

**SAINT MARY'S FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

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FOR THE YEAR ENDED MARCH 31, 2024

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SAINT MARY'S FIRST NATION

MARCH 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Saint Mary's First Nation are the responsibility of management and have been approved by Chief and Council.

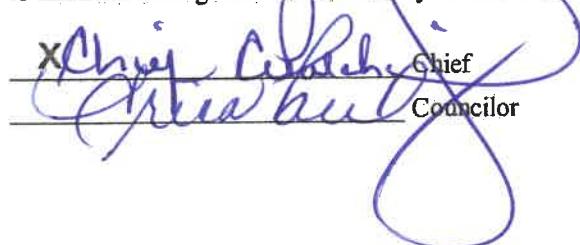
These consolidated financial statements have been prepared by management in accordance with the Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgements of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The First Nation Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Teed Saunders Doyle, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Saint Mary's First Nation and meet when required.


X Chief Councilor
Chief
Councilor

INDEPENDENT AUDITORS' REPORT

To the Chief and Band Councilors of Saint Mary's First Nation

Opinion

We have audited the accompanying consolidated financial statements of Saint Mary's First Nation, which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows, and schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Saint Mary's First Nation as at March 31, 2024, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

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

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

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

Those charged with governance are responsible for overseeing the Saint Mary's First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are 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:

Independent Auditor's Report to the Chief and Band Councillors of Saint Mary's First Nation (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

- 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 Saint Mary's First Nation'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 Saint Mary's First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Saint Mary's First Nation 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.

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.

Teed Saunders Doyle

Fredericton, New Brunswick
July 8, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS

SAINT MARY'S FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
		<i>Restated</i>
FINANCIAL ASSETS		
Cash and cash equivalents (note 3)	\$ 1,499,073	\$ 10,399,796
Restricted cash (note 3)	101,964	101,964
Guaranteed investment certificates (note 3)	1,559,838	1,505,838
Accounts receivable (note 4)	1,577,182	1,654,086
Due from government and government organizations (note 5)	12,643,751	11,042,743
Inventory for resale (note 6)	954,329	1,301,921
Funds held in trust (note 3, 13)	<u>7,058</u>	<u>6,826</u>
Total financial assets	<u>18,343,195</u>	<u>26,013,174</u>
LIABILITIES		
Accounts payable and accrued liabilities (note 7)	3,764,270	2,526,114
Due to government and government organizations (note 8)	797,714	1,365,071
Deferred revenue (note 9)	5,686,105	8,088,251
Long-term debt (note 11)	<u>23,940,205</u>	<u>20,684,938</u>
Total liabilities	<u>34,188,294</u>	<u>32,664,374</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>(15,845,099)</u>	<u>(6,651,200)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 12)	58,993,416	55,971,217
Intangible assets	10,992	14,656
Prepaid expenses	<u>354,583</u>	<u>350,918</u>
Total non-financial assets	<u>59,358,991</u>	<u>56,336,791</u>
ACCUMULATED SURPLUS	<u>\$ 43,513,892</u>	<u>\$ 49,685,591</u>

