

# **James Smith Cree Nation**

**Consolidated Financial Statements**

**March 31, 2017**

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# James Smith Cree Nation

## James Smith Cree Nation

Management's Responsibility for Financial Reporting  
March 31, 2017

The financial statements have been prepared by management in accordance with the recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and the reporting requirements of the funding agreement with Indigenous and Northern Affairs Canada. Financial statements are not precise since they contain certain amounts based on estimates and judgements. When alternative methods exist, management has chosen what it deems most appropriate, in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the presentation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as 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 review the financial statements and the external auditors' report.

Storozuk McClelland Debusschere CPA PC Inc., an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

\_\_\_\_ Original signed on file \_\_\_\_\_  
James Smith Cree Nation

\_\_\_\_\_

Date

\_\_\_\_ Original signed on file \_\_\_\_\_  
Chakastaypasin Band of the Cree Nation

\_\_\_\_\_

Date

\_\_\_\_ Original signed on file \_\_\_\_\_  
Peter Chapman Band

\_\_\_\_\_

Date



# Storozuk McClelland Debusschere

Chartered Professional Accountants PC Inc.  
Assurance Tax Advisory

September 14, 2017

## Independent Auditor's Report

### To the Members of James Smith Cree Nation

We have audited the accompanying consolidated financial statements of James Smith Cree Nation, which comprise the balance sheet as at March 31, 2017, and the consolidated consolidated statements of operations, changes in net debt and cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with CPA Canada 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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation'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 First Nation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### Basis for Qualified Opinion

We were unable to satisfy ourselves as to whether adjustments might have been necessary to the opening balances. In the 2017 year end, we were also unable to obtain satisfactory audit evidence about the amounts

recorded as investments in government business entities and earnings from investments in government business entities. As such, we were unable to determine if any adjustments were required to the balance of investments in government business entities, accumulated surplus, earnings from investments in government business entities, and net surplus. Therefore our audit opinion on the March 31, 2017 financial statements was modified accordingly.

#### *Qualified Opinion*

In our opinion, except for the possible effects of the matter discussed in the basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of James Smith Cree Nation as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with CPA Canada public sector accounting standards.

#### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to note 1 to the consolidated financial statements. These statements include only the financial activities for which the James Smith Cree Nation, Chakastaypasin Band of the Cree Nation, and Peter Chapman Band jointly and collectively carry out activities under the name "James Smith Cree Nation". It does not include activities carried out by any of the First Nations on an individual basis.

#### **Other Matter**

The consolidated financial statements of James Smith Cree Nation for the year ended March 31, 2016 were audited by another auditor who expressed an unqualified opinion on those statements dated August 25, 2016.

As part of our audit of the 2017 financial statements, we also audited the adjustments described in Note 2 that were applied to amend the 2016 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We did not audit, review or apply any procedure to the 2016 financial statements of the First Nation other than with respect to the adjustments and accordingly, we do not express an opinion or any other form of assurance on the 2016 financial statements as a whole.



S. TOROZUK, M. McCLELLAND, D. DEBUSSCHERE  
CPA PC INC

**Chartered Professional Accountants  
Saskatoon, SK**

# James Smith Cree Nation

## Consolidated Statement of Financial Position

As at March 31, 2017

	2017	2016 as restated Note 2
<b>Financial Assets</b>		
Cash	\$ 86,741	\$ -
Restricted assets (Note 3)	8,347,518	4,451,459
Investments (Note 4)	175,000	-
Trust funds held by federal government (Note 5)	1,346	47,311
Accounts receivable (Note 6)	690,805	585,861
Due to/from related parties (Note 7)	72,583	37,835
Investment in government business enterprises (Note 8)	127,024	827
<b>Total financial assets</b>	<b>9,501,017</b>	<b>5,123,293</b>
<b>Liabilities</b>		
Bank indebtedness	-	349,438
Accounts payable and accrued liabilities (Note 10)	903,762	741,288
Deferred revenue (Note 11)	6,988,492	4,685,526
Long term debt (Note 12)	5,451,296	3,236,358
<b>Total liabilities</b>	<b>13,343,550</b>	<b>9,012,610</b>
<b>Net debt</b>	<b>(3,842,533)</b>	<b>(3,889,317)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 13)	21,805,383	17,665,773
Prepaid expenses	6,500	10,750
<b>Total non-financial assets</b>	<b>21,811,883</b>	<b>17,676,523</b>
<b>Accumulated Surplus</b>	<b>\$ 17,969,350</b>	<b>\$ 13,787,206</b>

## Contingencies Note 19

Approved on behalf of the James Smith Cree Nation:

\_\_\_\_ Original signed on file \_\_\_\_\_, James Smith Cree Nation

\_\_\_\_ Original signed on file \_\_\_\_\_, Chakastaypasin Band of the Cree Nation

\_\_\_\_ Original signed on file \_\_\_\_\_, Peter Chapman Band

The accompanying notes are an integral part of these financial statements.

