



PAUL TEOH

Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To the members of Jean Marie River First Nation

Opinion

We have audited the accompanying consolidated financial statements of Jean Marie River First Nation, which comprise of the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, consolidated statements of changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, these financial statements present fairly, in all material respects, the consolidated financial position of Jean Marie River First Nation (the "Council") as at March 31, 2020 and the consolidated results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises of the Management's Discussion and Analysis, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

3.



Paul Teoh Professional Corporation • Chartered Professional Accountants

408 – 20th Avenue NE • Calgary • Alberta • T2E 1R2 • Canada

T: 1.403.520.7428 • TF: 1.877.PAUL.TEOH / 1.877.285.8364 • F: 1.403.520.7431 • www.paulteoh.ca

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Paul Teoh

Paul Teoh Professional Corporation
Chartered Professional Accountants

Calgary, Alberta
January 13, 2021

JEAN MARIE RIVER FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31,	2020	2019
Financial Assets		
Cash and cash equivalents (note 2)	\$ 1,238,205	\$ 619,469
Restricted deposits (note 3)	5,099,482	4,988,924
Accounts receivable (note 4)	275,652	258,419
Contributions receivable (note 5)	2,838,280	2,267,294
Total Financial Assets	9,451,619	8,134,106
Liabilities		
Accounts payable and accrued liabilities (note 6)	256,022	498,361
Contributions repayable (note 7)	1,162	-
Deferred contributions (note 8)	6,749,328	5,385,219
Total Liabilities	7,006,512	5,883,580
Net Financial Assets	2,445,107	2,250,526
Non-Financial Assets		
Long term investments (note 9)	1,174,379	1,012,109
Tangible capital assets (note 10)	2,197,552	2,335,592
Prepaid expenses and deposits	29,629	127,257
Total Non-Financial Assets	3,401,560	3,474,958
Accumulated Surplus (note 11)	\$ 5,846,667	\$ 5,725,484

Approved on behalf of the Council:

 Councillor

 Councillor

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

JEAN MARIE RIVER FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,	2020	2020	2019
	Budget (Unaudited) (note 16)	Actual	Actual
Revenue			
Contributions - MACA	\$ -	\$ 2,076,633	\$ 1,957,157
Contributions - Indigenous Services Canada	-	265,370	308,630
Contributions - Dehcho First Nations	-	181,700	72,147
Contributions - GNWT	-	658,657	538,546
Contributions - Government of Canada	-	86,984	-
Other revenue and recoveries	-	383,237	869,639
Add opening deferred revenue	-	5,385,219	4,982,715
Less closing deferred revenue	-	(6,749,326)	(5,385,219)
	-	2,288,474	3,343,615
Expenditure			
Municipal Services:			
Municipal administration	-	923,485	830,211
Roads and works	-	29,590	18,717
Recreation	-	7,256	23,149
Utilities and operating	-	150,362	131,728
Water and sewage	-	327,571	358,666
Youth programs	-	-	13,205
Indigenous Services Canada Band Member Services:			
Band support administration	-	73,524	57,374
Summer and youth programs	-	45,398	109,226
Dehcho First Nations Funded Programs:			
Language and culture	-	-	8,925
Resource management	-	85,446	181,637
GNWT Funded Programs:			
Education, cultural and employment	-	86,587	101,930
Economic Development	-	46,081	85,776
Health and social services	-	133,658	176,623
Hunters and trappers assistance	-	22,838	31,023
Justice	-	-	20,044
Transportation and public works	-	69,652	99,852
Resource programs	-	17,377	28,861
Others:			
Administration	-	162,279	16,183
Community events	-	34,569	6,162
Environmental	-	55,644	156,486
	-	2,271,317	2,455,778
Operating Surplus (Deficit)	-	17,157	887,837
Earnings (loss) from subsidiaries	-	104,026	(10,917)
Annual Surplus (Deficit)	-	121,183	876,920
Accumulated Surplus, beginning of year	5,725,484	5,725,484	4,848,564
Accumulated Surplus, end of year	\$ 5,725,484	\$ 5,846,667	\$ 5,725,484

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

JEAN MARIE RIVER FIRST NATION

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended March 31,	2020	2020	2019
	Budget (Unaudited) (note 16)	Actual	Actual
Annual Surplus (Deficit)	\$ -	\$ 121,183	\$ 876,920
Acquisition of tangible capital assets	-	(116,362)	(669,505)
Amortization of tangible capital assets	-	254,402	279,970
Decrease (increase) in long term investments	-	(162,270)	(30,873)
	-	96,953	456,512
Decrease (increase) in prepaid expenses and deposits	-	97,628	93,455
Increase (Decrease) in Net Financial Assets	-	194,581	549,967
Net Financial Assets, beginning of year	2,250,526	2,250,526	1,700,559
Net Financial Assets, end of year	\$ 2,250,526	\$ 2,445,107	\$ 2,250,526

The accompanying notes and schedules are an integral part of these consolidated financial statements. 8.

