

**Salt River First Nation
Consolidated Financial Statements**

March 31, 2017

Salt River First Nation Contents

For the year ended March 31, 2017

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Management's Responsibility

To the Members of Salt River First Nation:

The accompanying consolidated financial statements of Salt River First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Salt River First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Chief and Council on behalf of the members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

October 11, 2017

Original Signed By:

Chief Executive
Officer

Independent Auditors' Report

To the Members of Salt River First Nation:

We have audited the accompanying consolidated financial statements of Salt River First Nation, which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated statements of operations and accumulated surplus, change in net financial assets, cash flows and the related schedules 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 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 entity'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 entity'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 statement.

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

Basis for Qualified Opinion

The financial information for First Nation business entities were not audited, and accordingly we are unable to verify the balance or transactions with these entities, nor were we able to assess the valuation of amounts due from these entities. As a result, the investment in First Nation business entities and accumulated surplus for the year ended March 31, 2017 may be understated or overstated.

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 Salt River First Nation as at March 31, 2017 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Leduc, Alberta

October 11, 2017

MNP LLP

Chartered Professional Accountants

Salt River First Nation
Consolidated Statement of Financial Position
As at March 31, 2017

	2017	2016
Financial assets		
Cash and cash equivalents <i>(Note 3)</i>	4,392,239	3,648,371
Accounts receivable		
Indigenous and Northern Affairs Canada	418,146	128,501
Government of Northwest Territories	18,238	133,909
Other accounts receivable	28,523	131,283
Goods and Services Tax receivable	41,882	36,442
Health Canada	244,208	-
Legal settlement receivable	3,759	102,491
Investment in and advances to First Nation business entity <i>(Note 4)</i>	7,134,037	5,835,704
Investment in Denendeh Investments Limited Partnership	175	175
Total financial assets	12,281,207	10,016,876
Liabilities		
Accounts payable and accruals	381,202	276,946
Deferred revenue <i>(Note 5)</i>	4,051,836	3,217,242
Total liabilities	4,433,038	3,494,188
Net financial assets	7,848,169	6,522,688
Contingencies <i>(Note 6)</i>		
Subsequent event <i>(Note 13)</i>		
Non-financial assets		
Tangible capital assets <i>(Note 12) (Schedule 1)</i>	4,852,459	2,801,472
Prepaid expenses <i>(Note 7)</i>	117,339	79,265
Total non-financial assets	4,969,798	2,880,737
Accumulated surplus <i>(Note 8)</i>	12,817,967	9,403,425

Approved by:

Original Signed By:

Chief

Original Signed By:

Councillor

Salt River First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	<i>Schedules</i>	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue				
Settlement Trust distributions (Note 9)		4,387,453	4,595,643	4,430,624
Indigenous and Northern Affairs Canada		497,708	2,344,602	1,384,553
Government of Northwest Territories		466,310	474,391	730,094
Health Canada		-	244,208	244,208
Other revenue		20,000	80,527	169,240
Interest income		-	27,043	13,649
Funding returned to funder		-	(39,987)	(1,327)
Deferred revenue - prior year (Note 5)		-	815,326	45,354
Deferred revenue - current year (Note 5)		-	(101,509)	(815,326)
		5,371,471	8,440,244	6,201,069
Expenses				
Administration, Finance	3	603,100	684,612	628,390
Governance, Justice	4	858,880	1,336,773	1,279,089
Culture, Education	5	62,100	317,652	119,578
Human Resource Development	6	25,500	33,405	25,418
Lands, Public Works	7	205,860	597,163	334,151
Homeless Shelter	8	240,217	227,714	233,252
Child and Family Development	9	352,518	378,493	403,732
Membership	10	819,558	892,729	745,407
SRFN Youth & Education Foundation	11	-	63,059	36,030
Total expenses		3,167,733	4,531,600	3,805,047
Surplus before other items		2,203,738	3,908,644	2,396,022
Other income (expense)				
Results of SRFN Development Corporation operations (Note 4)		-	(223,466)	373,716
Gain on disposal of tangible capital assets		-	-	6,719
Unrecoverable GST		-	(15,534)	(12,011)
Payroll tax settlement		-	(26,687)	-
Amortization of tangible capital assets		-	(228,415)	(214,257)
		-	(494,102)	154,167
Surplus		2,203,738	3,414,542	2,550,189
Accumulated surplus, beginning of year		9,403,425	9,403,425	6,853,236
Accumulated surplus, end of year		11,607,163	12,817,967	9,403,425