# James Smith Cree Nation

## Consolidated Statement of Operations

For the Year Ended March 31, 2017

	2017 Budget Note 23	2017 Actual	2016 as restated Note 2
<b>Revenue</b>			
Indigenous and Northern Affairs Canada (INAC)			
INAC - Grant	\$ 563,954	\$ 563,954	\$ 563,954
INAC - Fixed	4,548,202	4,611,817	4,256,113
INAC - Set	2,405,379	2,656,536	2,635,162
INAC - Flexible	1,241,712	7,441,712	752,325
INAC - current year receivable (payable) (Note 15)	-	(67,708)	(94,934)
Health Canada	-	2,735,292	2,662,741
Canada Mortgage and Housing Corporation (CMHC)			
CMHC - Subsidy	-	149,595	61,209
CMHC - RRAP	359,804	562,634	117,916
Rental Income - CMHC units	-	75,300	37,600
CMHC - Other	2,612,000	11,986	-
First Nations Trust from sectors	-	100,000	1,193,475
Prince Albert Grand Council (PAGC)	1,057,032	1,279,396	806,086
Funds earned & held by Federal government	-	657,231	581,408
Earnings (loss) from investments in GBE	-	49,271	(423)
Interest and other	286,221	683,210	566,366
Insurance claim	-	255,986	169,667
Administration	-	96,779	90,639
Unexpended Funds - current year	-	5,416	(92,387)
Unexpended funds - prior year	-	(220,731)	80,307
Deferred Revenue - Current Year	-	4,004,336	5,108,330
Deferred revenue - prior year	-	(5,915,994)	(4,593,139)
<b>Total revenue</b>	<b>13,074,304</b>	<b>19,736,018</b>	<b>14,902,415</b>
<b>Expenses</b>			
Claims and Indian Government (Schedule 1)	-	-	15,000
Community Development (Schedule 2)	2,023,181	2,502,377	2,476,058
Economic Development (Schedule 3)	160,987	129,902	104,942
Education (Schedule 4)	4,668,813	4,615,549	3,894,883
Indian Government Support (Schedule 5)	837,945	1,045,678	813,681
Land Management (Schedule 6)	143,533	128,119	108,976

The accompanying notes are an integral part of these financial statements.

# James Smith Cree Nation

## Consolidated Statement of Operations

For the Year Ended March 31, 2017

### Consolidated Statement of Operations

#### Statement of Operations

For the Year Ended March 31, 2017

	2017 Budget Note 23	2017 Actual	2016 as restated Note 2
Social Development ( Schedule 7)	<b>2,237,097</b>	<b>2,355,225</b>	2,471,364
Indian Registration (Schedule 8)	<b>24,759</b>	<b>24,758</b>	25,450
Health Programs (Schedule 9)	-	<b>3,204,391</b>	3,147,999
CMHC Housing (Schedule 10)	<b>2,778,798</b>	<b>737,019</b>	125,108
Band Programs (Schedule 11)	-	<b>695,949</b>	1,775,887
	<b>12,875,113</b>	<b>15,438,967</b>	14,959,348
<b>Current surplus (deficit)</b>	<b>199,191</b>	<b>4,297,051</b>	(56,933)
Current surplus - Beginning of year, as previously stated	-	<b>13,775,857</b>	13,843,717
Restatement (Note 2)	-	<b>11,349</b>	423
<b>Accumulated surplus - Beginning of year as restated</b>	-	<b>13,787,206</b>	13,844,140
<b>Accumulated surplus - End of year</b>	\$ -	<b>\$ 17,969,350</b>	\$ 13,787,206

Expense by object disclosure Note 24.

# James Smith Cree Nation

## Statement of Changes in Net Debt

For the Year Ended As at March 31, 2017

	2017	2016
Annual surplus (deficit)	\$ 4,297,049	\$ (56,933)
Tangible Capital Asset Additions	(11,280,230)	(2,356,559)
Tangible Capital Asset Disposals/Transfer	6,121,545	-
Amortization	1,019,075	772,461
	<b>157,439</b>	<b>(1,641,031)</b>
Decrease (increase) in prepaid expenses	4,250	(2,000)
<b>Change in Net Debt</b>	<b>161,689</b>	<b>(1,643,031)</b>
Beginning balance, Net Debt	(4,005,137)	(2,362,106)
<b>Ending balance, Net Debt</b>	<b>\$ (3,842,533)</b>	<b>\$ (4,005,137)</b>

The accompanying notes are an integral part of these financial statements.

