumulated surplus</b>	<b>4,394,777</b>	<b>5,158,276</b>

Approved on behalf of the Chief and Council

	Chief		Councillor
	Councillor		Councillor
	Councillor		Councillor

**Liidlíi Kue First Nation**  
**Consolidated Statement of Operations**  
*For the year ended March 31, 2025*

	<i>Schedules</i>	<b>2025</b>	<i>2024</i> <i>(Restated)</i>
<b>Revenue</b>			
Indigenous Services Canada <i>(Note 13)</i>		<b>1,966,858</b>	1,928,901
Government of Northwest Territories		<b>2,357,014</b>	2,057,942
Government of Canada		<b>2,254,655</b>	880,020
Dehcho First Nations		<b>871,379</b>	660,370
Other		<b>1,689,892</b>	1,156,480
Revenue deferred in prior year <i>(Note 8)</i>		<b>3,484,809</b>	2,749,414
Revenue deferred to subsequent year <i>(Note 8)</i>		<b>(5,985,634)</b>	(3,484,809)
		<b>6,638,973</b>	5,948,318
<b>Segment expenses</b>			
Indigenous Services Canada	4	<b>608,578</b>	1,764,350
Government of Northwest Territories	5	<b>2,926,646</b>	3,108,395
Other	6	<b>250,417</b>	290,059
Dehcho First Nation	7	<b>431,385</b>	487,148
Government of Canada	8	<b>2,480,583</b>	661,438
Liidlíi Kue Society	9	<b>381,138</b>	228,698
<b>Total segment expenses</b> <i>(Schedule 2)</i>		<b>7,078,747</b>	6,540,088
<b>Deficit before other items</b>		<b>(439,774)</b>	(591,770)
<b>Other items</b>			
Loss on investments (Schedule 11)		<b>(323,725)</b>	(195,835)
<b>Annual deficit</b>		<b>(763,499)</b>	(787,605)

*The accompanying notes are an integral part of these financial statements*

**Liidlil Kue First Nation**  
**Statement of Accumulated Surplus**  
*For the year ended March 31, 2025*

	<b>2025</b>	<b>2024</b> <i>(Restated)</i>
<b>Accumulated surplus, beginning of year, as previously stated</b>	<b>4,074,608</b>	4,806,285
Correction of an error <i>(Note 3)</i>	<b>1,083,668</b>	1,139,596
<b>Accumulated surplus, beginning of year, as restated</b>	<b>5,158,276</b>	5,945,881
<b>Annual deficit</b>	<b>(763,499)</b>	(787,605)
<b>Accumulated surplus, end of year</b>	<b>4,394,777</b>	5,158,276

*The accompanying notes are an integral part of these financial statements*

**Liidlil Kue First Nation**  
**Consolidated Statement of Change in Net Financial Assets (Net Debt)**  
*For the year ended March 31, 2025*

	<b>2025</b>	<b>2024</b> <i>(Restated)</i>
<b>Annual deficit</b>	<b>(763,499)</b>	<b>(787,605)</b>
Purchases of tangible capital assets	<b>(2,455,593)</b>	<b>(15,882)</b>
Amortization of tangible capital assets	<b>189,321</b>	<b>97,512</b>
Use of prepaid expenses	<b>224,276</b>	<b>783,199</b>
<b>Change in net financial assets (net debt)</b>	<b>(2,805,495)</b>	<b>77,224</b>
<b>Net financial assets, beginning of year</b>	<b>2,554,897</b>	<b>2,477,673</b>
<b>Net financial assets (net debt), end of year</b>	<b>(250,598)</b>	<b>2,554,897</b>

*The accompanying notes are an integral part of these financial statements*



**Liidlíi Kue First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2025*

	2025	2024 (Restated)
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual deficit	(763,499)	(787,605)
Amortization	189,321	97,512
Loss on investments	323,725	195,835
	(250,453)	(494,258)
Changes in working capital accounts		
Accounts receivable	(1,659,969)	(1,117,038)
Prepaid expenses	224,276	783,199
Accounts payable and accruals	1,342,681	(207,133)
Deferred revenue	2,550,825	715,393
	2,207,360	(319,837)
<b>Financing activities</b>		
Advances of long-term debt	372,000	-
Repayment of long-term debt	(40,625)	(91,042)
	331,375	(91,042)
<b>Capital activities</b>		
Purchases of tangible capital assets	(2,455,593)	(15,882)
<b>Increase (decrease) in cash resources</b>	83,142	(426,761)
<b>Cash resources, beginning of year</b>	2,914,387	3,341,148
<b>Cash resources, end of year</b>	2,997,529	2,914,387