SAINT MARY'S FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u> <u>Budget</u> <u>Unaudited</u>	<u>2024</u> <u>Actual</u>	<u>2023</u> <u>Actual</u> <u>Restated</u>
Revenue			
Indigenous Services Canada (note 14)	\$ 8,624,810	\$ 38,045,223	\$ 31,643,554
Department of Fisheries and Oceans Canada	588,914	447,954	271,570
Canada Mortgage and Housing Corporation	-	1,977,015	1,143,412
Retail Sales Program Opération	41,932,658	40,817,838	44,652,364
Province of New Brunswick	824,060	228,535	2,593,438
Leasing Company	656,279	765,169	666,033
Economic Development Corporation	-	31,164,851	28,664,875
Community Helps Program	-	5,563,639	4,865,212
Indigenous Skills and Employment Training Program	450,033	562,025	575,038
Other	7,686,487	9,425,266	8,494,949
Logging	600,000	1,981,379	1,876,511
Health Canada	<u>1,288,385</u>	<u>659,175</u>	<u>681,403</u>
	<u>62,651,626</u>	<u>131,638,069</u>	<u>126,128,359</u>
Expenses			
Band Support	1,876,944	5,860,948	5,285,661
Daycare	-	298,954	317,321
Child and Family Services	1,257,999	15,303,819	8,992,215
Economic Development	90,995	122,038	72,030
Band School	1,964,271	6,398,777	5,408,923
Community Public Works	601,200	439,431	581,852
Fisheries - AFS	299,500	269,383	167,054
Fisheries - Other seafood	185,001	1,427,993	747,356
Economic Development Corporation	-	31,691,529	28,867,814
Community Helps Program	-	5,379,565	4,806,963
Fisheries - Lobster	702,740	1,362,071	1,274,909
Lands Management	-	424,015	414,071
Own Source Programs	6,816,441	6,986,980	7,097,047
Housing Fund	412,562	1,374,732	1,317,542
Social Assistance Fund	158,500	3,223,279	3,038,666
Post Secondary Education	1,525,573	4,319,768	3,900,938
First Nations ISETS	760,371	578,132	750,419
Health	1,410,776	3,512,603	3,310,305
Forestry	542,356	1,529,571	1,493,441
Retail Sales Program Operation	40,963,904	42,434,415	45,289,781
Leasing Company	656,279	813,848	809,642
CMHC Housing	-	578,323	510,445
	<u>60,225,412</u>	<u>134,330,174</u>	<u>124,454,395</u>
Annual Surplus (Deficit) Before Amortization	2,426,214	(2,692,105)	1,673,964
Amortization	<u>1,870,402</u>	<u>3,479,594</u>	<u>3,376,163</u>
Annual Surplus (Deficit)	555,812	(6,171,699)	(1,702,199)
Accumulated Surplus - Beginning of Year (previously reported)	49,685,591	49,685,591	48,083,263
Prior Period Restatement (note 14)	-	-	3,304,527
Restated Accumulated Surplus - Beginning of Year	<u>49,685,591</u>	<u>49,685,591</u>	<u>51,387,790</u>
Accumulated Surplus - End of Year	<u>\$ 50,241,403</u>	<u>\$ 43,513,892</u>	<u>\$ 49,685,591</u>

SAINT MARY'S FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u> <u>Actual</u>	<u>2023</u> <u>Actual</u> <u>Restated</u>
Annual Surplus (Deficit) For The Year	\$ (6,171,699)	\$ (1,702,199)
Acquisition of tangible capital assets	(6,501,793)	(3,495,869)
Amortization of capital assets	3,479,594	3,376,163
Decrease (increase) in prepaid expenses	(3,665)	246,826
Amortization of intangible assets	<u>3,664</u>	<u>3,664</u>
	<u>(3,022,200)</u>	<u>130,784</u>
Decrease (Increase) In Net Debt	(9,193,899)	(1,571,415)
Net Debt - Beginning of Year (previously reported)	(7,855,647)	(4,965,041)
Prior Period Restatement (note 14)	1,204,447	(114,744)
Restated Net Debt - Beginning Of Year	(6,651,200)	(5,079,785)
Net Debt - End Of Year	\$ (15,845,099)	\$ (6,651,200)