Salt River First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2017

	2017 Budget	2017	2016
Surplus	2,203,738	3,414,542	2,550,189
Purchases of tangible capital assets	-	(2,279,402)	(228,622)
Gain on sale of tangible capital assets	-	-	(6,719)
Amortization of tangible capital assets	-	228,415	214,257
Acquisition of prepaid expenses	-	(38,074)	-
Use of prepaid expenses	-	-	1,054,727
Proceeds on disposal of tangible capital assets	-	-	62,000
 Increase in net financial assets	2,203,738	1,325,481	3,645,832
Net financial assets, beginning of year	6,522,688	6,522,688	2,876,856
 Net financial assets, end of year	8,726,426	7,848,169	6,522,688

Salt River First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2017

2017 **2016**

Cash provided by (used for) the following activities

Operating activities

Cash receipts from contributors	8,926,933	4,905,671
Cash paid to suppliers	(3,263,394)	(1,415,832)
Cash paid to employees	(1,248,009)	(1,183,954)
Interest income	27,043	13,649
Interest paid	(5,546)	(6,053)
	4,437,027	2,313,481

Capital activities

Purchases of tangible capital assets	(2,202,185)	(228,622)
Proceeds on disposal of tangible capital assets	-	62,000
	(2,202,185)	(166,622)

Investing activities

Advances to First Nation business entity	(1,490,974)	(3,418,871)
Investment in Denendeh investment limited partnership	-	(175)
	(1,490,974)	(3,419,046)

Increase (decrease) in cash resources

Increase (decrease) in cash resources	743,868	(1,272,187)
Cash resources, beginning of year	3,648,371	4,920,558
Cash resources, end of year	4,392,239	3,648,371

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

1. Operations

The Salt River First Nation (the "First Nation") is located in the Northwest Territories and provides various services to its members. Salt River First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, and are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada and are consistent with accounting policies set out by the Department of Indigenous and Northern Affairs Canada ("INAC"). Significant aspects of the accounting policies adopted by the First Nation are as follows:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Salt River First Nation, including the Salt River First Nation Settlement Trust (the "Trust"), are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Salt River First Nation
- Salt River First Nation Youth & Education Foundation

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Salt River First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include the Salt River First Nation Development Corporation.

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.

Measurement uncertainty (use of estimates)

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.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Investment in First Nation business entities is stated after evaluation as to valuation and collectibility of advances. Amortization is based on the estimated useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the periods in which they become known.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

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 tangible capital assets and prepaid expenses.

i. Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution. Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	straight-line	20 years
Automotive equipment	declining balance	30 %
Computer equipment and software	declining balance	30 %
Office furniture and equipment	declining balance	20 %

ii. Prepaid expenses

Prepaid expenses include retainers advanced to legal counsel and pre-payments on goods and services which will be utilized in the following fiscal year.

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. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus for the year.

Net financial assets

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

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Liability for contaminated sites

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2017.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation has not recognized a liability for contaminated sites at March 31, 2017 because it is not expected that economic benefits will be given up.

Revenue recognition

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Settlement trust and other revenue

Other sources of revenue are recorded when received or receivable.

Segments

The First Nation conducts its business through 10 reportable segments: Administration, Finance; Governance, Justice; Culture, Education; Human Resource Development; Lands, Public Works; Homeless Shelter; Child and Family Development; Membership; SRFN Youth & Education Foundation; and Other. 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. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed above. Inter-segment transfers are recorded at their exchange amount.