JEAN MARIE RIVER FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2020	2019
Cash Flows from Operating Activities		
Cash receipts from government transfers	\$ 2,698,358	\$ 1,568,768
Cash receipts from contributions and recoveries	367,168	811,989
Cash paid to suppliers and employees	(2,161,626)	(2,014,639)
	903,900	366,118
Cash Flows from Investing Activities		
Decrease (increase) in restricted cash	(110,558)	(229,341)
Decrease (increase) in receivable from related parties	(58,244)	(33,803)
Decrease (increase) in short term investment	-	72,886
	(168,802)	(190,258)
Capital Transactions		
Purchase of tangible capital assets	(116,362)	(669,505)
	(116,362)	(669,505)
Net Increase (Decrease) in Cash and Cash Equivalents	618,736	(493,645)
Cash and Cash Equivalents, beginning of year	619,469	1,113,114
Cash and Cash Equivalents, end of year	\$ 1,238,205	\$ 619,469
Represented By:		
Cash and cash equivalents	\$ 1,238,205	\$ 619,469
	\$ 1,238,205	\$ 619,469

The accompanying notes and schedules are an integral part of these consolidated financial statements. 9.

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

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
Tthets' Ehk' E Deli Society	100%	March 31, 2020
Jean Marie River Development Corporation Ltd.	100%	March 31, 2020
Deh Cho Helicopters Regional Limited Partnership	14.3%	May 31, 2019

(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.

(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.

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

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

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

(g) Allocation of Expenditure

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

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

1. Significant Accounting Policies (Continued)

(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) 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.

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

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. Cash and Cash Equivalents

	2020	2019
Bank current account	\$ 1,229,985	\$ 615,989
Cash on hand	8,220	3,480
	<u>\$ 1,238,205</u>	<u>\$ 619,469</u>

3. Restricted Deposits

	2020	2019
CIBC Business Interest Account - Community Public Infrastructure	\$ 2,960,950	\$ 2,895,954
CIBC Business Interest Account - Federal Gas Tax	1,193,009	1,167,592
CIBC Business Interest Account - Reserve Account	945,523	925,378
	<u>\$ 5,099,482</u>	<u>\$ 4,988,924</u>

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, 2020

3. Restricted Deposits (Continued)

	Community Public Infrastructure	Federal Gas Tax Funding	Reserve Account	Total
Deferred contributions	\$ 4,605,187	\$ 1,383,046	\$ -	\$ 5,988,233
Less contributions receivable	(1,920,000)	(160,000)	-	(2,080,000)
Required balance	2,685,187	1,223,046	-	3,908,233
Restricted cash deposits	2,960,950	1,193,009	945,523	5,099,482
Deposit surplus (deficiency)	\$ 275,763	\$(30,037)	\$ 945,523	\$ 1,191,249

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

	2020	2019
Trade and others	\$ 259,326	\$ 205,915
GST refundable	37,253	73,431
	296,579	279,346
Less allowances for doubtful accounts	(20,927)	(20,927)
	\$ 275,652	\$ 258,419

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

5. Contributions Receivable

			2020	2019
Dehcho First Nations				
IRDA Royalties 201617-010	2016/2017	\$	46,250	\$ 46,250
IRDA Royalties 201617-002	2016/2017		8,333	8,333
IRDA Royalties Amendment	2016/2017		1,687	1,687
AAROM	2017/2018		-	1,634
AAROM	2018/2019		-	2,147
IRMA Additional Resources	2018/2019		-	7,278
AAROM	2019/2020		12,147	-
Honouring Mother Earth	2019/2020		4,500	-
Royalties Community Garden	2019/2020		6,250	-
AAROM- CIRNA	2019/2020		7,727	-
COVID-19 Fund At Home	2019/2020		28,100	-
Indigenous Services Canada				
Projects & Capacity (#1)	2017/2018		3,405	3,405
PI&D (Amend #2)	2017/2018		2,500	2,500
Consol & Policy (Amend #3)	2017/2018		109,000	109,000
Band Support Funding	2018/2019		35,674	35,674
Estates Funding	2018/2019		5,000	5,000
Summer Work Experience	2018/2019		4,028	40,280
Community Dev Capacity Building	2018/2019		147,000	147,000
Youth Employment	2019/2020		4,655	-
PI&D (Amend #2)	2019/2020		45,000	-
PI&D Amend #3	2019/2020		102,000	-
Government of NWT				
MACA - CPI	2017/2018		640,000	640,000
MACA - CPI	2018/2019		640,000	640,000
MACA - CPI	2019/2020		640,000	-
MACA - Gas Tax Fund	2019/2020		160,000	-
MACA - After School Physical	2018/2019		17,850	17,850
MACA - SOAP Recreation	2019/2020		14,000	-
Housing Corp. - Cottages	2018/2019		-	386,715
ENR - Waste Reduction	2017/2018		3,500	3,500
ENR - IRMA Amend 3470	2017/2018		5,000	5,000
ENR - Traditional Knowledge	2017/2018		-	5,500
ENR - PAS Meetings	2017/2018		-	15,679
ENR - IRMA Base	2018/2019		-	3,000
ENR - JMR Sawmill	2018/2019		-	500
ENR - IRMA Base	2019/2020		3,000	-
ENR - IRMA Resource Funding	2019/2020		500	-
ENR - Boreal Caribou	2019/2020		18,975	-
ENR - IRMA Resource	2019/2020		2,859	-