# James Smith Cree Nation

## Consolidated Statement of Cash Flows

For the Year Ended March 31, 2017

	2017	2016
<b>Cash provided by (used in) operating activities</b>		
Annual surplus (deficit)	\$ 4,297,049	\$ (56,933)
<b>Items not affecting cash</b>		
Amortization	1,019,075	772,461
Income from investment in government business enterprise	(49,356)	423
	<b>5,266,768</b>	715,951
<b>Change in non-cash operating working capital</b>		
Accounts receivable	(104,944)	3,920,939
Prepaid expenses	4,250	(2,000)
Accounts payable	186,575	207,040
Deferred revenue	2,111,220	(432,214)
	<b>2,197,101</b>	3,693,765
<b>Cash provided by (used in) capital activities</b>		
Tangible capital asset purchases	11,280,230	(2,356,558)
Tangible capital assets disposals/transfers	6,121,545	-
	<b>(5,158,685)</b>	(2,356,558)
<b>Cash provided by (used in) financing activities</b>		
Net proceeds of Long-term debt	2,214,938	1,035,251
Due to/from related entities	(58,849)	38,417
	<b>2,156,089</b>	1,073,668
<b>Cash provided by (used in) investing activities</b>		
Net change in restricted assets	(3,896,059)	(3,478,987)
Net change Trust funds held by federal government	45,965	41,727
Investment purchase	(175,000)	-
	<b>(4,025,094)</b>	(3,437,260)
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>436,179</b>	(310,434)
Cash and cash equivalents , beginning	(349,438)	(39,004)
<b>Cash and cash equivalents, end of the year</b>	<b>86,741</b>	(349,438)
<b>Supplementary cash flow information</b>		
Interest received in the year	52,100	1,853
Interest paid in the year	\$ 155,054	\$ 66,736

The accompanying notes are an integral part of these financial statements.

# **James Smith Cree Nation**

## **Notes to the Financial Statements**

**For the Year Ended March 31, 2017**

### **1. Significant Accounting Policies**

James Smith Cree Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include James Smith Cree Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

The reporting entity James Smith Cree Nation is governed by elected officials from the James Smith Cree Nation, the Chakastaypasin Band of the Cree Nation and the Peter Chapman Band. These financial statements include the activities that these three First Nation sectors are involved in on a "collective" basis. These are activities in which all three sectors pool their resources (assets, liabilities, revenues and expenses) and participate in the management of these resources. It does not include activities that an individual sector may undertake on an individual basis.

#### **a. Basis of Accounting**

These financial statements have been prepared in accordance with CPA Canada public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Standards Board in Canada.

#### **b. Reporting entity**

The James Smith Cree Nation reporting entity includes only the activities in which all three of the First Nations pool their resources (assets, liabilities, revenues and expenses) and participate in the management of these resources.

#### **c. 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 statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation. There are no organizations that have been accounted for on a consolidated basis.

The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

James Smith Cree Nation

James Smith Cree Nation CMHC Housing

Under the modified equity method of accounting, only James Smith Cree 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 James Smith Cree Nation.

Under the modified equity method of accounting, only James Smith Cree 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 James Smith Cree Nation.

Organizations accounted for on a modified equity basis include:

# James Smith Cree Nation

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 1. Significant Accounting Policies

#### c. Principles of Consolidation

Pehonan Hydro Development LP

Fort a la Corne Ventures LP

#### d. Cash and cash equivalents

##### i. Cash and short-term investments with maturity less than 90 days

Cash is defined as cash, net of overdraft, and short-term investments with maturity dates of less than 90 days. The Nation's short-term investments are considered to be cash equivalents and are recorded at cost, which approximates current market value.

##### ii. Restricted assets

Any cash or investment that is legally restricted from use is recorded in restricted assets. Cash and deposits are considered restricted when they are subject to contingent rights of third parties. If the restriction on cash or investments relates to acquiring a long-term asset, liquidating a long-term liability or is unavailable for a period longer than one year from the balance sheet date, the restricted cash or investment is classified as a long-term asset. Otherwise, restricted cash is classified as a current asset.

#### e. Receivables

##### i. Allowance based on specific accounts and management review

The Nation provides an allowance for uncollectible accounts based upon prior experience and management's assessment of the collectibility of existing specific accounts.

##### ii. Advances for personal use no interest charged

The Nation has amounts due from employees. The loans are non-interest bearing with monthly payments made through payroll withholding.

#### f. Financial instruments

##### i. Fair values not materially different from book values

The Nation has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

##### ii. Loans at floating rate of interest

The Nation is exposed to interest rate cash flow risk to the extent that its loans payable are at a floating rate of interest. The Nation is also exposed to interest rate price risk to the extent that agreements

# James Smith Cree Nation

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 1. Significant Accounting Policies

#### f. Financial instruments

##### ii. Loans at floating rate of interest

receivable are at a fixed rate of interest.

##### iii. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this risk, the Nation maintains a portion of its invested assets in liquid securities.

##### iv. Market risk

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risks to which the company is exposed are foreign exchange risk, interest rate risk and price risk.

#### g. Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to 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 assets, prepaid expenses and inventory of supplies.

#### h. Net debt or net financial assets

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

#### i. Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2017.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

# James Smith Cree Nation

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 1. Significant Accounting Policies

#### j. Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and James Smith Cree Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives. No amortization is recorded in the year of acquisition.