SAINT MARY'S FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u> <u>Actual</u>	<u>2023</u> <u>Actual</u> <u>Restated</u>
Cash Provided By (Required For):		
Operating Activities		
Annual Surplus (Deficit) For The Year	\$(6,171,699)	\$(1,702,199)
Item not affecting cash		
Amortization	3,479,594	3,376,163
Amortization of intangible assets	<u>3,664</u>	<u>3,664</u>
	(2,688,441)	1,677,628
Changes in non-cash operating working capital (note 15)	(2,911,524)	(6,297,395)
	<u>(5,599,965)</u>	<u>(4,619,767)</u>
Investing Activities		
Additions to tangible capital assets	(6,501,793)	(3,495,869)
	<u>(6,501,793)</u>	<u>(3,495,869)</u>
Financing Activities		
Repayment of long-term debt	(1,722,665)	(1,774,247)
Proceeds from long-term debt	<u>4,977,932</u>	<u>3,357,718</u>
	<u>3,255,267</u>	<u>1,583,471</u>
Decrease In Cash During The Year	(8,846,491)	(6,532,165)
Cash Position At Beginning Of Year	<u>12,014,424</u>	<u>18,546,589</u>
Cash Position At End Of Year	<u>\$ 3,167,933</u>	<u>\$ 12,014,424</u>
Cash consists of:		
Cash and cash equivalents	\$ 3,058,911	\$ 11,905,634
Restricted cash	101,964	101,964
Funds held in trust	<u>7,058</u>	<u>6,826</u>
	<u>\$ 3,167,933</u>	<u>\$ 12,014,424</u>

SAINT MARY'S FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. DESCRIPTION OF ENTITY

The Saint Mary's First Nation operates a First Nation Band in Fredericton, New Brunswick for the benefit of its members.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Reporting Entity

The Saint Mary's First Nation reporting entity includes the Saint Mary's First Nation government and all related entities that are controlled by the First Nation.

Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Saint Mary's First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Saint Mary's First Nation.

Organizations consolidated in the Saint Mary's First Nation's financial statements include:

- Band Support Fund
- Housing Fund
- Welfare Fund
- Daycare
- Post Secondary Education Program
- Health Program
- Saint Mary's Retail Sales Program Operation
- Saint Mary's Leasing Company Ltd.
- Indigenous Skills and Employment Training Program
- Logging Program
- Saint Mary's CMHC Housing
- Saint Mary's Community Helps Program
- Saint Mary's Economic Development Corporation
- 753578 NB Inc.

No organizations are consolidated using the modified equity method.

SAINT MARY'S FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, and prepaid expenses.

Cash and Cash Equivalents

The Saint Mary's First Nation considers cash on hand, short-term deposits and balances with banks, net of overdrafts as cash or cash equivalents. Bank borrowings are considered to be financing activities.

Accounts Receivable and Contributions Receivable From Government Organizations

Accounts receivable and contributions receivable arise from trade receivables, loans and advances, and federal and provincial government funding. An allowance for bad debts has been calculated, through discussions with management, assessment of the other circumstances influencing the collectability of amounts, and using historical loss experience. Amounts deemed uncollectable are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

Inventory

Inventories are stated at the lower of cost and net realizable value. Cost includes the costs to purchase, and other costs directly attributable to the inventories. Cost is determined using the first in, first out method. Net realizable value represents the amount that may be realized from the sale of an inventory item under normal business conditions. When inventories are sold, the carrying amount of those inventories are recognized as an expense in the period in which the related revenue is recognized. The amount of any writedown of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the loss or writedown occurs. The amount of reversal of any writedowns, arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets are reported at net book value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

SAINT MARY'S FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization is provided annually, at rates calculated to write-off the assets over their estimated useful lives as follows:

Housing/Buildings	4%	Straight-line and declining balance
Paving	5%	Straight-line
Equipment	10%	Straight-line and 20% declining balance
Computer equipment	25%	Straight-line
Computer software	50%	Straight-line
Vehicles	20%	Straight-line

Employee Future Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, sick leave, annual vacation leave, and defined contributions to employee benefit plans when it is probable that settlement will be required and they are capable of being measured reliably.

Net Debt

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service is performed.

Expense Recognition

Expenses are recorded on the accrual basis as they are incurred and measurable based on receipt of goods or services and obligation to pay.

Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Revenues and expenses denominated in foreign currencies are translated using the average exchange rate for the year.

