

NAHANNI BUTTE DENE BAND

Nahanni Butte, NT

CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended March 31, 2017

NAHANNI BUTTE DENE BAND

CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended March 31, 2017

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Nahanni Butte Dene Band

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following financial discussion and analysis has been prepared by management and should be read in conjunction with the audited consolidated financial statements and their accompanying notes and schedules.

Financial Position

The Consolidated Statement of Financial Position reports the Nahanni Butte Dene Band's financial and non-financial resources, obligations and accumulated surplus as at March 31, 2017, on a comparative basis. This statement is used to evaluate the Council's ability to finance its activities and to meet its liabilities and commitments. The Council's financial assets changed from \$2,078,249 to \$2,149,576 due mainly to increase in contributions receivable.

During the 2013-14 fiscal year, the Council had originally invested \$1,023,533 into the Nahanni Butte General Store Ltd. as renovations under the Community Public Infrastructure program so that it can better serve the community. The amount was subsequently disallowed and the expenditure is being recorded as receivable from related parties. This has resulted in the cash deficiency of \$1,075,925 in the CPI program in the 2014-15 fiscal year. In order to reduce the cash deficiency, and upon negotiations with the Government of NWT, the Council agreed not to receive the \$665,000 of 2015-16 year and a further \$535,000 in current year's CPI annual allocation. As a result, the Council contributed a further \$535,000 in 2016-17 to the Nahanni Butte General Stores Ltd. totaling \$1,200,000. This has subsequently eliminated the cash deficiency as at March 31, 2017.

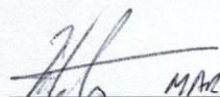
Further, the deferred contributions have changed from \$1,991,210 to \$1,647,137 resulting in a change in the liabilities from \$2,371,362 to \$1,890,126.

The Consolidated Statement of Changes in Net Financial Assets provides an indication of the Council's affordability of additional spending. The improvement of net financial debt from \$293,113 to financial assets of \$259,450 was the result of above contributions to Nahanni Butte General Stores Ltd. under the CPI program.

The changes in Accumulated Surplus reflect the changes in the Council's net assets. As the Council has an annual surplus of \$61,048, the resulting accumulated surplus has changed from \$4,852,018 to \$4,913,066.

Results from Operations

The Statement of Operations and Accumulated Surplus reports the Council's changes in economic resources and accumulated surplus for the year ended March 31, 2017, on a comparative basis. During 2017, the Council recorded a consolidated revenue of \$2,285,066 (2016: \$2,367,620). The annual surplus for the year amount to \$61,048 (2016: surplus of \$60,070) due mainly to the better monitoring of expenditure by the Council. The management will continue to monitor future expenditure carefully to ensure that they are more in-line with budget.


MARK ROCKINGTON
Senior Administrative Officer

Nahanni Butte, NT
September 28, 2017

Nahanni Butte Dene Band

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

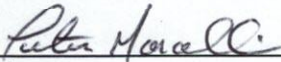
The accompanying consolidated financial statements of Nahanni Butte Dene Band are the responsibility of management.

The consolidated financial statements have been prepared by management in accordance with the Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Nahanni Butte Dene Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Nahanni Butte Dene Band's assets are appropriately accounted for and adequately safeguarded.

Nahanni Butte Dene Band's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by Paul Teoh Professional Corporation in accordance with Canadian generally accepted auditing standards. Its report to the members of Nahanni Butte Dene Band, stating the scope of its examination and opinion on the consolidated financial statements, follows.


Chief

Nahanni Butte, NT
September 28, 2017


Senior Administrative Officer



PAUL TEOH

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the members of Nahanni Butte Dene Band

I have audited the accompanying consolidated financial statements of Nahanni Butte Dene Band, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Nahanni Butte Dene Band as at March 31, 2016, and the consolidated results of its operations, its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountant

Calgary, Alberta
September 28, 2017

3.