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

3. Cash and cash equivalents

	2017	2016
Operations	35,839	469,343
Youth & Education Foundation	659,768	541,912
Per capita distribution	707,876	429,358
Savings	1,919,955	1,368,534
Nesbitt Burns (infrastructure)	1,063,256	833,679
TD Waterhouse cash accounts	5,545	5,545
	4,392,239	3,648,371

4. Investment in and advances to First Nation business entity

					2017
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Accumulated earnings in equity</i>	<i>Current earnings (loss) in equity</i>	<i>Total investment</i>
Wholly-owned Business:					
Salt River First Nation Development Corporation	100	8,410,655	(1,053,252)	(223,466)	7,134,037

					2016
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Accumulated earnings in equity</i>	<i>Current earnings (loss) in equity</i>	<i>Total investment</i>
Wholly-owned Business:					
Salt River First Nation Development Corporation	100	6,888,855	(1,426,967)	373,716	5,835,704

Amounts due from the Salt River First Nation Development Corporation are unsecured, non-interest bearing, and have no specified terms of repayment, and arose from cash transfers to fund operations and purchase tangible capital assets.

Included in amounts due from the Salt River First Nation Development Corporation are non-cash transfers totalling \$30,825. These transfers are not included on the consolidated statement of cash flows.

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

4. Investments in and advances to First Nation business entity *(Continued from previous page)*

Summary financial information for the First Nation business enterprise, accounted for using the modified equity method, for the year ended March 31, 2017 is as follows:

<i>Salt River First Nation Development Corporation As at March 31, 2017</i>	
Assets	
Cash	136,486
Accounts receivable	1,287,763
Prepaid expenses	8,755
Inventory	177,372
Long-lived assets held for sale	24,000
Property and equipment	5,616,053
Total assets	7,250,429
Liabilities	
Accounts payable and accruals	116,492
Due to Salt River First Nation	8,410,655
Total liabilities	8,527,147
	(1,276,718)
Total revenue	5,190,717
Total expenses	5,414,183
	(223,466)

5. Deferred revenue

Deferred revenue consists of revenue that has not yet been allocated to programs, revenue that has been allocated to programs to be carried out in future years, and the unexpended portion of revenue on programs in progress at March 31, 2017.

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Funds received</i>	<i>Transferred to revenue</i>	<i>Balance, end of year</i>
Settlement Trust funds	2,401,916	3,950,327	2,401,916	3,950,327
Government of Northwest Territories - Wellness	84,339	149,239	135,069	98,509
Government of Northwest Territories - Language	39,987	-	39,987	-
Indigenous and Northern Affairs - on-reserve housing	685,000	-	685,000	-
Other	6,000	-	3,000	3,000
	3,217,242	4,099,566	3,264,972	4,051,836

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

6. Contingencies

The First Nation has filed claims against various parties alleging breach of fiduciary duty, conspiracy, and misappropriation of funds. The claim is for over \$800,000 plus interest and costs. The litigation process for the claim remains in progress at the year-end, and while it is ongoing, it appears as though the First Nation is likely to succeed in the claim.

Through a forensic audit covering the period of April 1, 2011 to March 31, 2013, overpayment of honoraria and expense claims to various parties totalling over \$279,000 were identified. The First Nation is exploring options to collect the balances identified.

These consolidated financial statements are subject to review by the First Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews.

7. Prepaid expenses

	2017	2016
Retainers to legal counsel	74,737	30,896
Prepaid insurance, rent, etc	42,602	48,369
	<hr/> 117,339	<hr/> 79,265

8. Accumulated surplus

Accumulated surplus consists of the following:

	2017	2016
Equity in tangible capital assets		
Balance, beginning of year	2,801,472	2,842,389
Acquisition of tangible capital assets	2,279,402	228,622
Tangible capital assets disposed of	-	(55,282)
Amortization	(228,415)	(214,257)
	<hr/> 4,852,459	<hr/> 2,801,472
Unrestricted surplus		
Balance, beginning of year	6,601,953	4,010,848
Surplus for the year	3,414,542	2,550,189
Transfer from (to) equity in tangible capital assets	(2,050,987)	40,916
	<hr/> 7,965,508	<hr/> 6,601,953
	<hr/> 12,817,967	<hr/> 9,403,425

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

9. Salt River First Nation Settlement Trust

The First Nation is the beneficiary of the Salt River First Nation Settlement Trust. All disbursements from the Trust to the First Nation are approved by the Trustees under the trust documents established by the final settlement agreement. The trust assets are invested with TD Waterhouse.