SAINT MARY'S FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The First Nation is an Indian Band and is not subject to income tax. Accordingly, no provision has been made for income taxes.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Significant estimates pertaining to these financial statements include the determination of amortization rates and residual values of tangible capital assets.

Financial Instruments Policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

3. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
Externally restricted		
Moveable assets reserve	\$ 101,964	\$ 101,964
Trust funds held by federal government	<u>7,058</u>	<u>6,826</u>
	<u>109,022</u>	<u>108,790</u>
 Unrestricted		
Operating	1,499,073	10,399,796
Guaranteed investment certificates	<u>1,559,838</u>	<u>1,505,838</u>
	<u>3,058,911</u>	<u>11,905,634</u>
 Total Cash	<u>\$ 3,167,933</u>	<u>\$ 12,014,424</u>

4. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Loans receivable from members	\$ 135,394	\$ 203,391
Other receivables	<u>1,464,788</u>	<u>1,473,695</u>
	<u>1,600,182</u>	<u>1,677,086</u>
Allowance for doubtful accounts	<u>(23,000)</u>	<u>(23,000)</u>
 Total Accounts Receivable	<u>\$ 1,577,182</u>	<u>\$ 1,654,086</u>

SAINT MARY'S FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

5. DUE FROM GOVERNMENT AND GOVERNMENT ORGANIZATIONS

	<u>2024</u>	<u>2023</u>
Indigenous Services Canada (2023 - 2024)	\$ 6,071,153	\$ -
Indigenous Services Canada (2022 - 2023)	4,213,605	6,433,415
Indigenous Services Canada (2021 - 2022)	295,500	319,172
Indigenous Services Canada (2020 - 2021)	23,600	23,600
Indigenous Services Canada (2019 - 2020)	14,500	14,500
Province of New Brunswick, DFO And Other Funding Agencies	1,935,237	3,923,895
Canada Revenue Agency - HST	90,156	127,504
Health Canada	-	<u>200,657</u>
	<u>\$ 12,643,751</u>	<u>\$ 11,042,743</u>

6. INVENTORY FOR RESALE

	<u>2024</u>	<u>2023</u>
Retail Sales Program Operation	\$ 910,529	\$ 1,238,891
St. Mary's Economic Development Corporation	<u>43,800</u>	<u>63,030</u>
	<u>\$ 954,329</u>	<u>\$ 1,301,921</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade payables	\$ 3,321,001	\$ 2,173,887
Payable to members	<u>443,269</u>	<u>352,227</u>
Total accounts payable and accrued liabilities	<u>\$ 3,764,270</u>	<u>\$ 2,526,114</u>

8. DUE TO GOVERNMENT AND GOVERNMENT ORGANIZATIONS

	<u>2024</u>	<u>2023</u>
Canada Revenue Agency - Payroll	\$ 15,036	\$ 50,369
Indigenous Services Canada	782,678	782,678
Province of New Brunswick	<u>-</u>	<u>532,024</u>
	<u>\$ 797,714</u>	<u>\$ 1,365,071</u>

SAINT MARY'S FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

9. DEFERRED REVENUE

	<u>Opening Balance (2023)</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>Closing Balance (2024)</u>
Consultation	\$ 190,650	\$ -	\$ (190,650)	\$ -
Policy	29,350	-	(29,350)	-
Construction	130,000	297,000	(130,000)	297,000
Innovation	50,000	-	(50,000)	-
Child & Family	1,761,768	456,173	(1,513,240)	704,701
CMHC	2,151,473	-	(1,083,374)	1,068,099
Health	200,658	-	(200,658)	-
Retail	331,477	25,120	-	356,597
Other	839,079	-	(839,079)	-
Water Systems	1,325,558	300,000	(296,277)	1,329,281
Tuition Assistance	1,036,054	851,711	-	1,887,765
Economic Dev.	42,184	478	-	42,662
	<u>\$ 8,088,251</u>	<u>\$ 1,930,482</u>	<u>\$ (4,282,628)</u>	<u>\$ 5,686,105</u>

10. FINANCIAL INSTRUMENTS

Saint Mary's First Nation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the First Nation's risk exposure and concentration as of March 31, 2024.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation is exposed to this risk mainly in respect of its payment of funds for accounts payable and long term debt.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the entity manages exposure through its normal operating and financing activities. Saint Mary's First Nation is exposed to interest rate risk primarily through floating interest rates on certain bank loans.