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NAHANNI BUTTE DENE BAND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31,	2017	2016
Financial Assets		
Cash and cash equivalents	\$ 223,338	\$ 309,989
Restricted deposits (note 2)	1,301,175	1,358,789
Accounts receivable (note 3)	102,834	110,451
Contributions receivable (note 4)	522,229	299,020
Total Financial Assets	2,149,576	2,078,249
Liabilities		
Accounts payable and accrued liabilities (note 5)	221,185	266,128
Contributions repayable (note 6)	21,804	114,024
Deferred contributions (note 7)	1,647,137	1,991,210
Total Liabilities	1,890,126	2,371,362
Net Financial Assets (Debt)	259,450	(293,113)
Non-Financial Assets		
Long term investments (note 8)	733,886	1,079,930
Tangible capital assets (note 9)	3,896,961	4,042,732
Prepaid expenses and deposits	22,769	22,469
Total Non-Financial Assets	4,653,616	5,145,131
Accumulated Surplus	\$ 4,913,066	\$ 4,852,018

Approved on behalf of the Council:

 Councillor

 Councillor

The accompanying notes and schedules are an integral part of these consolidated financial statements. 4.

NAHANNI BUTTE DENE BAND

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,		2017	2016
	Budget (Unaudited)	Actual	Actual
Revenue			
Contributions - MACA	\$ -	\$ 902,524	\$ 828,566
Contributions - INAC	-	269,469	122,650
Contributions - DFN	-	26,273	25,732
Contributions - GNWT	-	295,880	353,459
Other revenue and recoveries	-	243,164	203,332
Earnings (loss) from subsidiaries	-	203,682	260,956
Add opening deferred revenue	-	1,991,211	2,564,135
Less closing deferred revenue	-	(1,647,137)	(1,991,210)
	-	2,285,066	2,367,620
Expenditure			
Municipal Services:			
Municipal administration	-	816,588	813,565
Utilities and operating	-	287,764	225,261
Road and works	-	30,154	162,615
Recreation	-	16,588	14,589
Water and sewage	-	294,433	269,517
Youth programs	-	28,924	48,014
Band Member Services:			
Band support administration	-	128,034	110,408
Political and institutional development	-	100,056	-
Summer and youth work experience	-	17,700	20,087
Resource management	-	33,207	-
Dehcho First Nation Funded Programs:			
Language and culture	-	-	4,613
Resource management	-	8,977	19,730
GNWT Funded Programs:			
Education, cultural and employment	-	21,469	32,491
Health and social services	-	116,689	179,269
Hunters and trappers assistance	-	53,389	39,065
Environment and natural resources	-	64,511	69,962
Other programs	-	-	14,948
Others:			
Office administration	-	205,535	275,344
Loss on disposal of tangible capital assets	-	-	5,601
Other programs	-	-	2,471
	-	2,224,018	2,307,550
Annual Surplus	-	61,048	60,070
Accumulated Surplus, beginning of year	4,852,018	4,852,018	4,791,948
Accumulated Surplus, end of year	\$ 4,852,018	\$ 4,913,066	\$ 4,852,018

The accompanying notes and schedules are an integral part of these consolidated financial statements. 5.

NAHANNI BUTTE DENE BAND

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended March 31,	2017	2017	2016
	Budget (Unaudited)	Actual	Actual
Annual Surplus (Deficit)	\$ -	\$ 61,048	\$ 60,070
Acquisition of tangible capital assets	-	(24,316)	(16,707)
Amortization of tangible capital assets	-	170,087	268,935
Loss (gains) on sale of tangible capital assets	-	-	5,601
Decrease (increase) in long term investments	-	346,044	-
	-	552,863	317,899
Decrease (increase) in prepaid expenses and deposits	-	(300)	(20,755)
Increase (Decrease) in Net Financial Assets	-	552,563	297,144
Net Financial Assets (Debt), beginning of year	(293,113)	(293,113)	(590,257)
Net Financial Assets (Debt), end of year	\$(293,113)	\$ 259,450	\$(293,113)

The accompanying notes and schedules are an integral part of these consolidated financial statements. 6.