Buildings	25 years Straight line
Computer equipment	4 years Straight line
Equipment	5 years Straight line
Infrastructure	25 years Straight line
Band houses	20 years Straight line
CMHC houses	20 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to James Smith Cree Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying 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.

#### k. Segments

The Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

# **James Smith Cree Nation**

## **Notes to the Financial Statements**

**For the Year Ended March 31, 2017**

### **1. Significant Accounting Policies**

#### **I. Internal charges and transfers**

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

#### **m. 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 not practicable.

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 a specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed. Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

#### **n. Use of estimates**

The preparation of consolidated financial statements in accordance with Canadian Public Sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include recoverability of accounts receivable and the useful lives of tangible capital assets. Actual results could differ from those estimates and may have impact on future periods.

#### **o. Other Economic Interests**

The Nation does not either share in the control or the profit or loss of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of James Smith Cree Nation.

The Nation is a member of the Prince Albert Grand Council. The Prince Albert Grand Council is an organization of twelve Nations.

#### **p. Funds held in Ottawa Trust Fund**

# **James Smith Cree Nation**

## **Notes to the Financial Statements**

**For the Year Ended March 31, 2017**

### **1. Significant Accounting Policies**

#### **p. Funds held in Ottawa Trust Fund**

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust monies consist of:

Capital trust moneys derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and

Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

#### **q. Employee Future Benefits**

The Nation's employee future benefit programs consist of a defined contribution pension plan. Contributions to the plan by the Nation are expensed as incurred.

### **2. Restatement**

The Nation has determined that CMHC RRAP funding is earned evenly from the date of the advance over a set period specified in the agreement. The deferred revenue related to CMHC RRAP advances as of March 31, 2017 is estimated to be \$505,739. The Nation has determined that deferred revenue of \$129,266 should have been recorded and \$117,916 should have been recognized as at March 31, 2016. An adjustment was also applied to the March 31, 2015 balance of deferred revenue for

It was also determined that an entity that meets the definition of government business enterprise was not recorded in previous years. As a result, an adjustment was made to increase the investment in government business enterprise account for \$76,348 and increase to the March 31, 2015 ending accumulated surplus balance. An adjustment of \$423 to the March 31, 2016 Investment in government business enterprise account and ending accumulated surplus balance.

The net result of these adjustments was an increase to the accumulated surplus as at March 31, 2016 of \$11,352 from \$13,775,857, the amount previously reported, to \$13,787,206.

### **3. Restricted Assets**

The Nation has received federal assistance through the CMHC, pursuant to Section 95 of the National Housing Act, to reduce mortgage interest and enable the Nation to provide housing to members. The continuation of this interest rate reduction is contingent on the Nation being in compliance with the terms of the agreement, which requires that a monthly amount be set aside to provide for major renovations to Nation housing in future years.

The Nation has established a replacement reserve to ensure replacement of buildings financed by the CMHC, as well as a reserve related to surpluses generated in the post-1997 program, which are to be set aside and used to meet future subsidy requirements of income tested occupants over and above the maximum federal assistance.

The CMHC reserve funds must be held or invested only in accounts or instruments guaranteed by Canada Deposit

# James Smith Cree Nation

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 3. Restricted Assets

Insurance Corporation, or as otherwise approved by the CMHC. Reserve withdrawals are credited first to interest and then to principal.

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Restricted assets are comprised of the following:

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	2017	2016
<b>Restricted assets</b>		
CMHC	\$ 155,444	\$ 57,338
Lagoon	22,403	40
Flood Recovery	8,165,397	4,394,081
Oil Clean up	4,274	-
	<b>\$ 8,347,518</b>	<b>\$ 4,451,459</b>

### 4. Investments

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	2017	2016
Guaranteed investment certificate	\$ 175,000	\$ -

The James Smith Cree Nation Health Clinic has a 5-year guaranteed investment certificate maturing in 2021 with annual interest payments at 2.3%. The investment is recorded at cost which approximates fair market value. This guaranteed investment certificate has been pledged as security for the long-term debt.

### 5. Trust funds held by federal government

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	2017	2017	2017	2016
	Revenue	Capital	Total	2016
Surplus, beginning of year	\$ 46,832	\$ 479	\$ 47,311	\$ 89,038
Withdrawals	(657,231)	-	(657,231)	(623,135)
Interest earned	2,132	-	2,132	874
Lease revenue	608,723	-	608,723	580,123
Other revenue	411	-	411	411
	<b>\$ 867</b>	<b>\$ 479</b>	<b>\$ 1,346</b>	<b>\$ 47,311</b>

The trust funds arise from monies 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

# James Smith Cree Nation

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 5. Trust funds held by federal government

management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

### 6. Accounts Receivable

	2017	2016
<b>Due from members</b>		
Advances	\$ 41,538	\$ 40,245
<b>Due from others</b>		
PAGC	239,499	80,842
Other receivables	30,889	117,373
Health - others	-	87,831
<b>Total</b>	<b>311,926</b>	326,291
<b>Due from government and other government organizations</b>		
INAC	66,615	155,325
Health Canada	124,684	144,895
CMHC	225,814	5,101
<b>Total due from government and other government organizations</b>	<b>417,113</b>	305,321
Allowance for doubtful accounts	(38,233)	(45,751)
<b>Total accounts receivable</b>	<b>\$ 690,805</b>	\$ 585,861

### 7. Due from related entities

The Nation conducts business transactions with related entities. These transactions are in the normal course of business for fair consideration that is mutually agreed upon by the related parties.