SAINT MARY'S FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

11. LONG-TERM DEBT

	<u>2024</u>	<u>2023</u>
Saint Mary's First Nation		
Demand term loan payable to Canadian Imperial Bank of Commerce in monthly interest-only payments for 12 months, followed by 300 monthly instalments of \$10,000 plus accrued interest at the bank's prime lending rate 1 month after the date of the final advance. The loan amount available under this term facility is \$3,000,000 and had not yet been fully advanced at March 31, 2024. Secured by a general security agreement and a Borrowing Resolution from Band Council authorizing financing up to \$3,000,000 to construct 20 new houses.	\$ 2,357,407	\$ 1,357,718
Demand term loan payable to Canadian Imperial Bank of Commerce in monthly instalments of \$28,333 plus interest at the bank's prime lending rate, due February 2031. Secured by a general security agreement and a Borrowing Resolution from Band Council authorizing financing up to \$3,400,000 to construct a Community Centre.	2,278,780	2,618,780
Demand term loan payable to Canadian Imperial Bank of Commerce repayable in monthly instalments of \$8,861 plus interest at the bank's prime lending rate, due December 1, 2031. Secured by a general security agreement and a Borrowing Resolution from Band Council authorizing financing up to \$1,400,000 to build housing infrastructure.	824,060	930,390
Loans payable to Canadian Imperial Bank of Commerce in monthly instalments totalling \$7,887 including interest at 4.84%, secured by 14 houses, due November 2024.	1,054,324	1,099,299
Loans payable to Canadian Imperial Bank of Commerce in monthly instalments totalling \$3,602 including interest at 1.76%, secured by 8 houses, due April 2028.	624,188	656,162
Loan payable to Canadian Imperial Bank of Commerce in monthly instalments of \$30,557 plus interest at prime plus .5%, secured by certain property and Band Council Resolution, due February 2029.	1,780,466	2,147,145
Loans payable to Canadian Imperial Bank of Commerce in monthly instalments totalling \$4,524 including interest at 2.65% - 2.69%, secured by 8 houses, due February 1, 2027.	689,497	725,462
Saint Mary's CMHC		
Various mortgages payable to CMHC in monthly instalments including interest ranging from 1.06% to 4.73%, secured by houses.	<u>9,752,873</u>	<u>9,042,413</u>
Carried forward	\$ 19,361,595	\$ 18,577,369

SAINT MARY'S FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

11. LONG-TERM DEBT (CONTINUED)

	<u>2024</u>	<u>2023</u>
Carried forward	\$ 19,361,595	\$ 18,577,369
St. Mary's Retail Sales Program Operation		
Demand term loan payable to Canadian Imperial Bank of Commerce repayable in monthly instalments of \$3,333 plus interest at the bank's prime lending rate. The loan matures in February 2026. Secured by a guarantee from Saint Mary's First Nation and a first security interest in all personal property of the Corporation.	961,110	106,667
St. Mary's Leasing Company Ltd.		
Demand term loan payable to Canadian Imperial Bank of Commerce in monthly instalments of \$8,333 plus interest at the bank's prime lending rate. Secured by a guarantee from Saint Mary's First Nation and a first security interest in all personal property of the Corporation.	1,825,000	1,925,000
Taylor Petroleum loan repayable based on fuel purchases at \$0.02 per litre estimated to be \$10,200 monthly at an interest rate of 9.2%.	-	52,291
St. Mary's Economic Development Corporation		
Demand term loan payable to Canadian Imperial Bank of Commerce in monthly instalments of \$8,333 plus interest at the bank's prime lending rate. Secured by a guarantee from Saint Mary's First Nation and a first security interest in all personal property of the Corporation.	1,500,000	-
Demand loan payable to Canadian Imperial Bank of Commerce in monthly instalments of \$2,500 plus interest at the bank's prime lending rate, secured by a general security agreement and financial guarantee of Saint Mary's First Nation due September 2033.	292,500	-
Ulnooweg Development Group CEBA interest-free loan with monthly principal payments of \$1,112 was repaid during the year.	-	23.611
	<u>\$23,940,205</u>	<u>\$20,684,938</u>

