

Salt River First Nation
Consolidated Financial Statements
March 31, 2018

Salt River First Nation
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For the year ended March 31, 2018

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Salt River First Nation #195

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Fort Smith, NT X0E 0P0

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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 fulfils 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.

July 28, 2018

ORIGINAL SIGNED BY: _____

Chief Financial
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, 2018, 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 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 statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Salt River First Nation as at March 31, 2018 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

July 28, 2018

MNP LLP

Chartered Professional Accountants



Salt River First Nation #195

P.O. Box 960

Fort Smith, NT X0E 0P0

Phone (867) 872-2986 Fax (867) 872-3550

Approved at a meeting of Chief and Council on July 28, 2018

Chief Frieda Martselos

ORIGINAL SIGNED BY:
Councilor Ron Schaefer

Councilor Patricia Schaefer

ORIGINAL SIGNED BY:
Councilor Ray Tourangeau

Councilor Christopher Hunter

ORIGINAL SIGNED BY:
Councilor Freda Emile

Councilor Melvin Fortier

Salt River First Nation
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017
Financial assets		
Cash and cash equivalents <i>(Note 4)</i>	8,421,931	4,392,239
Accounts receivable		
Indigenous Services Canada	785,474	418,146
Government of Northwest Territories	471,975	18,238
Health Canada	253,978	244,208
Other accounts receivable	88,973	28,523
Goods and Services Tax receivable	51,302	41,882
Legal settlement receivable	-	3,759
Investment in Denendeh Investments Limited Partnership	175	175
Investment in and advances to First Nation business entity <i>(Note 5)</i>	7,053,614	7,134,037
Total financial assets	17,127,422	12,281,207
Liabilities		
Accounts payable and accruals	1,583,607	381,203
Deferred revenue <i>(Note 6)</i>	4,498,149	4,051,836
Long-term debt <i>(Note 7)</i>	9,758,676	-
Total liabilities	15,840,432	4,433,039
Net financial assets	1,286,990	7,848,168
Contingencies <i>(Note 8)</i>		
Non-financial assets		
Tangible capital assets <i>(Note 14) (Schedule 1)</i>	12,377,810	4,852,459
Prepaid expenses <i>(Note 9)</i>	165,443	119,744
Total non-financial assets	12,543,253	4,972,203
Accumulated surplus <i>(Note 10)</i>	13,830,243	12,820,371

Salt River First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue				
Settlement Trust distributions (Note 11)		3,766,510	3,950,327	4,595,643
Indigenous Services Canada		253,860	849,702	2,344,602
Government of Northwest Territories		429,935	1,028,947	474,391
Health Canada		244,208	254,397	244,208
Other revenue		55,000	172,092	68,486
Interest income		-	22,649	27,043
Funding returned to funder		-	(3,000)	(39,987)
Deferred revenue - prior year (Note 6)		-	101,509	815,326
Deferred revenue - current year (Note 6)		-	-	(101,509)
		4,749,513	6,376,623	8,428,203
Expenses				
Administration, Finance	3	804,544	948,843	669,795
Governance, Justice	4	931,170	1,285,853	1,336,773
Culture, Education	5	332,525	563,205	315,652
Human Resource Development	6	25,500	97,915	25,500
Lands, Public Works	7	351,350	485,226	607,845
Homeless Shelter	8	205,247	232,163	227,714
Child and Family Development	9	353,218	354,284	378,493
Membership	10	744,976	847,503	894,729
SRFN Youth & Education Foundation	11	-	122,234	61,809
Total expenses		3,748,530	4,937,226	4,518,310
Surplus before other items		1,000,983	1,439,397	3,909,893
Other expenses				
Results of SRFN Development Corporation operations (Note 5)		-	(174,979)	(223,466)
Unrecoverable GST		-	(10,592)	(15,534)
Payroll tax settlement		-	-	(26,687)
Amortization of tangible capital assets (Schedule 1)		-	(243,954)	(228,415)
		-	(429,525)	(494,102)
Surplus		1,000,983	1,009,872	3,415,791
Accumulated surplus, beginning of year		12,820,371	12,820,371	9,404,580
Accumulated surplus, end of year (Note 10)		13,821,354	13,830,243	12,820,371