	2017	2016
Due from James Smith Sector	\$ 26,235	\$ 13,370
Due from Chakastaypasin Sector	19,815	12,715
Due from Peter Chapman Sector	25,700	11,750
Due to/from Lands & Trust	832	-
	<b>\$ 72,583</b>	\$ 37,835

### 8. Investment in government business enterprises

Commercial enterprises are those organizations that meet the definition of government business enterprises as

# James Smith Cree Nation

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 8. Investment in government business enterprises

described by the Public Sector Accounting Board of CPA Canada. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government. The First Nation owns a 99.99% interest in these entities.

	December 31, 2016	December 31, 2015
Cash	\$ 91,763	\$ 18,191
Accounts receivable	66,956	48,166
Tangible capital assets	76,137	21,513
Prepaid Expenses	5,825	-
	<b>240,681</b>	87,870
Accounts payable and accrued liabilities	63,315	11,868
Long-term debt	52,043	-
	<b>115,358</b>	11,868
Equity	125,323	76,003
	<b>240,681</b>	87,871
Revenue	1,408,360	897,813
Expenses	1,359,040	898,235
Net income (loss)	\$ 49,320	\$ (422)

### 9. Bank indebtedness

The First Nation has an approved overdraft limit of \$ 250,000 with the Royal Bank of Canada.

### 10. Accounts payable and accrued liabilities

	2017	2016
Salaries and benefits	\$ 83,874	\$ 47,883
General suppliers	646,222	598,471
<b>Total</b>	<b>730,096</b>	646,354

**Due to government and other government organizations**

# James Smith Cree Nation

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 10. Accounts payable and accrued liabilities

	2017	2016
INAC	<b>173,666</b>	94,934
	\$ 903,762	\$ 741,288

### 11. Deferred revenue

INAC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to INAC, deferred to the following year, or transferred to another INAC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds" on the financial statements.

	2016 Beginning of year	Current year deferral	Interest income	Revenue recognized	Transfers	2016
<b>Unexpended funding</b>						
Post secondary	\$ 23,171	\$ 27,342	\$ -	\$ -	\$ -	\$ 50,513
Land management	1,017	19,688	-	-	-	20,705
Water systems	68,199	-	-	(68,199)	-	-
	92,387	47,030	-	(68,199)	-	71,218
<b>Capital funding</b>						
Flood road recovery	4,406,052	6,200,000	52,251	(4,509,767)	19,953	6,168,489
Water treatment plant upgrade	7,485	19,953	-	(7,485)	(19,953)	-
Lagoon expansion	99,952	-	-	(30,243)	(47,394)	22,315
Youth centre	-	220,731	-	-	-	220,731
	4,513,489	6,440,684	52,251	(4,547,495)	(47,394)	6,411,535
<b>Other Funding</b>						
Health Canada programs	91,000	-	-	(91,000)	-	-
CMHC RRAP	180,396	409,201	-	(83,858)	-	505,739
<b>Total deferred revenue</b>	<b>\$ 4,877,272</b>	<b>\$ 6,896,915</b>	<b>\$ 52,251</b>	<b>\$ (4,790,552)</b>	<b>\$ (47,394)</b>	<b>\$ 6,988,492</b>

### 12. Long-term debt

	2017	2016
CMHC Phase #5 - Mortgage bearing interest at 1.43%, repayable in monthly blended principal and interest installments of \$ 5,017, due for renewal April 1, 2022, maturity date of April 1, 2032; government guarantee pledged as security.	\$ 789,001	\$ 833,783