The Canadian Imperial Bank of Commerce's prime lending rate as of March 31, 2024 was 7.2% (2023 - 6.7%).

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2025	\$ 4,308,630
2026	2,654,912
2027	3,382,836
2028	2,801,696
2029	5,299,924
Thereafter	<u>5,492,207</u>
	<u>\$23,940,205</u>

SAINT MARY'S FIRST NATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2024

12. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization			Net Book Value
		Transfers of Assets	Closing Balance	Opening Balance	
Tangible Capital Assets					
Commercial land	\$ 842,447	\$ 2,527,256	\$ -	\$ 3,369,702	\$ -
Residential land	1,688,637	-	-	1,688,637	-
Commercial buildings	28,656,933	578,230	-	29,235,163	9,790,398
Residential buildings	53,715,951	1,240,631	-	54,956,583	23,549,145
Roads	1,184,463	-	-	1,184,463	971,498
Furniture and fixtures	3,342,568	53,565	-	3,396,133	2,637,011
Vehicles	2,085,896	434,246	-	2,520,142	1,291,134
Software	69,200	-	-	69,200	17,300
Computer equipment	803,040	1,346	-	804,386	702,029
Leasehold improvements	177,348	-	-	177,348	42,359
Assets under construction	880,652	2,159,733	678,988	2,361,397	28,854
Other equipment	9,267,397	185,774	-	9,453,171	7,755,944
Total	\$ 102,714,532	\$ 7,180,781	\$ 678,988	\$ 109,216,325	\$ 46,743,313
					\$ 3,479,594
					\$ 50,222,909
					\$ 58,993,416
					\$ 55,971,217

SAINT MARY'S FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

13. PRIOR YEAR RESTATEMENT

The March 31, 2023 figures have been adjusted for the following events:

Historical HST tax sharing revenue in accounts payable:

Prior year accounts payable had incorrectly included \$4,610,392 of HST sharing revenue. \$1,489,945 relates to 2023 HST sharing, the remaining \$3,120,447 relates to prior years. This revenue should be recorded in the year that it is received.

As a result of the restatement, prior year liabilities have decreased by \$4,610,392, opening accumulated surplus has increased by \$3,120,447 and annual surplus has increased by \$1,489,945.

Consolidation of Saint Mary's Economic Development:

Prior year amounts have been restated as a result of a change in consolidation methods used for the balances from Saint Mary's Economic Development Corporation. It was determined in the current year that the entity is a governmental unit and should be consolidated on a line-by-line basis with inter-organizational balances eliminated upon consolidation.

As a result of the restatement, prior year financial assets have decreased by \$3,784,057, liabilities have decreased by \$378,112, non-financial assets have increased by \$3,405,945, opening accumulated surplus has increased by \$71,489 and annual surplus has decreased by \$71,489.

Understatement of Tangible Capital Assets:

A sample of prior year capital assets were incorrectly recorded to accumulated surplus. Upon identification of this error, the balances were adjusted to reflect the corrected amounts.

As a result of the restatement, prior year non-financial assets have increased by \$112,591, and opening accumulated surplus has increased by \$112,591.