The accompanying notes are an integral part of these financial statements

Salt River First Nation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Surplus	1,000,983	1,009,872	3,415,791
Purchases of tangible capital assets	-	(7,769,305)	(2,279,402)
Amortization of tangible capital assets	-	243,954	228,415
Acquisition of prepaid expenses	-	(45,699)	(40,474)
Increase (decrease) in net financial assets	1,000,983	(6,561,178)	1,324,330
Net financial assets, beginning of year	7,848,168	7,848,168	6,523,838
Net financial assets, end of year	8,849,151	1,286,990	7,848,168

Salt River First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
<hr/>		
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	5,899,583	8,926,930
Cash paid to suppliers	(3,570,693)	(3,263,390)
Cash paid to employees	(1,528,321)	(1,248,009)
Interest received	17,264	27,043
Interest paid	(14,121)	(5,546)
	<hr/> 803,712	<hr/> 4,437,028
Financing activities		
Advances of long-term debt	9,800,200	-
Repayment of long-term debt	(36,139)	-
	<hr/> 9,764,061	<hr/> -
Capital activities		
Purchases of tangible capital assets	(6,443,525)	(2,202,185)
Investing activities		
Advances to First Nation business entity	(94,556)	(1,490,974)
Increase in cash resources	4,029,692	743,869
Cash resources, beginning of year	4,392,239	3,648,370
Cash resources, end of year	<hr/> 8,421,931	<hr/> 4,392,239

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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 Services Canada ("ISC"). 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.

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:

	<i>Method</i>	<i>Rate</i>
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.

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, 2018.

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, 2018 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.

3. Change in accounting policies

Effective April 1, 2017, the First Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Standards Handbook:

- PS 2200 *Related Party Disclosures*
- PS 3420 *Inter-entity Transactions*
- PS 3210 *Assets*
- PS 3320 *Contingent Assets*
- PS 3380 *Contractual Rights*

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements of adopting the new Sections.

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

4. Cash and cash equivalents

	2018	2017
Operations	2,047,226	35,839
Youth & Education Foundation	751,047	659,768
Per capita distribution	(14,569)	707,876
Savings	4,565,952	1,919,955
Nesbitt Burns (infrastructure)	1,066,730	1,063,256
TD Waterhouse cash accounts	5,545	5,545
	8,421,931	4,392,239

The First Nation has received cash advances from the issuance of debt for capital purchases that has not been expended at the year-end. Cash and cash equivalents are composed of the following:

	2018	2017
Cash for operations	3,977,314	4,392,239
Cash for future capital purchases	4,444,617	-
	8,421,931	4,392,239

5. Investment in and advances to First Nation business entity

				2018
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Accumulated earnings in equity</i>	<i>Total investment</i>
Wholly-owned Business:				
Salt River First Nation Development Corporation	100	8,505,211	(1,276,718)	7,053,614

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

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.

Salt River First Nation did not have any non-cash transfers (2017 - \$30,825) to or from the Salt River Development Corporation in the year.

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

5. 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, 2018 is as follows:

	<i>Salt River First Nation Development Corporation As at March 31, 2018</i>
Assets	
Cash	891,421
Accounts receivable	705,327
Prepaid expenses	26,826
Inventory	330,572
Property and equipment	5,312,890
Total assets	7,267,036
Liabilities	
Accounts payable and accruals	213,422
Due to Salt River First Nation	8,505,211
Total liabilities	8,718,633
Equity	(1,451,597)
Total revenue	6,414,148
Total expenses	6,589,127
Net loss, being comprehensive loss	(174,979)

6. 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, 2018.

