

**JEAN MARIE RIVER FIRST
NATION**
Jean Marie River, NT

**CONSOLIDATED
FINANCIAL STATEMENTS**

For the Year ended March 31, 2017

JEAN MARIE RIVER FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended March 31, 2017

INDEX

	Page
MANAGEMENT'S DISCUSSION AND ANALYSIS	1
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	2
INDEPENDENT AUDITOR'S REPORT	3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 18
Schedule 1 - Schedule of Program Revenue and Expenditure - Consolidated	19
Schedule 2 - Schedule of Program Revenue and Expenditure - MACA	20 - 21
Schedule 3 - Schedule of Program Revenue and Expenditure - INAC	22
Schedule 4 - Schedule of Program Revenue and Expenditure - Dehcho First Nation	23
Schedule 5 - Schedule of Program Revenue and Expenditure - GNWT	24 - 25
Schedule 6 - Schedule of Program Revenue and Expenditure - Others	26 - 27
Schedule 7 - Schedule of Tangible Capital Assets	28
Schedule 8 - Schedule of Changes in Accumulated Surplus	29
Schedule 9 - Schedule of Municipal Services	30
Schedule 10 - Schedule of Community Public Infrastructure Annual Reporting	31
Schedule 11 - Schedule of Federal Gas Tax Annual Reporting	32
Schedule 12 - Schedule of Salaries, Honoraria and Travel Expenses (Elected Officials)	33
Schedule 13 - Schedule of Salaries, Honoraria and Travel Expenses (Management)	34
Schedule 14 - Schedule of Federal Government Funding	35
Schedule 15 - Schedule of Federal Government Funding Reconciliation	36



Jean Marie River First Nation

General Delivery

Jean Marie River, NT

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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 financial statements and their accompanying notes and schedules.

Financial Position

The Statement of Financial Position reports the Jean Marie River First Nation'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 increased from \$5,131,876 to \$6,020,404 mainly due to increase in contributions receivable from the Government of NWT. Liabilities has increased from \$4,003,148 to \$4,544,688 due mainly in the increase in deferred contributions despite the Council's capital expenditure in the amount of \$279,080 in the year. Consequently, the net financial assets have increased from \$1,128,728 to \$1,475,716.

The Statement of Changes in Net Financial Assets provides an indication of the Council's affordability of additional spending. The changes in net financial assets from \$1,128,728 to \$1,475,716 was due mainly to increase in financial assets and no significant acquisition of tangible capital assets in the year. Though the Council can afford additional spending, it does not have plan for any significant capital expenditure in the next fiscal year.

The changes in Accumulated Surplus reflects the changes in the Council's net assets. As the Council has an annual surplus of \$287,828, the resulting accumulated surplus has changed from \$4,327,155 to \$4,614,983.

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 \$2,578,277 (2016: \$2,445,394). The annual surplus for the year amount to \$287,828 (2016: \$392,826) due mainly to surplus incurred in all government funding operations. The management will continue to monitor future expenditure carefully to ensure that they are more in-line with budget.

Senior Administrative Officer

Jean Marie River, NT
September 21, 2017



Jean Marie River First Nation

General Delivery

Jean Marie River, NT

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Jean Marie River First Nation 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.

Jean Marie River First Nation 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 Jean Marie River First Nation's assets are appropriately accounted for and adequately safeguarded.

Jean Marie River First Nation'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 Jean Marie River First Nation, stating the scope of its examination and opinion on the financial statements, follows.

Chief

Jean Marie River, NT
September 21, 2017

Senior Administrative Officer



INDEPENDENT AUDITOR'S REPORT

To the members of Jean Marie River First Nation

I have audited the consolidated financial statements of Jean Marie 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, 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 Jean Marie River First Nation as at March 31, 2017, and the consolidated results of its operations, changes net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountant

Calgary, Alberta
September 21, 2017



JEAN MARIE RIVER FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31,	2017	2016
Financial Assets		
Cash (note 2)	\$ 673,851	\$ 868,946
Short term investments	72,364	71,669
Restricted deposits (note 3)	2,382,659	2,361,365
Accounts receivable (note 4)	290,220	239,011
Contributions receivable (note 5)	2,601,310	1,590,885
Total Financial Assets	6,020,404	5,131,876
Liabilities		
Accounts payable and accrued liabilities (note 6)	135,829	202,648
Contributions repayable (note 7)	19,782	66,291
Deferred contributions (note 8)	4,389,077	3,734,209
Total Liabilities	4,544,688	4,003,148
Net Financial Assets	1,475,716	1,128,728
Non-Financial Assets		
Long term investments (note 9)	958,350	1,083,151
Tangible capital assets (note 10)	2,054,234	2,086,061
Prepaid expenses and deposits	126,683	29,215
Total Non-Financial Assets	3,139,267	3,198,427
Accumulated Surplus (note 12)	\$ 4,614,983	\$ 4,327,155