*The accompanying notes are an integral part of these financial statements*

**1. Operations**

The Liidlíi Kue First Nation (the "First Nation") is located in the Northwest Territories, and provides various services to its Members. Liidlíi Kue First Nation includes the First Nation's government and all related entities that are either owned or controlled by the First Nation. The First Nation is a non-taxable entity under the provisions of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

**2. Significant accounting policies**

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

***Consolidated reporting entity***

These consolidated financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity. The First Nation has consolidated the assets, liabilities, revenue and expenses of Liidlíi Kue Society and Undaa Gogha Trust. All inter-entity balances have been eliminated on consolidation.

Nogha Enterprises Ltd. and 507409 NWT Ltd. were consolidated using the modified equity method.

***Basis of presentation***

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

***Cash***

Cash includes balances with banks and short-term savings accounts. Cash is subject to restrictions, if any, is included in restricted cash.

***Net financial assets (net debt)***

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

***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, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include prepaid expenses, and tangible capital assets.

**2. Significant accounting policies** *(Continued from previous page)*

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records.

***Amortization***

Tangible capital assets are amortized annually using the declining-balance method at the following rates which are intended to amortize the cost of the assets over their estimated useful lives. Assets under construction are not amortized until the assets are put into use. One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

	<b>Rate</b>
Buildings	4 %
Heavy equipment	30 %
Automotive equipment	30 %
Furniture and equipment	20 %
Small tools	20 %

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

***Non-financial assets***

The First Nation's tangible capital assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

***Revenue recognition***

***Government Transfers***

Government transfer revenue which includes, but is not limited to, grants from Indigenous Services Canada, Government of the Northwest Territories and Government of Canada, is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is matched with the related department expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

***Dehcho First Nations***

Revenue from Deh Cho First Nations is recognized in the period in which the revenue was earned.

***Other revenue***

Interest revenue is recognized on an accrual basis in the year that it is earned.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collectability is reasonably assured.

**2. Significant accounting policies** *(Continued from previous page)*

***Financial instruments***

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation has classified the following financial assets in the amortized cost category: cash, accounts receivable and some investments. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Cash and accounts receivable are subsequently measured at their amortized cost, using the effective interest rate method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal payments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectibility.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets are tested annually for impairment. Management considers whether the invested has experienced continued losses for a period of years, recent collection experience for the loan, such as default or delinquency in interest or principal payments, etc. in determining whether the objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

The First Nation has classified the following liabilities in the amortized cost category: accounts payable and accruals and long-term debt. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Accounts payable and accruals and long-term debt are subsequently measured at amortized cost using the effective interest rate method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to their net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

***Measurement uncertainty***

The preparation of 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

**2. Significant accounting policies** *(Continued from previous page)*

**Measurement uncertainty** *(Continued from previous page)*

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements and stipulations have been met on government transfer revenue and externally restricted revenue.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the statement of operations in the year in which they become known.

**Employee future benefits**

The First Nation's employee future benefit programs consist of defined contribution pension plans. As a defined contribution plan, the First Nation's contributions to the pension plans are expensed and incurred and no further liability exists.

**Segments**

The First Nation conducts its business through six of reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 2 the Significant accounting policies.

The First Nation's reportable segments are as follows:

Liidlíi Kue Society

- reports on the operating activities of this not for profit organization

Indigenous Services Canada

- reports on the programs primarily funded by Indigenous Services Canada and the uses thereof

Government of Northwest Territories

- reports on the programs primarily funded by Government of Northwest Territories and the uses thereof

Dehcho First Nations

- reports on the programs primarily funded by Dehcho First Nations and the uses thereof

Government of Canada

- reports on the programs primarily funded by the Government of Canada, other than Indigenous Services Canada, and the uses thereof

Other - reports on all other activities of the First Nation not included in other segments

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the significant accounting policies.

**2. Significant accounting policies** *(Continued from previous page)*

***Fair value measurements***

The First Nation classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the First Nation to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy. The First Nation does not have any financial instruments measured at fair value.