# James Smith Cree Nation

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 12. Long-term debt

	2017	2016
CMHC Phase #6 - Mortgage bearing interest at 1.21%, repayable in monthly blended principal and interest installments of \$ 7,495, due for renewal May 1, 2021, maturity date of May 1,2036; government guarantee pledged as security.	1,539,855	863,716
Section 10 housing - Mortgage bearing interest at 3.95%, repayable in monthly blended principal and interest installments of \$ 7,648, maturity date of March 1, 2020; secured by ministerial guarantee.	261,428	341,297
Consolidated debt - Term loan bearing interest at prime plus 1.95%, annual payments of \$ 249,000 plus blended quarterly payments of \$ 25,000, maturity date of July 1, 2019; government guarantee pledged as security.	721,988	591,222
Bridge financing for CMHC housing - Demand loan bearing interest at prime plus 2.0%, monthly interest payments plus periodic principal payments as CMHC advances funds, with full principal payment on May 31,2018, secured by general security agreement, government guarantee pledged as security and CMHC mortgage advances.	1,970,000	606,340
Health loan - Term loan bearing interest at prime plus 1%, repayable in monthly blended principal and interest installments of \$ 2,200, due in 2021, secured by general security agreement, assignment of Health Funding Contribution Agreement and assignment of Guaranteed Investment Certificate.	169,023	-
	<b>5,451,295</b>	3,236,358
<b>Total long-term debt</b>	<b>5,451,296</b>	3,236,358
Interest expense for the year on long-term debt	\$ 83,395	\$ 50,393
Principal portion of long-term debt due within the next five years:		
2017	\$ 1,395,551	
2018	1,457,029	
2019	453,833	
2020	126,866	
2021 and thereafter	127,366	

# James Smith Cree Nation

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 13. Tangible Capital Assets

March 31, 2017	2017						Assets Under Construction	Total
	Community Buildings	Band Housing	CMHC Housing	Community Equipment	Infrastructure			
<b>Cost</b>								
Balance, beginning of year	\$ 7,508,264	\$ 2,769,552	\$ 3,171,312	\$ 754,567	\$ 7,892,362	\$ 5,347,767	\$ 27,443,824	
Additions	268,754	-	1,611,778	13,649	4,517,299	4,868,751	11,280,230	
Disposals/transfers	-	-	-	-	-	(6,121,545)	(6,121,545)	
<b>Balance, end of year</b>	<b>7,777,018</b>	<b>2,769,552</b>	<b>4,783,090</b>	<b>768,216</b>	<b>12,409,661</b>	<b>4,094,973</b>	<b>32,602,509</b>	
<b>Accumulated amortization</b>								
Balance, beginning of year	3,444,885	2,673,956	2,296,885	708,489	653,836	-	9,778,051	
Amortization	302,756	95,596	106,111	18,226	496,386	-	1,019,075	
<b>Balance, end of year</b>	<b>3,747,641</b>	<b>2,769,552</b>	<b>2,402,996</b>	<b>726,715</b>	<b>1,150,222</b>	<b>-</b>	<b>10,797,126</b>	
<b>Net Book Value, end of Year</b>	<b>4,029,377</b>	<b>-</b>	<b>2,380,094</b>	<b>41,500</b>	<b>11,259,439</b>	<b>4,094,973</b>	<b>21,805,383</b>	
<b>March 31, 2016</b>								
<b>Cost</b>								
Balance, beginning of year	7,508,264	2,769,552	3,171,312	728,126	7,803,281	3,106,731	25,087,266	
Additions	-	-	-	26,441	89,081	2,241,036	2,356,558	
Disposals	-	-	-	-	-	-	-	
<b>Balance, end of year</b>	<b>7,508,264</b>	<b>2,769,552</b>	<b>3,171,312</b>	<b>754,567</b>	<b>7,892,362</b>	<b>5,347,767</b>	<b>27,443,824</b>	
<b>Accumulated amortization</b>								
Balance, beginning of year	3,183,600	2,578,360	2,218,320	676,710	348,600	-	9,005,590	
Amortization	261,285	95,596	78,565	31,779	305,236	-	772,461	
<b>Balance, end of year</b>	<b>3,444,885</b>	<b>2,673,956</b>	<b>2,296,885</b>	<b>708,489</b>	<b>653,836</b>	<b>-</b>	<b>9,778,051</b>	
Net Book Value, end of year	\$ 4,063,379	\$ 95,596	\$ 874,427	\$ 46,078	\$ 7,238,526	\$ 5,347,767	\$ 17,665,773	

### 14. Current year summary of surplus (deficit) by segment

	Revenue	Expenditures	Transfers	Surplus (Deficit)
Claims and Indian Government	\$ -	\$ -	\$ -	\$ -
Community Development	6,840,753	1,638,294	(911,478)	4,290,981
Economic Development	143,779	129,902	-	13,877
Education	4,651,063	4,615,549	47,394	82,908
Indian Government Support	1,126,731	1,045,678	-	81,053
Lands Management	128,119	128,119	-	-
Social Development	2,439,903	2,355,225	(104,332)	(19,654)
Indian Registration	24,759	24,758	-	1

# James Smith Cree Nation

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 14. Current year summary of surplus (deficit) by segment

	Revenue	Expenditures	Transfers	Surplus (Deficit)
Health Programs	3,214,011	3,155,511	55,452	113,952
CMHC Housing	474,257	630,910	(106,111)	(262,764)
Band Programs	692,643	695,949	-	(3,306)
Amortization	-	1,019,075	1,019,075	-
	<b>\$19,736,018</b>	<b>\$ 15,438,970</b>	<b>\$ -</b>	<b>\$ 4,297,048</b>