Approved on behalf of the Council:

 Councillor

 Councillor

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

JEAN MARIE RIVER FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,

	2017	2017	2016
Revenue		Budget (Unaudited)	Actual
Contributions - MACA	\$ 2,083,885	\$ 1,907,051	\$ 2,042,728
Contributions - INAC	71,350	231,000	241,042
Contributions - DFN	25,165	411,371	70,003
Contributions - GNWT	289,426	445,960	402,163
Contributions - others	20,000	1,550	-
Other revenue and recoveries	-	219,280	295,874
Earnings (loss) from subsidiaries	-	16,933	33,234
Add opening deferred revenue	-	3,734,207	3,094,557
Less closing deferred revenue	-	(4,389,075)	(3,734,207)
	2,489,826	2,578,277	2,445,394
Expenditure			
Municipal Services:			
Municipal administration	605,600	650,283	572,910
Roads and works	76,510	20,737	8,966
Recreation	29,300	13,902	30,203
Utilities and operating	556,470	312,256	358,432
Water and sewage	461,000	380,525	361,306
Youth programs	19,285	14,330	19,375
INAC Band Member Services:			
Band support administration	71,350	83,100	91,536
Resource management	-	-	31,002
Summer and youth programs	-	5,458	17,300
Political and institutional development	-	117,286	75,109
Dehcho First Nation Funded Programs:			
Literacy programs	-	6,493	5,952
Language and culture	9,225	9,225	6,573
Resource management	15,940	101,103	26,126
Youth programs	-	26,730	31,352
GNWT Funded Programs:			
Education, cultural and employment	9,600	23,144	19,787
Economic Development	8,868	76,764	19,090
Health and social services	84,109	106,555	59,587
Hunters and trappers assistance	29,375	44,614	14,135
Transportation and public works	142,474	142,368	127,580
Resource programs	15,000	3,418	27,195
Others:			
Administration	20,000	13,206	146,559
Community events	-	25,266	2,493
Environmental	-	81,800	-
Loss (Gains) on Disposal of Capital Assets	-	31,886	-
	2,154,106	2,290,449	2,052,568
Annual Surplus (Deficit)	335,720	287,828	392,826
Accumulated Surplus, beginning of year	4,327,155	4,327,155	3,934,329
Accumulated Surplus, end of year	\$ 4,662,875	\$ 4,614,983	\$ 4,327,155

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

JEAN MARIE RIVER FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended March 31,	2017	2017	2016
	Budget (Unaudited)	Actual	Actual
Annual Surplus (Deficit)	\$ 335,720	\$ 287,828	\$ 392,826
Acquisition of tangible capital assets	-	(279,080)	(304,138)
Proceeds on sale of tangible capital assets	-	10,900	-
Amortization of tangible capital assets	-	268,121	307,797
Loss (gains) on sale of tangible capital assets	-	31,886	-
Decrease (increase) in long term investments	-	124,801	(51,286)
	335,720	444,456	345,199
Decrease (increase) in prepaid expenses and deposits	-	(97,468)	(10,212)
Increase (Decrease) in Net Financial Assets	335,720	346,988	334,987
Net Financial Assets, beginning of year	1,128,728	1,128,728	793,741
Net Financial Assets, end of year	\$ 1,464,448	\$ 1,475,716	\$ 1,128,728

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

JEAN MARIE RIVER FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2017	2016
Cash Flows from Operating Activities		
Cash receipts from government transfers	\$ 1,984,957	\$ 2,175,804
Cash receipts from contributions and recoveries	123,112	276,217
Cash paid to suppliers and employees	(2,154,729)	(1,691,786)
	(46,660)	760,235
Cash Flows from Investing Activities		
Decrease (increase) in receivable from related parties	141,734	(239,560)
Decrease (increase) in short term investment	(695)	217
	141,039	(239,343)
Capital Transactions		
Purchase of tangible capital assets	(279,080)	(304,138)
Proceeds from disposal of tangible capital assets	10,900	-
	(268,180)	(304,138)
Net Increase (Decrease) in Cash and Cash Equivalents	(173,801)	216,754
Cash and Cash Equivalents, beginning of year	3,230,311	3,013,557
Cash and Cash Equivalents, end of year	\$ 3,056,510	\$ 3,230,311
Represented By:		
Cash	\$ 673,851	\$ 868,946
Restricted cash	2,382,659	2,361,365
	\$ 3,056,510	\$ 3,230,311

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

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

The Jean Marie River First Nation ("Council") is an Indian Band registered under the *Indian Act*. It provides services to the band members of Jean Marie River First Nation. 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 Jean Marie River.