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	3,950,327	4,498,149	3,950,327	4,498,149
Government of Northwest Territories - Wellness	98,509	149,650	248,159	-
Other	3,000	-	3,000	-
	4,051,836	4,647,799	4,201,486	4,498,149

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

7. Long-term debt

	2018	2017
First Nations Finance Authority debenture, repayable in monthly blended instalments of \$23,692 including interest at 3.35%, maturing June 2027, amortized over a 30 year term.	5,121,861	-
Debt reserve fund of the First Nations Finance Authority debenture as required under subsection 84(2) of the First Nations Fiscal Management Act.	(262,484)	-
First Nations Finance Authority interim long-term financing requiring interest only payments at 3.35% until issuance of securities by the First Nations Finance Authority.	5,158,000	-
Debt reserve fund of the First Nations Finance Authority interim long-term financing as required under subsection 84(2) of the First Nations Fiscal Management Act.	(258,701)	-
	9,758,676	-
Less: less: current portion	115,155	-
	9,643,521	-

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2019	115,155
2020	118,386
2021	122,414
2022	126,578
2023	130,884

Interest on long-term debt totaling \$165,995 (2017 - \$nil) has been capitalized as part of buildings under construction. As a result, the interest paid has been included in purchases of tangible capital assets on the statement of cash flows.

Of the \$10,316,000 (2017 - nil) in advances from the debenture and interim long-term financing, \$515,800 (2017 - nil) was retained to fund the required debt reserve funds. The funding of the debt reserve funds is a non-cash transaction and is therefore excluded from the advances of long-term debt on the statement of cash flows.

The debt reserve funds earn interest at 1.1% (2017 - nil) per annum. The interest earned in the year totalling \$5,385 (2017 - nil) is a non-cash transaction and is therefore excluded from interest received on the statement of cash flows.

The debentures and interim financing are secured by tobacco and fuel rebates from the Government of Northwest Territories, resource revenue from the Government of Northwest Territories, Goods and Service Tax rebates from the Government of Canada, and Resource revenue from Indigenous Service Canada.

The First Nations Finance Authority requires that the First Nation provide the Authority with a copy of the Financial Management System Certificate within 36 months after the Salt River First Nation receives financing (other than Interim Long Term Financing) from the authority. As of March 31, 2018 this certificate has not yet been provided.

8. 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.

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

9. Prepaid expenses

	2018	2017
Retainers to legal counsel	84,678	74,737
Prepaid insurance, rent, etc	80,765	45,007
	165,443	119,744

10. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
Equity in tangible capital assets		
Balance, beginning of year	4,852,459	2,801,472
Acquisition of tangible capital assets	7,769,305	2,279,402
Advances of long-term debt to finance tangible capital assets	(6,674,113)	-
Amortization	(243,954)	(228,415)
	5,703,697	4,852,459
Unrestricted surplus		
Balance, beginning of year	7,967,913	6,603,108
Surplus for the year	1,009,872	3,415,792
Transfer to equity in tangible capital assets	(851,238)	(2,050,987)
	8,126,547	7,967,913
	13,830,244	12,820,372

11. 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.

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

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 1.6% for the year ended December 31, 2017 (1.4% for 2016) 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 First Nation Youth & Education Foundation.

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

	Dec 31 2017	Dec 31 2016
Salt River First Nation Settlement Trust	80,221,935	78,299,090

The Trust fund balance at March 31, 2018 was \$74,616,262 (2017 - \$76,651,675).

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

	2018	2017
Operational	3,582,209	4,063,134
Infrastructure	399,725	453,997
Per capita distribution	564,977	659,558
Youth & Education Foundation	183,816	208,190
	4,730,727	5,384,879
Recapitalization	(780,400)	(789,236)
	3,950,327	4,595,643

12. Economic dependence

The First Nation receives approximately 62% (2017 - 54%) of it's annual revenue from the Salt River First Nation Settlement Trust and 17% (2017 - 39%) 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.