The objectives of the Trust are as follows:

a) Settlement Capital Fund

The Salt River First Nation Settlement Trust agreement dated March 4, 2002 provides for an annual distribution to the Salt River First Nation to fund operations, per capita distributions, and other programs or expenditures in accordance with the annual budget approved by membership.

b) Reserve Survey Fund

This fund is to pay reserve survey costs, including environmental assessment and remediation, reserve survey, legal and consulting costs.

c) Infrastructure and Land Acquisition Fund

This fund is to pay all costs related to the planning, design, construction and operation and maintenance of infrastructure on the reserves of the First Nation, and to pay costs related to the appraisal and acquisition of lands identified in the Settlement Agreement.

d) Youth and Education Fund

This fund is to transfer funding and income to the Youth & Education Foundation.

Distributions from the Trust Fund are calculated by the Trustee, annually at December 31, as follows the greater of:

- 1) Income for tax purposes, and
- 2) 8% of the value of cash and authorized investments less the annual rate of inflation.

The annual rate of inflation of 1.4% for the year ended December 31, 2016 (1.1% for 2015) was determined by reference to the Statistics Canada/CPI website.

The Settlement Trust agreement requires annual distributions from the Settlement Capital Fund, Reserve Survey Fund and Infrastructure and Land Acquisition Fund to be made to the Salt River Settlement Revenue Account (TLE Program). Annual distributions from the Youth and Education Fund are to be paid to the Salt River Youth & Education Foundation.

The Salt River First Nation Settlement Trust has not been included on the consolidated statement of financial position, nor have its operations been included on the consolidated statement of operations. The trust fund balance at December 31 was as follows:

	<i>Dec 31 2016</i>	<i>Dec 31 2015</i>
Salt River First Nation Settlement Trust	78,299,090	77,934,131

The Trust fund balance at March 31, 2017 was \$76,651,675 (2016 - \$72,253,489).

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

9. Salt River First Nation Settlement Trust *(Continued from previous page)*

Annual disbursements from the Trust to the First Nation, as calculated by the trustee and approved by membership are as follows:

	2017	2016
Operational	4,063,134	3,943,400
Infrastructure	453,997	439,001
Per capita distribution	659,558	636,768
Youth & Education Foundation	<u>208,190</u>	<u>195,100</u>
	5,384,879	5,214,269
Recapitalization	<u>(789,236)</u>	<u>(783,645)</u>
	4,595,643	4,430,624

10. Economic dependence

The First Nation receives approximately 54% (2016 - 71%) of its annual revenue from the Salt River First Nation Settlement Trust and 36% (2016 - 22%) in the form of transfer payments from the federal government on the basis of annual contribution agreements. The ability of the First Nation to continue operations is dependent upon funding from these bodies.

11. Budget information

The disclosed budget information has been approved by the Chief and Council of the Salt River First Nation at a meeting held on January 23, 2016.

12. Tangible capital assets

The tangible capital asset details are included on Schedule 1.

Construction in progress includes the four on reserve homes under construction at the year-end, a geotechnical report, and costs related to the multipurpose facility with a carrying value of \$2,275,281 (2016 - nil). No amortization on these assets has been recorded during the year because they are currently under construction.

Costs related to the acquisition of tangible capital assets of \$24,000 (2016 - nil) are included in accounts payable at March 31, 2017, and are therefore not included on the consolidated statement of cash flows.

Included in tangible capital asset additions are non-cash additions totalling \$53,217. These additions are not included on the consolidated statement of cash flows.