NAHANNI BUTTE DENE BAND

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2017	2016
Cash Flows from Operating Activities		
Cash receipts from government transfers	\$ 1,270,937	\$ 1,361,431
Cash receipts from contributions and other recoveries	159,035	299,948
Cash paid to suppliers and employees	(2,099,647)	(1,896,687)
	(669,675)	(235,308)
Cash flows from Investing Activities		
Decrease (increase) in advance to subsidiary companies	549,726	618,942
	549,726	618,942
Capital Transactions		
Purchase of tangible capital assets	(24,316)	(16,707)
	(24,316)	(16,707)
Net Increase (Decrease) in Cash and Cash Equivalents	(144,265)	366,927
Cash and Cash Equivalents, beginning of year	1,668,778	1,301,851
Cash and Cash Equivalents, end of year	\$ 1,524,513	\$ 1,668,778
Represented by:		
Cash	\$ 223,338	\$ 309,989
Restricted cash	1,301,175	1,358,789
	\$ 1,524,513	\$ 1,668,778

The accompanying notes and schedules are an integral part of these consolidated financial statements. 7.

NAHANNI BUTTE DENE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

The Nahanni Butte Dene Band (the "Council") is an Indian Band registered under the *Indian Act*. It provides services to the band members of Nahanni Butte Dene Band. It is also recognized by Department of Municipal and Community Affairs, the Government of NWT, as the designated authority responsible for the provision of municipal services to the Community of Nahanni Butte.

The Council is exempt for income tax purposes under Section 149 of the *Income Tax Act*.

1. Significant Accounting Policies

(a) Basis of Preparation

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(b) Reporting Entity

The consolidated financial statements includes the accounts of Nahanni Butte Dene Band and Nahanni Butte Dene Band Society and its following subsidiary and associated companies using the modified equity method.

	Percentage Owned	Year End
Naha Dehe Development Corporation	100%	March 31, 2017
Nahanni Butte General Store Ltd.	50%	March 31, 2017
Deh Cho Helicopters Regional Limited Partnership	14.3%	May 31, 2016

(c) Fund Accounting

The Nahanni Butte Dene Band follows the deferral method of accounting for capital contributions. Externally restricted contributions are recognized as revenue when the related capital expenditures are incurred. Contributions received in advance of making the related expenditures is recorded as deferred revenue.

The General Operating Fund reports the core operating accounts of the Council and other programs in accordance with contribution agreements with funding agencies.

The Enterprise Fund reports the assets, liabilities, revenue and expenditure relating to investments held by the Council.

(d) Long Term Investments

Long term investments are recorded at amortized costs plus adjustments for accumulated earnings and loss less any permanent decline in value.

NAHANNI BUTTE DENE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

1. Significant Accounting Policies (Continued)

(e) Revenue Recognition

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenues as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipts of goods or services and /or legal obligations to pay.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(f) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

(i) Tangible Capital Assets

Land and building is stated at nominal value. Purchased tangible capital assets are recorded at cost. Amortization expense is recorded over the estimated useful lives of the assets, using the following method and annual rates:

Buildings:		
- Community office	2%-5%	Declining Balance
- Trailers	10%	Declining Balance
- Garages	4%	Declining Balance
Land improvements	2.5%	Declining Balance
Landfills and lagoon	4%-10%	Declining Balance
Automotive equipment	30%	Declining Balance
Office equipment and furniture	10%-30%	Declining Balance
Heavy equipment	10%	Declining Balance

(ii) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost. There is no significant inventory at year end.

NAHANNI BUTTE DENE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

1. Significant Accounting Policies (Continued)

(g) Cash and Cash Equivalents

Cash includes cash and demand deposits. Cash equivalents includes highly liquid investments that can be readily converted into cash for a fixed amount and that matures less than three months from the date of acquisition.

(h) Allocation of Expenditure

Certain common expenditure have been allocated to programs based on estimate of services provided.