Salt River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

13. 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 31, 2017.

14. Tangible capital assets

The tangible capital asset details are included on Schedule 1.

Construction in progress includes four homes on Wood Bison Street under construction at the year-end, a geotechnical report, and costs related to the multipurpose facility with a carrying value of \$8,651,295 (2017 - \$2,275,281). Construction in progress in the prior year that remains in progress at the end of the current year totals \$1,030,324 (2017 - nil). Construction in progress from the prior year that were transferred to tangible capital assets in the current year total \$1,244,957 (2017 - nil). Additions to construction in progress in the year total \$7,620,971 (2017 - \$2,275,281). 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 \$1,349,780 (2017 - \$24,000) are included in accounts payable at March 31, 2018, and are therefore not included on the consolidated statement of cash flows.

There were no non-cash tangible capital asset additions (2017 - \$53,217) in the year. These additions are not included on the consolidated statement of cash flows.

15. Commitments

The First Nation has entered into a stipulated price contract totaling \$17,985,000 for the construction of a multipurpose facility.

16. Comparative figures

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

Salt River First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Land</i>	<i>Buildings</i>	<i>Automotive equipment</i>	<i>Computer equipment and software</i>	<i>Office furniture and equipment</i>	<i>2018</i>	<i>2017</i>
Cost							
Balance, beginning of year	698,671	4,276,478	288,273	170,689	457,954	5,892,065	4,642,987
Acquisition of tangible capital assets	-	125,043	-	4,513	18,778	148,334	4,121
Construction-in-progress	-	8,651,295	-	-	-	8,651,295	2,275,281
Balance, end of year	698,671	13,052,816	288,273	175,202	476,732	14,691,694	6,922,389
Accumulated amortization							
Balance, beginning of year	-	1,393,146	170,003	161,441	345,340	2,069,930	1,841,515
Annual amortization	-	180,534	35,481	3,539	24,400	243,954	228,415
Balance, end of year	-	1,573,680	205,484	164,980	369,740	2,313,884	2,069,930
Net book value of tangible capital assets	698,671	11,479,136	82,789	10,222	106,992	12,377,810	4,852,459
2017 net book value	698,671	3,913,656	118,270	9,248	112,614	4,852,459	

Salt River First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Consolidated expenses by object			
Salaries and benefits	1,148,195	1,222,319	1,185,535
Consulting and contracted services	431,500	1,022,432	599,989
Per capita distribution	564,976	716,300	730,593
Professional fees	385,000	561,201	578,722
Supplies	148,600	164,771	168,352
Donations and event prizes	109,500	142,537	117,462
Travel - Chief and Council	120,000	137,666	114,425
Council honoraria	-	106,076	80,650
Chief salary	184,000	104,000	104,000
Insurance	76,380	96,726	89,725
Telephone and utilities	60,600	92,390	83,206
Student living allowance	-	77,712	42,912
Elders	65,000	67,000	62,000
Automotive	27,225	55,942	54,051
Property tax	72,000	52,527	48,675
Rent	35,150	41,652	33,935
Office supplies and expenses	29,600	37,372	33,579
Tuition and books	-	31,712	15,042
Meetings	55,000	27,928	61,147
Funeral assistance	55,000	27,000	52,000
Travel and transportation	28,500	26,653	73,242
Leases, rentals	39,804	24,241	30,424
Training	13,000	17,969	22,483
Emergency repairs program	30,000	17,146	29,562
Member needs	20,000	16,531	19,588
Repairs and maintenance	19,500	16,462	41,180
Bank charges and interest	3,000	14,121	5,544
Administration	-	9,189	12,041
Bursaries	15,000	6,000	15,000
Youth	10,000	3,526	1,470
Registration fees	-	125	1,900
Miscellaneous	-	-	9,876
Registration fees	2,000	-	-
	3,748,530	4,937,226	4,518,310