### 15. Reconciliation of INAC revenue

The following is a reconciliation of the funds received from INAC:

	2017	2016
Balance per INAC confirmation	\$15,269,707	\$ 8,207,554
Prior Year payment - Basic Needs	4,312	-
	<b>15,274,019</b>	8,207,554
<b>Current year receivable (payable)</b>		
Band employee benefits	11,024	(12,387)
Basic needs	(60,314)	(44,526)
Special needs	(102,651)	(36,243)
Institutional care	(6,025)	(906)
National Child Reinvestment (NCBR)	-	(872)
Prior year SA Compliance adjustment	90,258	-
	<b>(67,708)</b>	(94,925)
As per statement of operations	<b>\$15,206,311</b>	\$ 8,112,620

### 16. Pension Plan

#### Pension Plan

The James Smith Cree Nation and eligible employees participate in the London Life Pension Plan, a defined contribution pension plan.

The James Smith Cree Nation financial obligation is limited to providing contributions at a specific rate in respect of employees' current service. Information regarding contributions to the above mentioned pension plans is as follows:

	2017	2016
Employee contribution rate (percentage of salary)	4.0% - 7.0%	4.0%

# James Smith Cree Nation

## Notes to the Financial Statements

### For the Year Ended March 31, 2017

#### 16. Pension Plan

Employer contribution rate (percentage of salary)	4.0% - 7.0%	4.0%
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#### 17. Health Canada - Moveable Assets Reserve (MAR)

Health Canada funding agreements requires the Nation to report on funding received and related expenditures for all assets over \$1,000 that are not permanently attached to the health facility building (e.g. medical equipment, furniture, vehicles).

There was no MAR for the current year.

#### 18. Lease commitments

The Nation has lease commitments for heavy construction and office equipment that require monthly lease payments of \$ 6,610 per month.

#### 19. Contingent liabilities

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. The Nation is reviewing the applicability of the legislation on its lands and the environmental objectives and liabilities, if any, for its activities and potential site reclamation and restoration obligations. The Nation has yet to determine the applicability of the legislation, or the amounts, if any, of such obligations.

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

In addition, in the normal course of its operations, James Smith Cree Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on James Smith Cree Nation's financial statements.

#### 20. Economic dependence

James Smith Cree Nation receives a significant portion of its revenue pursuant to a funding arrangement with Indigenous and Northern Affairs Canada. The ability of the Nation to continue to operate is dependent upon the Government of Canada's continued financial commitment to continue with the funding arrangement. These financial statements are subject to review by INAC. The Nation is also dependent upon Prince Albert Grand Council for funding in order to provide services to membership.

#### 21. Canada Mortgage and Housing Corporation Reserves

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Nation established the following:

The replacement reserve to ensure replacement of capital equipment and for major repairs to housing units,

# James Smith Cree Nation

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 21. Canada Mortgage and Housing Corporation Reserves

which requires an annual cash allocation of \$24,840 to the reserve. At March 31, 2017, the reserve is required to be funded to a level of \$60,967 (2016 - \$36,042). At March 31, 2017 the cash balance in the reserve is \$ 63615 (2016 - \$ 29,984).

An operating surplus reserve established for housing units under the Post 1997 Fixed Subsidy Program which requires surpluses to be funded with cash. Future operating losses are able to draw on the reserve funds to sustain operations. At March 31, 2017 the cash balance in the reserve is \$ 91,828 (2016 - \$27,353).

### 22. Government transfers

	2017	2016
INAC Operating	\$ 8,430,212	\$ 7,991,727
INAC Capital	6,843,807	121,765
Health Canada	2,735,292	2,689,442
CMHC Operating	149,595	61,209
CMHC Capital	574,620	117,916
Provincial Government	96,779	100,384
	<b>\$18,830,305</b>	<b>\$11,082,443</b>

### 23. Budgeted figures

Budgeted figures are unaudited and have been provided for comparison purposes and have been derived from the estimates approved by the James Smith Cree Nation Chief and Council.

### 24. Expenses by object

	2017		
	2017	Actual	2016
Administration fees	\$ 4,700	\$ 6,814	\$ 16,693
Administration	17,542	372,663	342,827
Amortization	-	2,038,149	1,544,922
Assistance - basic needs	1,507,125	1,791,224	1,739,690
Assistance - special needs	142,340	74,639	146,205
Assistance to band members	47,760	222,770	142,653
Bank charges	28,900	53,416	55,848
Consultants and contractors	3,298,340	6,241,791	3,622,512
Equipment	-	-	12,861
Graduation, awards, prizes	23,900	27,996	83,764
Honorariums	211,920	210,952	129,351