Aggregate effects of identified and corrected misstatements affecting prior year balances:

The total impacts of the above noted restatements are as follows:

- Financial assets have decreased by \$3,784,057
- Liabilities have decreased by \$4,988,504
- Net debt has decreased by \$1,204,447
- Non-financial assets have increased by \$3,518,536
- Opening accumulated surplus has increased by \$3,304,527
- Annual surplus has increased by \$1,418,456
- Ending accumulated surplus increased by \$4,722,983

SAINT MARY'S FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

14. RECONCILIATION OF INDIGENOUS SERVICES CANADA (ISC) FUNDING

	<u>2024</u>	<u>2023</u>
ISC Funding per Financial Statements	\$ 38,045,223	\$ 31,643,554
Add: Emergency preparedness recoveries	-	25,841
Differences resulting from deferred revenue:		
Add: Current year deferred ISC revenue	4,218,748	5,286,871
Less: Prior year deferred ISC revenue	(5,286,871)	(3,572,458)
Differences resulting from recoverable child and family deficits:		
Add: Prior year deficit recovered	855,722	1,623,414
Less: Current year deficit recoverable	(6,328,378)	(855,722)
Total ISC funding per consolidated financial statements	<u>\$ 31,504,444</u>	<u>\$ 34,151,500</u>
Funding per ISC revenue confirmation	<u>\$ 31,504,444</u>	<u>\$ 34,151,500</u>

15. CHANGES IN NON-CASH OPERATING WORKING CAPITAL

	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 76,904	\$ 789,189
Due from government and government organizations	(1,601,008)	(8,228,812)
Inventory	347,592	156,897
Prepaid expenses	(3,665)	246,826
Accounts payable	1,238,156	(1,220,024)
Due to government and government organizations	(567,357)	873,530
Deferred revenue	(2,402,146)	1,084,999
	<u>\$ (2,911,524)</u>	<u>\$ (6,297,395)</u>

16. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

Trust fund accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	Opening	Additions	Withdrawals	Closing	2024	2023
	Balance			Balance	Total	Total
Revenue	\$ 5,271	\$ 232	\$ -	\$ 5,503	\$ 5,503	\$ 5,271
Capital	1,555	-	-	1,555	1,555	1,555
Fund Total				\$ 7,058	\$ 6,826	

SAINT MARY'S FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	<u>2024</u>	<u>2023</u>
Salaries, wages, honoraria and pension	\$ 22,072,786	\$ 21,083,555
Purchases of goods and services	62,357,191	62,579,094
Debt servicing	983,030	719,854
Other	49,900,197	40,791,746
Amortization	<u>3,479,594</u>	<u>3,376,163</u>
	<u><u>\$137,809,768</u></u>	<u><u>\$127,830,558</u></u>

18. EMPLOYEE FUTURE BENEFITS

The First Nation has a defined contribution pension plan for employees into which the First Nation contributes 8.5% of the base salary for each employee (5.5% of which is funded by ISC). During the year, the First Nation funded contributions of \$630,181 (2023 - \$544,864) to the defined contribution pension plan.

19. CONTINGENT LIABILITIES

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

20. FUNDING - ECONOMIC DEPENDENCE

The First Nation receives its principal source of funding under a funding arrangement with Indigenous Services Canada. The current agreement ends on March 31, 2024 and is expected to be renewed for the foreseeable future.

20. SUBSEQUENT EVENTS

Subsequent to year-end, the organization's shareholders unanimously agreed to close the Saint Mary's Supermarket, a significant division of Saint Mary's Retail Sales Program. This decision was driven by ongoing financial losses and a strategic effort to improve the organization's overall financial stability. The losses arose from rising costs from product suppliers and the provincial government's withdrawal from a communal Tax Revenue Sharing Agreement.

21. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

SAINT MARY'S FIRST NATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2024

22. SEGMENT DISCLOSURE

St. Mary's First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized by departments. For each department the segment revenue and expenses includes both directly attributable amounts and overheads that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 2. The segment results for the period are as follows:

	Education	Health	Economic Development	Housing	Community Services
	2024	2023 (Restated)	2024	2023 (Restated)	2024
					2023 (Restated)
Revenues					
Federal Government	\$ 8,702,736	\$ 7,940,352	\$ 2,787,287	\$ 2,639,836	\$ 659,956
Provincial Government	94,277	138,852	87,730	72,223	46,528
Economic Activities	-	-	-	-	2,381,016
Other Revenue	2,097,746	1,534,311	639,175	681,403	80,938,891
Total Revenues	10,894,759	9,633,515	3,154,192	3,393,462	81,752,093
Expenses					
Salaries and benefits	4,848,745	4,150,887	1,737,097	1,579,884	9,648,151
Debt Servicing	139,576	111,631	-	-	145,460
Purchases of goods and services	-	-	-	-	102,455
Other Expenses	5,730,223	5,054,568	1,775,507	1,730,421	62,357,191
Total Expenses	10,718,544	9,317,086	3,512,604	3,310,305	88,006,507
Annual Surplus (Deficit)	\$ 176,215	\$ 316,429	\$ 21,588	\$ 83,157	\$ (6,254,414)
					\$ (250,835)
					\$ 1,081,328
					\$ 2,164,605
					\$ 1,874,633
					\$ 1,097,672

SAINT MARY'S FIRST NATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2024

22. SEGMENT DISCLOSURE (CONTINUED)

	<u>2024</u>	<u>Social Services</u> <u>2023</u> <u>(Restated)</u>	<u>Band Government</u> <u>2023</u> <u>(Restated)</u>	<u>2024</u>	<u>Other</u> <u>2023</u> <u>(Restated)</u>	<u>Consolidated Totals</u> <u>2024</u> <u>(Restated)</u>
Revenues						
Federal Government	\$ 21,867,204	\$ 14,397,450	\$ 1,665,194	\$ 2,224,760	\$ 507,154	\$ 40,804,399
Provincial Government	-	-	-	1,346	-	228,535
Economic Activities	-	-	-	4,696,724	3,644,290	85,635,615
Other Revenue	-	-	1,314,196	1,351,906	57,906	4,969,520
Total Revenues	21,867,204	14,397,450	2,979,390	3,578,012	5,261,784	131,638,069
Expenses						
Salaries and benefits	1,384,090	1,306,474	2,364,257	2,346,623	1,688,810	1,759,724
Debt Servicing	-	-	387,388	235,513	-	-
Purchases of goods and services	-	-	-	-	-	-
Other Expenses	17,143,009	10,724,407	3,109,303	2,690,421	7,103,070	6,030,591
Total Expenses	18,527,099	12,030,881	5,860,948	5,272,557	8,791,580	137,809,768
Annual Surplus (Deficit)	<u>\$ 3,340,105</u>	<u>\$ 2,366,569</u>	<u>\$ (2,881,558)</u>	<u>\$ (1,694,545)</u>	<u>\$ (3,529,796)</u>	<u>\$ (6,171,699)</u>
						<u>\$ (1,702,199)</u>

SAINT MARY'S FIRST NATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2024

23. GOVERNMENT TRANSFERS

	2024		2023	
	Operating	Capital	Total	Operating
				Capital
Federal Government Transfers				
Indigenous Services Canada	\$ 36,718,121	\$ 2,863,585	\$ 38,045,223	\$ 27,297,441
Canadian Mortgage and Housing Corporation	1,483,307	-	1,483,307	377,666
Department of Fisheries	447,954	-	447,954	271,570
Indigenous Skills and Employment Training Strategies	562,025	-	562,025	575,038
Other departments	265,890	-	265,890	63,274
Federal Government Transfers	39,477,297	2,863,585	40,340,399	28,584,989
Provincial Government Transfers	228,535	-	228,535	2,593,438
				-
				2,593,438
\$ 39,705,832	\$ 2,863,585	\$ 41,032,934	\$ 31,178,427	\$ 4,346,113
				\$ 35,524,540