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

13. Subsequent event

Subsequent to the year-end, the First Nation signed a stipulated price construction contract with Clark Builders related to the construction of a multipurpose facility totalling \$17,985,000. The project will be financed by the First Nations Finance Authority, with the loan secured with various streams of revenue from the First Nation and the Salt River Development Corporation. As at the audit report date, the terms of the financing are not finalized.

14. Comparative figures

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

15. Compliance with laws and regulations

The First Nation is required by the *First Nations Financial Transparency Act* to submit its consolidated financial statements to INAC, and post its consolidated financial statements on a website, within 120 days of year-end. As the First Nation had not done this, it is not in compliance with this law. The potential effect of the non-compliance is unknown.

Salt River First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Land</i>	<i>Buildings</i>	<i>Automotive equipment</i>	<i>Computer equipment and software</i>	<i>Office furniture and equipment</i>	<i>2017</i>	<i>2016</i>
Cost							
Balance, beginning of year	698,671	3,031,521	288,273	168,921	455,601	4,642,987	4,646,816
Acquisition of tangible capital assets	-	-	-	1,768	2,353	4,121	228,622
Construction-in-progress	-	2,275,281	-	-	-	2,275,281	-
Disposal of tangible capital assets	-	-	-	-	-	-	(232,451)
Balance, end of year	698,671	5,306,802	288,273	170,689	457,954	6,922,389	4,642,987
Accumulated amortization							
Balance, beginning of year	-	1,246,862	119,316	157,857	317,480	1,841,515	1,804,427
Annual amortization	-	146,284	50,687	3,584	27,860	228,415	214,258
Accumulated amortization on disposals	-	-	-	-	-	-	(177,170)
Balance, end of year	-	1,393,146	170,003	161,441	345,340	2,069,930	1,841,515
Net book value of tangible capital assets	698,671	3,913,656	118,270	9,248	112,614	4,852,459	2,801,472
2016 net book value	698,671	1,784,659	168,957	11,064	138,121	2,801,472	

Salt River First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2017

	2017 Budget	2017	2016
Consolidated expenses by object			
Salaries and benefits	898,975	1,185,535	994,220
Per capita distribution	659,558	730,593	640,213
Consulting and contracted services	228,100	599,989	457,456
Professional fees	435,500	578,721	648,606
Supplies	120,600	167,239	131,755
Travel - Chief and Council	45,000	114,425	82,308
Donations and event prizes	16,000	110,237	68,508
Chief salary	104,000	104,000	78,000
Insurance	80,450	89,725	79,285
Telephone and utilities	89,000	83,206	98,401
Council honoraria	129,600	80,650	107,897
Travel and transportation	17,300	73,242	63,150
Elders	65,000	62,000	65,000
Meetings	20,500	61,310	25,583
Automotive	22,000	54,849	28,349
Funeral assistance	50,000	52,000	23,362
Property tax	55,000	48,675	51,101
Student living allowance	-	44,162	27,105
Repairs and maintenance	20,500	40,382	18,373
Rent	17,150	33,935	16,300
Office supplies and expenses	12,000	33,038	31,029
Emergency repairs program	15,000	29,562	3,879
Leases, rentals	9,500	30,424	13,877
Training	13,000	22,483	3,100
Miscellaneous	-	22,458	-
Member needs	15,000	19,588	6,383
Tuition and books	-	15,042	1,565
Bursaries	10,000	15,000	8,000
Administration	-	12,041	6,376
Advertising	-	8,175	-
Bank charges and interest	3,000	5,544	6,053
Registration fees	1,000	1,900	13,243
Youth	15,000	1,470	6,570
	3,167,733	4,531,600	3,805,047