(i) Financial Instruments - Recognition and Measurement

The Council has elected the following classifications with respect to its financial assets and financial liabilities:

- Cash and restricted cash are classified as assets held-for-trading and is subsequently measured at fair value with gains and losses arising from changes in the fair value recognized in net income in the period in which they arise. The estimated fair value of cash is assumed to approximate its carrying amount.
- Accounts receivable are classified as loans and receivables and are subsequently measured at amortized cost using the effective interest method. The amortized cost using the effective interest method approximates their fair values due to the short term nature.
- Accounts payable and accrued liabilities are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest method. At inception, the estimated fair values of accounts payable and accrued liabilities are assumed to approximate their carrying amounts.

Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(j) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

NAHANNI BUTTE DENE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

1. Significant Accounting Policies (Continued)

(k) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Restricted Deposits

	2017	2016
Bank account - Community Public Infrastructure (CPI)	\$ 183,127	\$ 182,986
Bank account - Gas Tax Fund (GTF)	943,018	938,933
Bank account - Nahanni Butte Trust	175,030	236,870
	\$ 1,301,175	\$ 1,358,789

Interest on CIBC Business Interest Account are paid monthly at rates ranging from 0.10% to 0.65% per annum depending on monthly average account balance.

	Community Public Infrastructure	Federal Gas Tax Funding	Total
Deferred contributions	\$ 170,379	\$ 1,266,358	\$ 1,436,737
Less contributions receivable	(130,000)	(336,172)	206,172
Required balance	40,379	930,186	970,565
Restricted cash deposits	183,127	943,018	1,126,145
	\$ 142,748	\$ 12,832	\$ 155,580

Sufficient funds must be deposited to separate bank accounts to correspond with the respective restricted cash balances. Interest earned on these accounts is credited to the appropriate restricted bank accounts. As at March 31, 2017, sufficient funds were deposited into the restricted bank accounts.

NAHANNI BUTTE DENE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

3. Accounts Receivable

	2017	2016
Trade and other	\$ 168,267	\$ 98,226
GST refundable	27,178	26,705
	195,445	124,931
Less allowances for doubtful accounts	(92,611)	(14,480)
	\$ 102,834	\$ 110,451

4. Contributions Receivable

	2017	2016
Indigenous and Northern Affairs Canada:		
Summer work experience	\$ 1,770	\$ 1,770
Land resource management	6,380	-
Community capacity development	10,006	-
Government of NWT:		
MACA-Federal Gas Tax Funding (2014-15)	87,172	87,172
MACA-Federal Gas Tax Funding (2015-16)	174,000	174,345
MACA-Federal Gas Tax Funding (2016-17)	75,000	-
MACA-CPI (2016-17)	130,000	-
ECE-Wage support	14,400	4,800
ITI-Garden project	1,000	1,750
ITI-CED Arbour	-	1,788
ITI-Spring Carnival	480	300
ITI-SEED Infrastructure	3,407	-
ITI-Aboriginal Day	640	-
ENR-IRMA	6,000	7,095
DOT-Access road upgrade	-	20,000
Dehcho First Nations		
AAROM	11,974	-
	\$ 522,229	\$ 299,020

5. Accounts Payable and Accrued Liabilities

	2017	2016
Trade and other	\$ 136,009	\$ 236,589
Accrued wages and benefits	63,707	10,274
Other taxes payable (refundable)	21,469	19,265
	\$ 221,185	\$ 266,128

NAHANNI BUTTE DENE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

6. Contributions Repayable

	2017	2016
Dehcho First Nations	\$ 1,249	\$ 38,006
Dehcho Health and Social Services	-	937
Indigenous and Northern Affairs Canada	20,555	43,781
Government of NWT	-	31,300
	\$ 21,804	\$ 114,024

7. Deferred Contributions

	2017	2016
Government of NWT:		
Building Canada Plan	\$ -	\$ 56
Community Public Infrastructure	170,379	599,511
Federal Gas Tax Funding	1,266,358	1,184,243
Other:		
Selwyn Fund	7,400	7,400
Canadian Zinc IBA	200,000	200,000
Great Slave Helicopter's Women's Wellness	1,000	-
Great Slave Helicopter's Youth Infrastructure	2,000	-
	\$ 1,647,137	\$ 1,991,210

NAHANNI BUTTE DENE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

8. Long Term Investments

Naha Dehe Development Corporation

The Council owns 100% of Naha Dehe Development Corporation, a private company incorporated under the Business Corporation Act of Northwest Territories on July 9, 2001. The Corporation's principal activities are business management and investment activities. The Company is exempt from income tax under Section 149(1)(e) of the *Income Tax Act*.