***Statement of remeasurement gains and losses***

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the consolidated statement of operations. The consolidated statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the statement of remeasurement gains and losses. Taken together, the two statements account for changes in a First Nation's net assets (liabilities) in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest and dividends attributable to all financial instruments are reported in the consolidated statement of operations. There are no transactions to report in the consolidated statement of remeasurement gains or losses, therefore no statement has been presented in these consolidated financial statements.

***Asset retirement obligation***

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**Liidlii Kue First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

**3. Correction of error**

During the year, management determined that deferred contributions and amortization of deferred contributions were overstated in its previously issued consolidated financial statements.

In order to account for a correction of this error, management has restated the figures as at and for the year-ended March 31, 2024 as follows:

	<i>Previously stated</i>	<i>Correction</i>	<i>Restated</i>
<i>As at March 31, 2024</i>			
Deferred contributions - liability	\$1,083,668	(\$1,083,668)	\$0
Accumulated surplus	\$4,074,608	\$1,083,668	\$5,158,276
<i>For the year-ended March 31, 2024</i>			
Amortization of deferred contributions - revenue	\$55,928	(\$55,928)	\$0
Annual deficit	(\$731,677)	(\$55,928)	(\$787,605)
Accumulated surplus, beginning of year	\$4,806,285	\$1,139,596	\$5,945,881
Accumulated surplus, end of year	\$4,074,608	\$1,083,668	\$5,158,276

**4. Cash**

	<b>2025</b>	<b>2024</b>
Cash in bank	<b>1,242,849</b>	930,501
GIC	<b>951,987</b>	1,430,886
Petty cash	<b>108</b>	1,000
Undaa Gogha Trust	<b>802,585</b>	552,000
	<b>2,997,529</b>	2,914,387

The Guaranteed Income Certificates bear interest at 3.25% per annum, not exceeding 12 months, maturing in December 2025.

Liidlii Kue First Nation has an unsecured demand operating loan of \$50,000 at prime plus 1.0% and credit cards with a operating limits of \$30,000 with CIBC and \$40,000 with CIBC US Banking. The balance for the demand operating loan as at March 31, 2025 was \$nil (2024- \$nil).

**5. Accounts receivable**

	<b>2025</b>	<b>2024</b>
Trade receivable	<b>565,914</b>	320,741
Government of Canada	<b>2,287,082</b>	689,400
Indigenous Services Canada	<b>353,854</b>	597,537
Government of Northwest Territories	<b>613,137</b>	521,841
Dehcho First Nation	<b>177,794</b>	269,400
Goods and Services Tax	<b>133,629</b>	73,431
Due from Nogha Enterprises Ltd.	<b>656,804</b>	656,804
Due from 507409 NWT Ltd.	<b>819,651</b>	819,651
	<b>5,607,865</b>	3,948,805
Less: Allowance for doubtful accounts	<b>1,815,637</b>	1,816,546
	<b>3,792,228</b>	2,132,259

The allowance for doubtful accounts pertains to the amounts due from Nogha Enterprises Ltd. and 507409 NWT Ltd. as well as trade receivables.

**Liidlí Kue First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

**6. Investments**

	2025	2024
<b>Measured at cost:</b>		
Deh Cho Helicopters Regional Limited Partnership - 14.3%	5,000	5,000
<b>Modified equity method:</b>		
Investment in Nogha Enterprises Ltd. (Schedule 10)	2,147,441	2,018,559
Investment in 507409 NWT Ltd. (Schedule 10)	(475,435)	(22,828)
	<b>1,672,006</b>	1,995,731
	<b>1,677,006</b>	2,000,731

**7. Accounts payable and accruals**

	2025	2024
Trade payables	2,092,861	713,296
Wages payable	128,394	180,739
Committed funds	18,869	3,408
Contributions payable	3,978	3,978
	<b>2,244,102</b>	901,421

**8. Deferred revenue**

	2025	2024
Government of Canada	4,111,442	2,437,104
Government of Northwest Territories	885,708	521,009
Decho First Nations	650,258	387,778
The Four Pillars Society	200,000	-
Other	138,226	138,918
	<b>5,985,634</b>	3,484,809