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

ENR - IRMA Resource Additional funding	2019/2020	935	-
ENR - Sawmill Project	2019/2020	5,000	-
ITI - SEED - Business Intel	2018/2019	500	500
ITI - PAS Meeting	2018/2019	-	6,254
ITI - Sawmill Equipment	2018/2019	25,000	25,000
ITI - Greenhouse & Storage Shed	2019/2020	3,292	-
ITI - Log house	2019/2020	25,000	-
ECE - SCES	2018/2019	-	1,000
ECE - SC Employment	2018/2019	-	5,400
ECE - Service Delivery	2018/2019	-	9,600
ECE - SCES	2019/2020	17,865	-
ECE - Service Delivery	2019/2020	1,600	-
HSS - Community Healthy	2018/2019	5,000	5,000
Health & Community Wellness	2018/2019	43,304	86,608
Health & Community Wellness	2019/2020	56,614	-
Less allowances for contributions receivable	(64,770)	-
	\$	2,838,280	\$ 2,267,294

6. Accounts Payable and Accrued Liabilities

	2020	2019
Trade and other	\$ 212,492	\$ 454,919
Remittances payable	43,533	43,439
	\$ 256,025	\$ 498,358

7. Contributions Repayable

	2020	2019
Government of NWT - ITI	\$ 1,162	\$ -

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

8. Deferred Contributions

	2019 Opening	Additions	Utilized	2020 Closing
Community Public Infrastructure	\$ 3,931,894	\$ 724,417	\$ 51,124	\$ 4,605,187
Federal Gas Tax Funding	1,197,629	185,417	-	1,383,046
ISC-19/20-Amd#2-Computer Equipment	-	45,001	-	45,001
ISC-19/20-Amd#1-Youth Employment	40,280	46,557	45,399	41,438
ISC-18/19-Amd#2-Comm Dev Capacity	147,000	-	-	147,000
ISC-18/19-Amd#1-Estates Funding	50,000	-	-	50,000
ISC-19/20-Amd#3-Strategic Plan	-	102,000	-	102,000
MACA-19/20-Recreation & Sports Contributions	-	14,000	7,256	6,744
ENR-19/20-Boreal Caribou	-	18,975	-	18,975
ECE-19/20-Small Community Employment Support	-	64,000	48,524	15,476
ECE-18/21-Community Broadcasting	-	20,000	10,100	9,900
ITI-19/20-Small Scale Foods Program Greenhouse	-	16,462	4,580	11,882
ITI-19/20-Log School Renovation	-	25,000	-	25,000
DFN-19/20-Environmental Management Committee	-	40,000	7,734	32,266
DFN-19/20-Deep Lake Winter Work	-	17,727	-	17,727
DFN-19/20-COVID-19	-	28,100	-	28,100
DFN-Royalties-Community Garden	-	25,000	869	24,131
DOT-19/22-Airport Maintenance	-	255,000	69,545	185,455
NWT Housing Corporation- Cottage	18,416	-	18,416	-
	\$ 5,385,219	\$ 1,627,656	\$ 263,547	\$ 6,749,328

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

9. Long Term Investments

Jean Marie River Development Corporation Ltd.