Salt River First Nation
Administration, Finance
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Settlement Trust distributions	498,100	498,100	525,180
Indigenous and Northern Affairs Canada	85,000	179,561	224,151
Interest income	-	27,043	13,649
Other revenue	20,000	18,694	21,793
	603,100	723,398	784,773
Expenses			
Salaries and benefits	284,000	311,365	262,801
Consulting and contracted services	147,600	177,401	189,158
Telephone and utilities	50,000	44,877	52,499
Insurance	38,000	42,329	37,652
Office supplies	10,000	30,956	16,376
Professional fees	15,000	20,074	13,869
Supplies	32,000	15,568	26,222
Leases, rentals	9,000	14,082	10,496
Miscellaneous	-	12,582	-
Bank charges and interest	3,000	4,894	5,608
Automotive	-	3,574	6,404
Travel and transportation	3,000	3,462	-
Repairs and maintenance	5,000	1,792	3,773
Donations and event prizes	1,000	1,493	-
Meetings	500	163	432
Training	5,000	-	3,100
	603,100	684,612	628,390
Surplus	-	38,786	156,383

Salt River First Nation
Governance, Justice
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Settlement Trust distributions	780,880	780,880	827,692
Indigenous and Northern Affairs Canada	78,000	319,754	370,202
Government of Northwest Territories	-	8,000	16,607
Other revenue	-	5,151	61,981
Funding returned to funder	-	-	(1,327)
Deferred revenue - prior year	-	6,000	-
Deferred revenue - current year	-	(3,000)	(6,000)
	858,880	1,116,785	1,269,155
Expenses			
Professional fees	420,000	534,896	633,400
Consulting and contracted services	32,000	270,954	199,223
Travel - Chief and Council	45,000	111,581	79,191
Chief salary	104,000	104,000	78,000
Council honoraria	129,600	79,000	102,372
Salaries and benefits	75,780	75,013	67,434
Meetings	20,000	54,176	25,151
Travel and transportation	8,000	48,200	42,569
Donations and event prizes	5,000	20,851	16,539
Insurance	12,000	11,710	11,178
Miscellaneous	-	9,876	-
Advertising	-	7,225	-
Training	-	2,580	-
Telephone and utilities	-	2,194	-
Registration fees	1,000	1,900	5,675
Office supplies and expenses	2,000	1,545	10,783
Supplies	4,500	588	6,289
Member needs	-	484	-
Administration	-	-	717
Automotive	-	-	568
	858,880	1,336,773	1,279,089
Deficit	-	(219,988)	(9,934)

Salt River First Nation
Culture, Education
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Government of Northwest Territories	26,000	131,038	183,162
Settlement Trust distributions	36,100	36,100	21,900
Other revenue	-	28,688	2,650
Funding returned to funder	-	(39,987)	-
Deferred revenue - prior year	-	124,326	-
Deferred revenue - current year	-	(98,509)	(124,326)
	62,100	181,656	83,386
Expenses			
Consulting and contracted services	8,500	106,409	19,242
Donations and event prizes	10,000	87,641	51,969
Supplies	20,100	46,637	24,079
Travel and transportation	-	17,811	-
Bursaries	10,000	15,000	8,000
Leases, rentals	500	13,593	-
Administration	-	12,041	2,110
Automotive	13,000	10,597	9,096
Meetings	-	5,411	-
Member needs	-	2,000	-
Travel - Chief and Council	-	379	-
Office supplies and expenses	-	133	57
Registration fees	-	-	3,825
Council honoraria	-	-	1,200
	62,100	317,652	119,578
Deficit	-	(135,996)	(36,192)

Salt River First Nation
Human Resource Development
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	25,500	25,500	25,500
Expenses			
Salaries and benefits	25,500	30,623	24,562
Supplies	-	1,730	737
Advertising	-	950	-
Automotive	-	102	119
	25,500	33,405	25,418
Surplus (deficit)	-	(7,905)	82