**Liidlil Kue First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2025*

**9. Long-term debt**

	2025	2024
Term loan payable in monthly instalments of \$3,125 including interest at prime (4.95%) plus 1.00% per annum, due April 2028, secured by a General Security Agreement and guarantee from Liidlil Kue First Nation.	115,625	156,250
Term loan payable in monthly instalments of \$1,240 plus interest at prime (4.95%) plus 1.50% per annum, due May 2029, secured by a General Security Agreement and guarantee from Liidlil Kue Society.	372,000	-
	<b>487,625</b>	156,250
Less: current portion	52,000	40,625
	<b>435,625</b>	115,625

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2026	52,000
2027	52,000
2028	52,000
2029	18,000
2030	313,625

**10. Contingencies**

The First Nation is subject to funding recoveries according to their agreements with federal government agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2025, might be recovered.

**11. Commitments**

Liidlil Kue Society has entered into operating lease agreements with estimated minimum annual payments as follows:

2026 - \$3,220  
2027 - \$3,220  
2028 - \$3,220

**12. Economic dependence**

Liidlil Kue First Nation receives a significant portion of its revenue from Indigenous Services Canada as a result of Treaties entered into with the Government of Canada. These Treaties are administered by Indigenous Services Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

**13. Reconciliation of funding from Indigenous Services Canada**

The Indigenous Services Canada ("ISC") revenue of \$1,966,858 (2024 – \$1,928,901) on the statement of operations and accumulated surplus agrees to the ISC confirmation.

**14. Guarantees**

As at March 31, 2025, the First Nation has provided a guarantee for bank loans which have been provided to 507409 NWT Ltd., a wholly owned subsidiary of Liidlil Kue Society. The loan was provided to assist in the financing arrangements of the construction costs of a new office building. As at March 31, 2025, the outstanding loan balance is \$6,023,596 (2024 - \$6,185,226). These financing arrangements are included in long-term debt in Schedule 10.

**15. Comparative figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

**16. Financial instruments**

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

***Credit risk***

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

***Risk management***

The First Nation manages its credit risk by performing regular credit assessments of its customers, provides allowances for potentially uncollectible accounts receivable, consider credit ratings of counterparties.

***Liquidity risk***

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation expects to be able to meet its financial obligations in the foreseeable future.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The First Nation is exposed to interest rate cash flow risk as the line of credit is at a variable interest rate.

***Concentration of credit risk***

The First Nation does have concentration of credit risk. Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At March 31, 2025, receivables from the Government of Canada comprised approximately 69% (2024 - 47%) of the total outstanding receivables. The First Nation reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances. In the opinion of management the concentration risk exposure to the First Nation that is associated with the Government of Canada is low and is not material.

**17. Compliance with laws and regulations**

The First Nation was required by the First Nations Financial Transparency Act to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous Services Canada by July 29, 2025. Since the audit report date is dated after this date, the First Nation has not complied with this requirement. The possible effect of this non-compliance has not yet been determined. The First Nation fully intends to post its consolidated financial statements on a website upon release of these consolidated financial statements.

**Liidlíi Kue First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2025*

	<i>Land</i>	<i>Buildings</i>	<i>Automotive equipment</i>	<i>Furniture and equipment</i>	<i>Subtotal</i>
<b>Cost</b>					
Balance, beginning of year	156,510	3,114,914	527,487	8,019	3,806,930
Acquisition of tangible capital assets	-	2,455,593	-	-	2,455,593
Balance, end of year	156,510	5,570,507	527,487	8,019	6,262,523
<b>Accumulated amortization</b>					
Balance, beginning of year	-	955,859	509,160	8,019	1,473,038
Annual amortization	-	183,822	5,499	-	189,321
Balance, end of year	-	1,139,681	514,659	8,019	1,662,359
<b>Net book value of tangible capital assets</b>	<b>156,510</b>	<b>4,430,826</b>	<b>12,828</b>	<b>-</b>	<b>4,600,164</b>
Net book value of tangible capital assets - 2024	156,510	2,159,055	18,327	-	2,333,892