Salt River First Nation
Administration, Finance
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Settlement Trust distributions	699,184	699,185	498,100
Indigenous Services Canada	85,360	232,880	179,561
Other revenue	20,000	87,727	6,653
Interest income	-	22,649	27,043
	804,544	1,042,441	711,357
Expenses			
Consulting and contracted services	154,000	436,140	177,401
Salaries and benefits	479,000	351,247	311,365
Telephone and utilities	30,000	39,268	44,877
Office supplies	29,000	35,991	31,497
Insurance	32,940	19,972	42,329
Supplies	10,000	16,029	15,731
Leases, rentals	29,104	13,548	14,082
Bank charges and interest	3,000	13,161	4,894
Professional fees	25,000	10,094	20,074
Travel and transportation	5,000	7,102	3,462
Donations and event prizes	1,500	5,554	1,493
Repairs and maintenance	1,000	760	2,590
Training	5,000	-	-
	804,544	948,866	669,795
Surplus	-	93,575	41,562

Salt River First Nation
Governance, Justice
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Settlement Trust distributions	853,170	853,170	780,880
Indigenous Services Canada	78,000	401,000	319,754
Government of Northwest Territories	-	-	8,000
Other revenue	-	11,785	5,151
Deferred revenue - prior year	-	3,000	6,000
Deferred revenue - current year	-	-	(3,000)
Funding returned to funder	-	(3,000)	-
	931,170	1,265,955	1,116,785
Expenses			
Professional fees	360,000	540,694	534,896
Consulting and contracted services	80,000	219,889	270,954
Travel - Chief and Council	120,000	136,554	111,581
Chief salary	184,000	104,000	104,000
Council honoraria	-	102,476	79,000
Salaries and benefits	79,170	81,782	75,013
Donations and event prizes	22,000	30,463	28,076
Meetings	55,000	27,678	54,176
Travel and transportation	20,000	17,559	48,200
Insurance	8,000	14,463	11,710
Training	-	5,217	2,580
Supplies	-	3,619	588
Telephone and utilities	400	961	2,194
Office supplies and expenses	600	498	1,545
Miscellaneous	-	-	9,876
Registration fees	2,000	-	1,900
Member needs	-	-	484
	931,170	1,285,853	1,336,773
Deficit	-	(19,898)	(219,988)

Salt River First Nation
Culture, Education
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Government of Northwest Territories	140,925	291,596	131,038
Settlement Trust distributions	156,600	156,600	36,100
Other revenue	35,000	71,045	28,688
Funding returned to funder	-	-	(39,987)
Deferred revenue - prior year	-	98,509	124,326
Deferred revenue - current year	-	-	(98,509)
	332,525	617,750	181,656
Expenses			
Consulting and contracted services	143,500	346,431	106,409
Donations and event prizes	86,000	106,077	87,641
Supplies	63,600	64,845	46,637
Automotive	12,225	12,817	10,597
Leases, rentals	10,700	9,428	13,593
Administration	-	7,189	12,041
Bursaries	15,000	6,000	15,000
Council honoraria	-	3,600	-
Salaries and benefits	-	3,525	-
Travel - Chief and Council	-	1,112	379
Office supplies and expenses	-	883	133
Training	-	620	-
Travel and transportation	1,500	428	17,811
Meetings	-	250	5,411
	332,525	563,205	315,652
Surplus (deficit)	-	54,545	(133,996)

Salt River First Nation
Human Resource Development
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous Services Canada	25,500	97,915	25,500
Expenses			
Salaries and benefits	25,500	97,915	25,500
Surplus (deficit)	-	-	-