Salt River First Nation
Lands, Public Works
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Settlement Trust distributions	205,860	205,860	191,500
Indigenous and Northern Affairs Canada	-	92,801	50,000
Government of Northwest Territories	-	3,000	6,000
Other revenue	-	27,364	73,742
	205,860	329,025	321,242
Expenses			
Salaries and benefits	67,860	326,203	171,571
Property tax	55,000	48,675	51,101
Automotive	9,000	40,408	12,162
Supplies	5,000	40,151	5,205
Consulting and contracted services	40,000	39,664	44,057
Repairs and maintenance	5,000	34,602	9,590
Professional fees	-	23,748	184
Insurance	13,000	20,272	14,209
Telephone and utilities	9,000	10,454	13,447
Leases, rentals	-	2,711	813
Travel - Chief and Council	-	2,465	3,117
Travel and transportation	2,000	2,465	3,622
Rent	-	2,135	-
Council honoraria	-	1,650	4,325
Meetings	-	1,560	-
Administration	-	-	748
	205,860	597,163	334,151
Deficit	-	(268,138)	(12,909)

Salt River First Nation
Homeless Shelter
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Settlement Trust distributions	90,217	90,217	92,500
Government of Northwest Territories	150,000	-	160,290
Other revenue	-	-	500
	240,217	90,217	253,290
Expenses			
Salaries and benefits	190,217	185,225	184,726
Supplies	10,000	17,092	14,772
Insurance	17,000	14,884	15,767
Telephone and utilities	10,000	9,703	15,424
Repairs and maintenance	8,000	810	1,717
Administration	-	-	846
Training	5,000	-	-
	240,217	227,714	233,252
Surplus (deficit)	-	(137,497)	20,038

Salt River First Nation
Child and Family Development
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Health Canada	-	244,208	244,208
Government of Northwest Territories	108,310	122,822	123,316
Indigenous and Northern Affairs Canada	244,208	-	29,700
Other revenue	-	-	8,215
Deferred revenue - prior year	-	-	45,354
	352,518	367,030	450,793
Expenses			
Salaries and benefits	255,618	257,106	283,126
Supplies	49,000	45,473	54,451
Rent	17,150	31,800	16,300
Training	3,000	19,903	-
Telephone and utilities	20,000	15,978	17,030
Repairs and maintenance	2,500	3,179	3,294
Consulting and contracted services	-	2,713	2,676
Travel and transportation	4,300	1,304	16,960
Insurance	450	530	479
Donations and event prizes	-	252	-
Automotive	-	168	-
Office supplies and expenses	-	49	-
Leases, rentals	-	38	2,568
Registration fees	-	-	3,743
Administration	-	-	1,955
Professional fees	500	-	1,150
	352,518	378,493	403,732
Surplus (deficit)	-	(11,463)	47,061

Salt River First Nation
Membership
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Settlement Trust distributions	819,558	819,558	831,769
Expenses			
Per capita distribution	659,558	730,593	640,213
Elders	65,000	62,000	65,000
Funeral assistance	50,000	52,000	23,362
Emergency repairs program	15,000	29,562	3,879
Member needs	15,000	17,104	6,383
Youth	15,000	1,470	6,570
	819,558	892,729	745,407
Surplus (deficit)	-	(73,171)	86,362

Salt River First Nation
SRFN Youth & Education Foundation
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 <i>Budget</i>	2017	2016
Revenue			
Settlement Trust distributions	-	208,190	195,100
Other revenue	-	630	360
	-	208,820	195,460
Expenses			
Student living allowance	-	44,162	27,105
Tuition and books	-	15,042	1,565
Consulting and contracted services	-	2,850	3,100
Bank charges and interest	-	650	446
Office supplies and expenses	-	355	3,814
	-	63,059	36,030
Surplus	-	145,761	159,430

Salt River First Nation
Other
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	65,000	1,726,986	685,000
Government of Northwest Territories	182,000	209,531	240,719
Settlement Trust distributions	1,956,738	1,956,738	1,744,983
Deferred revenue - prior year	-	685,000	-
Deferred revenue - current year	-	-	(685,000)
	2,203,738	4,578,255	1,985,702
Other revenue (expenses)			
Gain on disposal of capital assets	-	-	6,719
Unrecoverable GST	-	(15,534)	(12,011)
Payroll tax settlement	-	(26,687)	-
Amortization of tangible capital assets	-	(228,415)	(214,257)
	-	(270,636)	(219,549)
Surplus	2,203,738	4,307,619	1,766,153