**Liidlíi Kue First Nation**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2025*

	<i>Subtotal</i>	<i>Heavy equipment</i>	<i>Tools and equipment</i>	<i>2025</i>	<i>2024</i>
<b>Cost</b>					
Balance, beginning of year	3,806,930	25,000	70,951	3,902,881	3,886,999
Acquisition of tangible capital assets	2,455,593	-	-	2,455,593	15,882
Balance, end of year	6,262,523	25,000	70,951	6,358,474	3,902,881
<b>Accumulated amortization</b>					
Balance, beginning of year	1,473,038	25,000	70,951	1,568,989	1,471,477
Annual amortization	189,321	-	-	189,321	97,512
Balance, end of year	1,662,359	25,000	70,951	1,758,310	1,568,989
<b>Net book value of tangible capital assets</b>	<b>4,600,164</b>	<b>-</b>	<b>-</b>	<b>4,600,164</b>	<b>2,333,892</b>
Net book value of tangible capital assets - 2024	2,333,892	-	-	2,333,892	

**Liidlil Kue First Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2025*

	<b>2025</b>	<b>2024</b>
<b>Expenses by object</b>		
Amortization	<b>189,321</b>	97,512
Bad debts	<b>37,536</b>	169,727
Bank charges and interest	<b>20,563</b>	23,151
Community donations	<b>17,042</b>	20,007
Community events	<b>45,660</b>	19,454
Contracted services	<b>1,849,394</b>	1,498,903
Contributions repaid	<b>-</b>	113,077
Insurance	<b>46,249</b>	36,955
Interest on long-term debt	<b>9,947</b>	11,869
Lease	<b>3,220</b>	4,100
License/Registration fees	<b>27,936</b>	10,863
Materials	<b>539,628</b>	482,762
Meetings and workshops	<b>50,299</b>	80,650
Miscellaneous	<b>134,228</b>	65,595
Office	<b>191,507</b>	323,216
Professional fees	<b>781,092</b>	611,615
Property tax	<b>24,238</b>	22,298
Rent	<b>242,065</b>	426,709
Repairs and maintenance	<b>87,451</b>	85,803
Salaries and benefits	<b>2,122,428</b>	1,974,998
Travel and accommodations	<b>475,285</b>	257,645
Utilities	<b>136,075</b>	151,399
Vehicle	<b>47,583</b>	51,780
	<b>7,078,747</b>	6,540,088

**Liidlil Kue First Nation**  
**Schedule 3 - Consolidated Summary Schedule of Operations by Segment**  
*For the year ended March 31, 2025*

	<i>Sch</i>	<i>Revenue</i>	<i>Expenses</i>	<i>2025 Surplus (Deficit) before other items</i>	<i>2024 Surplus (Deficit) before other items (Restated)</i>
<b>Segment</b>					
Indigenous Services Canada	4	620,412	608,578	11,834	9,269
Government of Northwest Territories	5	2,922,142	2,926,646	(4,504)	(695,269)
Other	6	402,732	250,417	152,315	73,821
Dehcho First Nation	7	423,438	431,385	(7,947)	27,574
Government of Canada	8	1,926,762	2,480,583	(553,821)	(58,060)
Liidlil Kue Society	9	343,487	381,138	(37,651)	50,895
<b>Total</b>		<b>6,638,973</b>	<b>7,078,747</b>	<b>(439,774)</b>	<b>(591,770)</b>

**Liidlíi Kue First Nation**  
**Indigenous Services Canada**  
**Schedule 4 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2025*

	2025	2024
<b>Revenue</b>		
Indigenous Services Canada	1,966,858	1,928,902
Revenue deferred in prior year	1,008,545	853,262
Revenue deferred to subsequent year	(2,354,991)	(1,008,545)
	<b>620,412</b>	1,773,619
<b>Expenses</b>		
Community donations	-	1,100
Community events	-	866
Contracted services	90,607	1,009,828
Materials	7,878	40,213
Meetings and workshops	750	36,520
Miscellaneous	-	16,848
Office	305	2,711
Professional fees	156,367	222,166
Rent	718	2,159
Salaries and benefits	334,696	404,518
Travel and accommodations	16,873	27,159
Vehicle	384	262
	<b>608,578</b>	1,764,350
<b>Surplus (deficit)</b>	<b>11,834</b>	9,269



**Liidlí Kue First Nation**  
**Government of Northwest Territories**  
**Schedule 5 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2025*