Salt River First Nation
Lands, Public Works
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Settlement Trust distributions	351,350	351,350	205,860
Indigenous Services Canada	-	50,000	92,801
Government of Northwest Territories	-	6,000	3,000
Other revenue	-	400	27,364
	351,350	407,750	329,025
Expenses			
Salaries and benefits	150,000	259,999	331,326
Property tax	72,000	52,527	48,675
Insurance	23,000	35,621	20,272
Automotive	15,000	43,125	43,287
Supplies	20,000	27,843	42,831
Rent	350	24,852	2,135
Telephone and utilities	9,000	17,611	10,454
Consulting and contracted services	50,000	15,122	39,664
Repairs and maintenance	12,000	7,261	34,602
Leases, rentals	-	1,265	2,711
Professional fees	-	-	23,748
Travel - Chief and Council	-	-	2,465
Travel and transportation	-	-	2,465
Council honoraria	-	-	1,650
Meetings	-	-	1,560
	351,350	485,226	607,845
Deficit	-	(77,476)	(278,820)

Salt River First Nation
Homeless Shelter
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Settlement Trust distributions	205,247	205,247	90,217
Expenses			
Salaries and benefits	160,247	172,607	185,225
Insurance	12,000	19,364	14,884
Telephone and utilities	10,000	15,899	9,703
Supplies	14,000	15,867	17,092
Repairs and maintenance	4,000	7,970	810
Donations and event prizes	-	443	-
Training	5,000	-	-
	205,247	232,150	227,714
Deficit	-	(26,903)	(137,497)

Salt River First Nation
Child and Family Development
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Health Canada	244,208	254,397	244,208
Government of Northwest Territories	109,010	99,878	122,822
	353,218	354,275	367,030
Expenses			
Salaries and benefits	254,278	255,243	257,106
Supplies	41,000	36,568	45,473
Telephone and utilities	11,200	18,651	15,978
Rent	34,800	16,800	31,800
Travel and transportation	2,000	1,565	1,304
Insurance	440	7,307	530
Professional fees	-	3,413	-
Training	3,000	12,132	19,903
Administration	-	2,000	-
Repairs and maintenance	2,500	471	3,179
Registration fees	-	125	-
Consulting and contracted services	4,000	-	2,713
Donations and event prizes	-	-	252
Automotive	-	-	168
Office supplies and expenses	-	-	49
Leases, rentals	-	-	38
	353,218	354,275	378,493
Surplus (deficit)	-	-	(11,463)

Salt River First Nation
Membership
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Settlement Trust distributions	744,976	744,976	819,558
Expenses			
Per capita distribution	564,976	716,300	730,593
Elders	65,000	67,000	62,000
Funeral assistance	55,000	27,000	52,000
Emergency repairs program	30,000	17,146	29,562
Member needs	20,000	16,531	19,104
Youth	10,000	3,526	1,470
	744,976	847,503	894,729
Deficit	-	(102,527)	(75,171)

Salt River First Nation
SRFN Youth & Education Foundation
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Settlement Trust distributions	-	183,816	208,190
Other revenue	-	1,136	630
	-	184,952	208,820
Expenses			
Student living allowance	-	77,712	42,912
Tuition and books	-	31,712	15,042
Professional fees	-	7,000	-
Consulting and contracted services	-	4,850	2,850
Bank charges and interest	-	960	650
Office supplies and expenses	-	-	355
	-	122,234	61,809
Surplus	-	62,718	147,011

Salt River First Nation
Other
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Settlement Trust distributions	755,983	755,983	1,956,738
Government of Northwest Territories	180,000	631,473	209,531
Indigenous Services Canada	65,000	67,907	1,726,986
Deferred revenue - prior year	-	-	685,000
	1,000,983	1,455,363	4,578,255
Other expenses			
Payroll tax settlement	-	-	(26,687)
Unrecoverable GST	-	(10,592)	(15,534)
Results of SRFN Development Corporation operations	-	(174,979)	(223,466)
Amortization of tangible capital assets	-	(243,954)	(228,415)
	-	(429,525)	(494,102)
Surplus	1,000,983	1,025,838	4,084,153