The Council recognized as a municipality and 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 generally accepted accounting principles for governments 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 Jean Marie River First Nation and Tthets' Ehk' E Deli Society along with its following subsidiary and associated companies using the modified equity method.

	Percentage Owned	Year End
Jean Marie River Development Corporation Ltd.	100%	March 31, 2017
Deh Cho Helicopters Regional Limited Partnership	14.3%	May 31, 2016

(c) Fund Accounting

The Jean Marie River First Nation 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.

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

1. Significant Accounting Policies (Continued)

(d) 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.

(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

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:			
- Office and community	4%		Declining Balance
- Playgrounds	10%		Declining Balance
- Staff houses	10%		Declining Balance
- Youth/Elder Centre	10%		Declining Balance
Land improvements	2.5%		Declining Balance
Landfills and lagoon	5%		Declining Balance
Mobile equipment	30%		Declining Balance
Office computer and equipment	30%		Declining Balance
Office furniture	20%		Declining Balance
Shop equipment	10%		Declining Balance
Street lights	10%		Declining Balance

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

1. Significant Accounting Policies (Continued)

(g) Short Term Investments

Short term investments consist of Guaranteed Income Certificates bearing interest at 0.55% per annum.

(h) Long Term Investments

The Council's long term investments have been accounted for on a modified equity basis. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the Council and inter-organizational transactions and balances are not eliminated. Further, the business enterprise's accounting principles are not adjusted to conform with those of the Council and inter-organizational transactions and balances are not eliminated.

(i) Allocation of Expenditure

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

(j) 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.

JEAN MARIE RIVER FIRST NATION

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.

(l) 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.

2. Cash

	2017	2016
Bank current account	\$ 629,776	\$ 864,621
Cash on hand	44,075	4,325
	<hr/> \$ 673,851	<hr/> \$ 868,946

3. Restricted Deposits

	2017	2016
CIBC Business Interest Account - Community Public Infrastructure	\$ 1,130,135	\$ 1,120,058
CIBC Business Interest Account - Federal Gas Tax	784,422	777,397
CIBC Business Interest Account - Reserve Account	468,102	463,910
	<hr/> \$ 2,382,659	<hr/> \$ 2,361,365

Interests 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.

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

3. Restricted Deposits (Continued)

	Community Public Infrastructure	Federal Gas Tax Funding	Reserve Account	Total
Deferred contributions	\$ 2,972,041	\$ 1,013,824	\$ -	\$ 3,985,865
Less contributions receivable	(1,920,000)	(320,165)	-	(2,240,165)
Required balance	1,052,041	693,659	-	1,745,700
Restricted cash deposits	1,130,135	784,422	468,102	2,382,659
Deposit (deficiency)	\$ 78,094	\$ 90,763	\$ 468,102	\$ 636,959

Sufficient funds must be deposited to separate restricted bank accounts to correspond with the respective balances required. Interest earned on these accounts is credited to the appropriate restricted bank accounts.

4. Accounts Receivable

	2017	2016
Trade and other GST refundable	\$ 340,170 47,806	\$ 302,535 49,445
Less allowances for doubtful for trade and other	(97,756)	(112,969)
	\$ 290,220	\$ 239,011

5. Contributions Receivable

	2017	2016
Dehcho First Nations	\$ 172,063	\$ 726
Indigenous and Northern Affairs Canada	130,210	19,226
Government of NWT	2,299,037	1,570,933
	\$ 2,601,310	\$ 1,590,885

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

6. Accounts Payable and Accrued Liabilities

	2017	2016
Trade and other	\$ 72,412	\$ 139,768
Accrued wages and benefits	32,233	28,490
Remittances payable	31,188	34,393
	<hr/>	<hr/>
	\$ 135,833	\$ 202,651
	<hr/>	<hr/>

7. Contributions Repayable

	2017	2016
Dehcho First Nations	\$ -	\$ 2,269
Indigenous and Northern Affairs Canada	-	44,791
Government of NWT	19,782	19,231
	<hr/>	<hr/>
	\$ 19,782	\$ 66,291
	<hr/>	<hr/>

8. Deferred Contributions

	2017	2016
Community Public Infrastructure	\$ 2,972,041	\$ 2,475,369
Federal Gas Tax Funding	1,013,824	1,040,798
Government of NWT-DHSS-Health & Wellness	124,446	143,465
DFN - Royalties	148,340	-
DFN - Negotiations	120,240	-
INAC - Skills Link	10,186	-
Arctic Energy Alliance	-	42,974
Government of NWT-ENR-CHAP-Hunters & Trappers	-	15,240
Enbridge Traditional Activities	-	10,000
C.E.P. Credits	-	6,363
	<hr/>	<hr/>
	\$ 4,389,077	\$ 3,734,209
	<hr/>	<hr/>

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

9. Long Term Investments

The Council owns 100% of Jean Marie River Development Corporation Ltd., a private company incorporated under the *Business Corporation Act* of Northwest Territories on June 11, 1991. The Corporation's principal activities are property rental and construction.