	2025	2024
<b>Revenue</b>		
Government of the Northwest Territories	2,357,014	2,057,942
Dehcho First Nations	185,462	177,556
Other	744,365	440,325
Revenue deferred in prior year	521,009	258,312
Revenue deferred to subsequent year	(885,708)	(521,009)
	<b>2,922,142</b>	<b>2,413,126</b>
<b>Expenses</b>		
Bad debts	40,732	199,040
Bank charges and interest	18,711	17,640
Community donations	14,542	12,298
Community events	14,597	13,749
Contracted services	295,272	252,605
Insurance	22,097	21,619
License/Registration fees	9,487	8,636
Materials	220,592	183,656
Meetings and workshops	17,570	17,445
Miscellaneous	134,228	48,747
Office	163,218	302,449
Professional fees	343,939	254,143
Rent	93,460	394,493
Repairs and maintenance	34,215	61,725
Salaries and benefits	1,159,839	1,055,075
Travel and accommodations	232,502	148,720
Utilities	69,550	72,794
Vehicle	42,095	43,561
	<b>2,926,646</b>	<b>3,108,395</b>
<b>Surplus (deficit)</b>	<b>(4,504)</b>	<b>(695,269)</b>

**Liidlil Kue First Nation  
Other**

**Schedule 6 - Consolidated Schedule of Segment Operations**

*For the year ended March 31, 2025*

	2025	2024
<b>Revenue</b>		
Other	602,040	343,062
Revenue deferred in prior year	138,918	159,736
Revenue deferred to subsequent year	(338,226)	(138,918)
	<b>402,732</b>	<b>363,880</b>
<b>Expenses</b>		
Bank charges and interest	-	473
Community events	16,058	4,840
Contracted services	61,505	57,458
Materials	51,275	110,072
Meetings and workshops	23,085	18,285
Office	2,601	4,287
Professional fees	37,003	12,900
Rent	15,256	15,000
Repairs and maintenance	-	1,769
Salaries and benefits	17,481	16,289
Travel and accomodations	17,354	37,771
Utilities	8,750	10,914
Vehicle	49	1
	<b>250,417</b>	<b>290,059</b>
<b>Surplus (deficit)</b>	<b>152,315</b>	<b>73,821</b>

**Liidlil Kue First Nation**  
**Dehcho First Nation**  
**Schedule 7 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2025*

	2025	2024
<b>Revenue</b>		
Dehcho First Nations	685,917	482,814
Revenue deferred in prior year	387,779	419,687
Revenue deferred to subsequent year	(650,258)	(387,779)
	<b>423,438</b>	<b>514,722</b>
<b>Expenses</b>		
Community donations	-	3,336
Contracted services	15,144	-
License/registration fees	4,043	163
Materials	70,626	83,777
Meetings and workshops	1,200	8,400
Office	2,781	1,809
Professional fees	74,423	7,343
Rent	10,996	5,296
Repairs and maintenance	615	2,209
Salaries and benefits	174,093	350,395
Travel and accomodations	72,897	17,005
Vehicle	4,567	7,415
	<b>431,385</b>	<b>487,148</b>
<b>Surplus (deficit)</b>	<b>(7,947)</b>	<b>27,574</b>

**Liidlíi Kue First Nation**  
**Government of Canada**  
**Schedule 8 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2025*

	2025	2024
<b>Revenue</b>		
Government of Canada	2,254,655	880,020
Other	-	93,500
Revenue deferred in prior year	1,428,558	1,058,416
Revenue deferred to subsequent year	(1,756,451)	(1,428,558)
	<b>1,926,762</b>	<b>603,378</b>
<b>Expenses</b>		
Bank charges and interest	156	1,185
Community donations	2,500	3,273
Community events	15,005	-
Contracted services	1,386,867	179,012
Contributions repaid	-	113,077
License/registration fees	14,405	2,063
Materials	189,258	65,044
Meetings and workshops	7,694	-
Office	19,094	8,560
Professional fees	139,407	89,788
Rent	121,635	9,760
Repairs and maintenance	5,551	764
Salaries and benefits	436,320	148,722
Travel and accommodations	129,220	26,990
Utilities	12,984	12,659
Vehicle	487	541
	<b>2,480,583</b>	<b>661,438</b>
<b>Surplus (deficit)</b>	<b>(553,821)</b>	<b>(58,060)</b>