The following summarizes the financial position and results of operations of the Corporation as at and for the year ended March 31, 2017.

	2017	2016
Financial Position		
Current assets	\$ 36,809	\$ 60,410
Non-current assets	26,473	48,765
Total assets	63,282	109,175
Current liabilities	102,046	103,819
Non-current liabilities	121,500	135,000
Shareholder's equity (capital deficiency)	\$ (160,264)	\$ (129,644)
Financial Performance		
Revenues	\$ 7,059	\$ 15,297
Expenses	37,680	46,358
Net earnings (loss)	\$ (30,621)	\$ (31,061)
Investments:		
Investment at cost	\$ 10	\$ 10
Receivable from Corporation	87,046	69,149
Accumulated equity earnings (deficit)	(160,275)	(129,654)
Investment in Corporation	\$ (73,219)	\$ (60,495)

NAHANNI BUTTE DENE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

8. Long Term Investments (Continued)

Nahanni Butte General Stores Ltd.

The Council owns 50% of Nahanni Butte General Stores Ltd., a private company incorporated under the *Business Corporation Act of Northwest Territories* on October 15, 1992. The Company owns and operates The Nahanni Butte General Store and Nahanni Butte Inn in Nahanni Butte, Northwest Territories.

The Company is exempt from income taxes under Section 149(1)(e) of the Income Tax Act.

The following summarizes the financial position and results of operations of the Corporation as at and for the year ended March 31, 2017.

	2017	2016
Financial Position		
Current assets	\$ 172,794	\$ 226,992
Non-current assets	687,208	725,077
Total assets	860,002	952,069
Current liabilities	280,553	808,048
Non-current liabilities	27,944	27,493
Total shareholder's equity (capital deficiency)	\$ 551,505	\$ 116,528
Financial Performance		
Revenues	\$ 727,481	\$ 824,183
Expenses	292,502	221,961
Gain (loss) on disposal of assets	-	105,238
Net earnings (loss)	434,979	496,984
Net earnings (loss) attributable to the Council	\$ 217,490	\$ 248,492
Investments:		
Investment at cost	\$ 25,000	\$ 25,000
Receivable from Corporation	181,475	749,098
Accumulated equity earnings (deficit)	175,504	(41,986)
Investment in Corporation	\$ 381,979	\$ 732,112

NAHANNI BUTTE DENE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

8. Long Term Investments (Continued)

Deh Cho Helicopters Regional Limited Partnership

The Council owns 5,000 of 35,000 (14.27%) limited partnership units in Deh Cho Helicopters Regional Limited Partnership (DCHRLP). DCHRLP was formed on June 1, 2004 under the Partnership Act of the Northwest Territories.

The Partnership's principal activities are to own and lease a Eurocopter AS350 B2 Helicopter and other helicopter charters through Great Slave Helicopters Ltd. in the Deh Cho areas in Northwest Territories.

The following summarizes the financial position and results of operations of the Corporation as at and for the year ended May 31, 2016.