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	\$ 520,474	\$ 572,568
Non-current assets	286,550	317,618
 Total assets	 807,024	 890,186
Current liabilities	1,040,159	1,109,503
Non-current liabilities	104,293	118,231
 Shareholder's equity (capital deficiency)	 \$(337,428)	 \$(337,548)
 Financial Performance		
Revenues	\$ 155,152	\$ 311,208
Expenses	155,032	321,499
 Net earnings (loss)	 \$ 120	 \$(10,291)
 Investments:		
Investment at cost	\$ 200	\$ 200
Receivable from Corporation	870,651	1,012,385
Accumulated equity earnings	(337,629)	(337,749)
 Investment in Corporation	 \$ 533,222	 \$ 674,836

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

9. Long Term Investments (Continued)

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	 \$ 43,524
 Investments:		
Investment at cost	\$ 5,000	\$ 5,000
Accumulated equity earnings	445,128	428,315
Distributions of earnings	(25,000)	(25,000)
 Investment in Partnership	 \$ 425,128	 \$ 408,315
 Total Investments	 \$ 958,350	 \$ 1,083,151

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

10. Tangible Capital Assets

		2017	2016
	Cost	Accumulated Amortization	Net Book Value
Buildings	\$ 3,367,362	\$ 1,963,488	\$ 1,403,874
Land improvements	142,677	25,140	117,537
Landfills and lagoon	409,223	380,547	28,676
Mobile equipment	2,088,964	1,665,284	423,680
Office furniture and equipment	95,386	32,878	62,508
Shop equipment	24,906	10,630	14,276
Street lights	7,295	3,612	3,683
	<hr/> \$ 6,135,813	<hr/> \$ 4,081,579	<hr/> \$ 2,054,234
			\$ 2,086,061

11. Equity in Tangible Capital Assets

		2017	2016
Tangible capital assets	\$ 6,135,813	\$ 6,640,895	
Accumulated amortization	(4,081,579)	(4,554,834)	
	<hr/> \$ 2,054,234	<hr/> \$ 2,086,061	

12. Accumulated Surplus

		2017	2016
Unrestricted			
General Operating Fund	\$ 1,602,399	\$ 1,157,943	
Enterprise Fund	958,350	1,083,151	
<u>Equity in Tangible Capital Assets</u>	<u>2,054,234</u>	<u>2,086,061</u>	
	<hr/> \$ 4,614,983	<hr/> \$ 4,327,155	

13. Government Transfers

		2017	2016
Government of NWT - MACA	\$ 1,907,051	\$ 2,042,728	
Government of NWT	445,960	402,163	
Aboriginal Affairs and Northern Development Canada	231,000	241,042	
Dehcho First Nations	411,371	70,003	
	<hr/> \$ 2,995,382	<hr/> \$ 2,755,936	

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

14. Expenditure by Object

	2017	2017	2016
	Budget	Actual	Actual
Advertising and promotion	\$ 7,200	\$ 2,128	\$ 7,022
Administration	9,429	24,992	12,916
Amortization	375,484	268,121	307,797
Bad debts	-	20,843	90,309
Bank charges and interest	9,710	1,398	19,050
Community events	3,500	16,714	10,668
Contracted services	41,864	206,245	65,510
Contributions repaid (net)	-	(5,434)	34,510
Donations	1,000	-	500
Equipment rental	9,100	14,808	53,770
Freight and postage	8,300	4,204	2,076
Honoraria	10,100	31,601	13,225
Insurance	94,100	92,368	87,882
Loss (gain) on disposal of assets	-	31,886	-
Materials and supplies	106,315	104,281	63,675
Meeting and workshop	36,400	29,977	16,878
Miscellaneous	5,030	13,459	10,368
Mobile equipment costs	232,534	136,671	113,748
Office	16,500	16,727	16,676
Power	278,756	256,570	227,353
Professional fees	47,000	25,355	72,685
Rent and utilities	79,182	75,097	53,917
Repairs and maintenance	-	28,624	263
Telephone and Internet	30,000	38,192	37,387
Training and scholarships	-	35,699	20,841
Travel and accommodation	43,689	84,397	47,547
Wages and benefits	708,914	735,526	665,995
Total Expenditure	\$ 2,154,107	\$ 2,290,449	\$ 2,052,568

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

15. Economic Dependence

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

16. Comparative Figures

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

17. 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.