**Liidlil Kue First Nation**  
**Liidlil Kue Society**  
**Schedule 9 - Consolidated Schedule of Segment Operations**  
*For the year ended March 31, 2025*

	2025	2024
<b>Revenue</b>		
Other	343,487	279,593
<b>Expenses</b>		
Amortization of tangible capital assets	189,321	97,512
Bad debts	(3,196)	(29,314)
Bank charges and interest	1,696	3,853
Insurance	24,152	15,335
Interest on long-term debt	9,947	11,869
Lease	3,220	4,100
Office	3,507	3,401
Professional fees	29,953	25,275
Property tax	24,238	22,298
Repairs and maintenance	47,070	19,337
Travel and accomodations	6,439	-
Utilities	44,791	55,032
	381,138	228,698
<b>Surplus (deficit)</b>	(37,651)	50,895

**Liidlil Kue First Nation**  
**Consolidated Financial Statements**  
**Schedule 10 - Consolidated Statement of Financial Position**  
**of 507409 NWT Ltd. and Nogha Enterprises Ltd.**

*As at March 31, 2025*

	507409 NWT Ltd.	Nogha Enterprises Ltd.	2025	2024
<b>Assets</b>				
Cash	26,589	568,596	595,185	160,756
Accounts receivable	68,926	2,669,425	2,738,351	2,169,926
Inventory	-	143,493	143,493	197,371
Prepays	35,965	45,126	81,091	142,791
Investments	-	2,110,510	2,110,510	-
Property and equipment	10,002,620	864,637	10,867,257	11,484,882
	<b>10,134,100</b>	<b>6,401,787</b>	<b>16,535,887</b>	<b>14,155,726</b>
<b>Liabilities</b>				
Accounts payable	339,176	1,352,302	1,691,478	770,731
Due to Liidlil Kue Society	-	656,804	656,804	656,804
Due to Nogha-Rowe's Limited Partnership	-	2,110,510	2,110,510	-
Income taxes payable	-	43,922	43,922	16,740
Long-term debt	6,023,596	-	6,023,596	6,185,226
Capital lease obligations	-	6,342	6,342	34,987
Preferred shares	1,400,000	-	1,400,000	1,400,000
Deferred government assistance	-	41,666	41,666	45,502
Deferred revenue	2,011,696	-	2,011,696	2,175,439
Future income taxes payable	-	42,800	42,800	39,499
Due to Liidlil Kue Society	819,651	-	819,651	819,651
Due to related parties	15,416	-	15,416	15,416
	<b>10,609,535</b>	<b>4,254,346</b>	<b>14,863,881</b>	<b>12,159,995</b>
<b>Equity</b>				
Common shares	280,000	35	280,035	280,035
Retained earnings (deficit)	(755,435)	2,147,406	1,391,971	3,539,377
<b>Accumulated surplus (deficit)</b>	<b>(475,435)</b>	<b>2,147,441</b>	<b>1,672,006</b>	<b>1,995,731</b>
	<b>10,134,100</b>	<b>6,401,787</b>	<b>16,535,887</b>	<b>14,155,726</b>

**Liidlil Kue First Nation**  
**Consolidated Financial Statements**  
**Schedule 11 - Consolidated Statement of Operations and Accumulated Surplus (Deficit)**  
**of 507409 NWT Ltd. and Nogha Enterprises Ltd.**

*For the year ended March 31, 2025*

	507409 NWT Ltd.	Nogha Enterprises Ltd.	2025	2024
<b>Revenue</b>				
Gross profit	635,309	2,260,403	2,895,712	3,186,561
<b>Expenses</b>				
Amortization of capital assets	431,782	211,992	643,774	675,482
Interest on long-term debt	388,237	1,201	389,438	450,574
Insurance	37,552	131,560	169,112	148,761
Salaries, wages and benefits	-	1,239,576	1,239,576	1,327,781
Utilities	53,372	94,593	147,965	122,215
Other	176,973	452,599	629,572	657,583
	1,087,916	2,131,521	3,219,437	3,382,396
<b>Excess (deficiency) of revenue over expenses</b>	(452,607)	128,882	(323,725)	(195,835)
<b>Accumulated surplus (deficit), beginning of year</b>	(22,828)	2,018,559	1,995,731	2,191,566
<b>Accumulated surplus (deficit), end of year</b>	(475,435)	2,147,441	1,672,006	1,995,731