	2016	2015
Financial Position		
Current assets	\$ 1,611,342	\$ 1,502,013
Non-current assets	1,093,580	1,259,624
Total assets	2,704,922	2,761,637
Current liabilities	15,313	15,113
Non-current liabilities	4,796	4,403
Total partners' equity	\$ 2,684,813	\$ 2,742,121
Financial Performance		
Revenues	\$ 439,571	\$ 559,998
Expenses	321,878	255,327
Net earnings (loss)	117,693	304,671
Net earnings attributable to the Council	\$ 16,813	\$ 43,523
Investment:		
Investment at cost	\$ 5,000	\$ 5,000
Accumulated equity earnings	420,126	428,313
Distributions of earnings	-	(25,000)
Investment in Partnership	\$ 425,126	\$ 408,313
Total Investments	\$ 733,886	\$ 1,079,930

NAHANNI BUTTE DENE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

9. Tangible Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 2,568,013	\$ 1,465,931	\$ 1,102,082	\$ 1,149,625
Land improvements	2,424,408	242,740	2,181,668	2,237,609
Landfills and lagoon	730,263	577,303	152,960	159,333
Automotive equipment	867,739	852,001	15,738	-
Office equipment and furniture	270,666	194,378	76,288	87,222
Heavy equipment	834,579	466,354	368,225	408,943
	\$ 7,695,668	\$ 3,798,707	\$ 3,896,961	\$ 4,042,732

10. Equity in Tangible Capital Assets

	2017	2016
Tangible capital assets	\$ 7,695,668	\$ 7,671,352
Accumulated amortization	(3,798,707)	(3,628,620)
	\$ 3,896,961	\$ 4,042,732

11. Accumulated Surplus (Deficit)

	2017	2016
Unrestricted		
General Operating Fund	\$ 282,219	\$(270,644)
Enterprise Fund	733,886	1,079,930
Equity in Tangible Capital Assets	3,896,961	4,042,732
	\$ 4,913,066	\$ 4,852,018

12. Government Transfers

	2017	2016
Government of NWT - MACA	\$ 902,524	\$ 828,566
Aboriginal Affairs and Northern Development Canada	269,469	122,650
Dehcho First Nations	26,273	25,732
Government of NWT	295,880	353,459
	\$ 1,494,146	\$ 1,330,407

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13. Expenditure by Object

	2017	2016
Advertising and promotion	\$ 50	\$ 2,460
Administration	15,429	22,900
Amortization	170,087	268,935
Bad debts (recovered)	69,740	104,124
Bank charges and interest	3,215	16,235
Community events	5,000	-
Contracted services	17,785	110,750
Contributions repaid	26,937	20,879
Donations/Contributions	3,491	1,923
Equipment rental	21,532	31,410
Freight and postage	7,530	3,951
Honoraria	55,625	24,947
Insurance	140,017	109,442
Loss on disposal of capital assets	-	5,601
Materials and supplies	146,447	110,184
Meeting and workshop	9,018	12,865
Membership distribution	66,500	-
Miscellaneous	15,823	38,326
Office	15,426	5,878
Professional fees	49,385	162,172
Rent and utilities	329,054	341,030
Repairs and maintenance	48,471	48,349
Telephone and Internet	21,366	16,708
Training and scholarships	-	17,150
Travel and accommodation	64,160	82,968
Wages and benefits	921,930	748,363
	\$ 2,224,018	\$ 2,307,550

14. Economic Dependence

The Council receives a major portion of its revenue from the Aboriginal Affairs and Northern Development Canada of the Government of Canada and the Department of Municipal and Community Affairs of the Government of Northwest Territories. The nature and extent of this revenue is of such significance that the Council is economically dependent on this source of revenue.

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15. Financial Instruments and Risk Management

The Council's financial instruments are exposed to certain risks, which include credit risk, market risk, interest rate risk and liquidity risk.

Credit Risk - Credit risk refers to the potential that the funding agencies or counter party to a financial instrument will fail to discharge its contractual obligations. The Council is exposed mainly to credit risk from funding agencies' refusal to contribute the full funding due to the Council's non-compliance to the contribution agreements. The Council manages credit risk by ensuring that it complies with the terms and conditions of the contribution agreements.

Liquidity Risk - Liquidity risk is the risk that the Council will not be able to meet its financial obligations as they fall due. The Council manages liquidity risk through the management of its capital structure.

Unless otherwise noted, it is management's opinion that the Council is not exposed to other significant interest, currency and market risks arising from these financial instruments.