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, 2020

	2020	2019
Financial Position		
Current assets	\$ 598,399	\$ 446,251
Non-current assets	407,217	439,234
Total assets	1,005,616	885,485
Current liabilities	1,026,331	969,044
Non-current liabilities	264,640	284,401
Shareholder's equity (capital deficiency)	\$ (285,355)	\$ (367,960)
Financial Performance		
Revenues	\$ 244,829	\$ 235,368
Expenses	162,223	271,908
Net earnings (loss)	\$ 82,606	\$ (36,540)
Investments:		
Investment at cost	\$ 200	\$ 200
Receivable from Corporation	968,597	910,353
Accumulated equity earnings	(280,434)	(368,160)
Investment in Corporation	\$ 688,363	\$ 542,393

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

9. 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, 2019

	2019	2018
Financial Position		
Current assets	\$ 2,549,910	\$ 2,258,416
Non-current assets	595,458	761,493
Total assets	3,145,368	3,019,909
Current liabilities	29,322	18,157
Non-current liabilities	5,006	4,810
Total partners' equity	\$ 3,111,040	\$ 2,996,942
Financial Performance		
Revenues	\$ 445,609	\$ 477,629
Expenses	331,511	261,073
Net earnings (loss)	114,098	216,556
Net earnings attributable to the Council	\$ 16,299	\$ 30,937
Investments:		
Investment at cost	\$ 5,000	\$ 5,000
Accumulated equity earnings	481,016	464,716
Investment in Partnership	\$ 486,016	\$ 469,716
Total Investments	\$ 1,174,379	\$ 1,012,109

JEAN MARIE RIVER FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2020

10. Tangible Capital Assets

			2020	2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 4,077,231	\$ 2,336,833	\$ 1,740,398	\$ 1,790,711
Land improvements	142,677	33,736	108,941	111,734
Landfills and lagoon	424,223	385,012	39,211	25,879
Mobile equipment	2,244,771	2,010,407	234,364	334,806
Office furniture and equipment	122,259	77,460	44,799	57,914
Shop equipment	24,906	14,499	10,407	11,564
Street lights	24,923	5,491	19,432	2,983
	<u>\$ 7,060,990</u>	<u>\$ 4,863,438</u>	<u>\$ 2,197,552</u>	<u>\$ 2,335,591</u>

11. Accumulated Surplus

	2020	2019
Unrestricted		
General Operating Fund	\$ 2,474,736	\$ 2,377,783
Enterprise Fund	1,174,379	1,012,109
Equity in Tangible Capital Assets	2,197,552	2,335,592
	<u>\$ 5,846,667</u>	<u>\$ 5,725,484</u>

12. Government Transfers

	2020	2019
Government of NWT - MACA	\$ 2,076,633	\$ 1,957,157
Government of NWT	658,657	538,546
Indigenous Services Canada	265,370	308,630
Government of Canada	86,984	-
Dehcho First Nations	181,700	72,147
	<u>\$ 3,269,344</u>	<u>\$ 2,876,480</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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13. Expenditure by Object	2020	2020	2019
	Budget (note 16)	Actual	Actual
Advertising and promotion	\$ -	\$ 2,169	\$ 5,533
Administration	-	12,503	13,009
Amortization	-	254,402	279,970
Bad debts (recovered)	-	64,970	(4,480)
Bank charges and interest	-	3,156	2,337
Community events	-	11,586	21,007
Contracted services	-	123,798	92,032
Contributions repaid (net)	-	2,793	24,718
Donations	-	1,030	19,733
Equipment rental	-	16,446	47,786 f
Freight and postage	-	5,455	10,332
Honoraria	-	51,175	51,619
Insurance	-	91,215	89,298
Materials and supplies	-	140,284	252,464
Meeting and workshop	-	600	3,905
Miscellaneous	-	8,280	7,662
Mobile equipment costs	-	134,163	102,770
Office	-	18,728	11,215
Power	-	212,146	200,060
Professional fees	-	34,283	36,598
Rent and utilities	-	50,279	52,815
Repairs and maintenance	-	20,155	70,699
Telephone and Internet	-	43,997	49,088
Training and scholarships	-	11,782	37,284
Travel and accommodation	-	113,845	176,382
Wages and benefits	-	842,077	801,942
Total Expenditure	\$ -	\$ 2,271,317	\$ 2,455,778

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14. Economic Dependence

The Council receives a major portion of its revenue from Dehcho First Nations, the Indigenous Services Canada of the Government of Canada and the Government of the Northwest Territories. The nature and extent of this revenue is of such significance that the Council is economically dependent on these sources of revenue.

15. Comparative Figures

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

16. Budget

The consolidated financial statements is required to include budget in accordance to Canadian public sector accounting standards. The Council did not have in place the budget.

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.

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March 31, 2020

18. Subsequent Events

March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal, provincial and territorial governments, are reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the society and its operations in future periods.

Other than the above item, no other subsequent events of note were identified during the audit.