# James Smith Cree Nation

## Notes to the Financial Statements

For the Year Ended March 31, 2017

### 24. Expenses by object

	2017		
	2017	Actual	2016
Insurance	223,007	244,855	228,691
Janitorial	24,000	24,389	22,490
Lease payments to traditional land holders	-	504,306	541,967
Long term debt - payments (principal & interest)	325,815	525,662	503,117
Long term debt - principal repayment	74,951	(370,608)	(434,805)
NCBR program expenses	285,402	284,457	294,772
Other expenses	-	76,320	166,046
FNT - paid to member First Nations	-	-	1,093,475
Prior period unrecorded unexpended funds	-	-	70,896
Professional fees	51,645	97,623	81,500
Program expenses	32,462	31,018	35,538
Recreational activities	-	35,919	86,145
Repairs and maintenance	92,971	152,132	199,130
Student allowance	616,108	607,960	635,290
Student support	110,600	88,963	68,977
Student tuition	309,802	302,715	296,679
Supplies	1,366,593	1,314,199	644,397
Telephone	20,315	69,492	66,420
Training	-	443,392	313,605
Travel, meetings, per diems	181,349	586,405	581,267
Utilities	115,940	132,299	143,155
Wages & benefits	3,761,626	4,960,034	4,507,959
Transfer to capital assets	-	(4,833,943)	(2,356,558)
Automotive	-	34,713	-
Other rental expenses	-	101,054	-
Current period unexpended funds deferred revenue	-	4,274	-
	\$ 12,875,113	\$ 16,458,044	\$ 15,627,479

### 25. **INAC funding**

The Nation (Recipient) receives funding from Indigenous and Northern Affairs Canada (INAC) by entering into an agreement with INAC.

There are five approaches that INAC may consider in the design and delivery of transfer payment programs:

# **James Smith Cree Nation**

## **Notes to the Financial Statements**

### **For the Year Ended March 31, 2017**

#### **25. INAC funding**

1. Grant approach – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. Set contribution approach – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to INAC annually.
3. Fixed contribution approach – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by INAC. A plan must be submitted and approved by INAC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by INAC.
4. Flexible contribution approach – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to INAC at the end of the project, program or agreement.
5. Block contribution approach – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by INAC.

#### **26. Segmented information**

As previously discussed in note 1 the Nation conducts its business through reportable segments as follows:

##### **1 - Indigenous and Northern Affairs Canada (INAC)**

Claims and Indian Government: Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Development: Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development: Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

# **James Smith Cree Nation**

## **Notes to the Financial Statements**

**For the Year Ended March 31, 2017**

### **26. Segmented information**

**Education:** Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with INAC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labour market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide Internet access, information technology equipment, technical support and training to students and school staff.

**Indian Government Support:** Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

**Lands Management:** Costs associated to the administration of land transactions on designated and non- designated lands under sections 53 and 60 of the Indian Act.

**Social Development:** First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

**Indian Registration:** Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

**Governance and Institutions of Government:** Costs associated with Governance and Institution of Government activities.

### **2 - Health Programs (FNIHB)**

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

# **James Smith Cree Nation**

## **Notes to the Financial Statements**

**For the Year Ended March 31, 2017**

### **26. Segmented information**

3 - Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

4 - Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

### **27. Comparative figures**

Prior year's comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

# James Smith Cree Nation

## Schedule #1

### James Smith Cree Nation

Claims and Indian Government

Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Revenue</b>			
INAC - Set	\$ -	\$ -	\$ 15,000
<b>Expenses</b>			
Professional fees	-	-	15,000
<b>Unexpended Transfers</b>			
<b>Transfers</b>			
<b>Current surplus (deficit)</b>	\$ -	\$ -	\$ -

# James Smith Cree Nation

## Schedule #2

### James Smith Cree Nation

#### Community Development

#### Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Revenue</b>			
INAC - Fixed	\$ 576,740	\$ 576,740	\$ 670,763
INAC - Set	-	-	124,799
INAC - Flexible	1,241,712	7,441,712	752,325
Insurance claim revenue	-	255,986	169,667
CMHC - RRAP	-	-	117,916
First Nations Trust	-	100,000	-
Prince Albert Grand Council	122,434	119,934	148,056
Interest and other	20,000	176,228	28,789
Unexpended Funds - current year	-	68,199	(68,199)
Unexpended funds - prior year	-	(220,731)	-
Deferred Revenue - Current Year	-	4,413,537	5,108,330
Deferred revenue - prior year	-	(6,090,852)	(4,513,489)
	1,960,886	6,862,518	2,607,156
<b>Expenses</b>			
Administration fees	4,700	4,700	14,806
Administration	4,500	81,811	18,578
Bank charges	-	32	13,079
Consultants and contractors	337,086	3,243,220	2,776,183
Insurance	181,872	186,339	180,479
Long term debt - payments (principal & interest)	309,368	404,029	389,929
Long term debt - principal repayment	-	(315,946)	(314,119)
Professional fees	-	-	45,000
Repairs and maintenance	50,455	46,670	127,523
Supplies	784,020	432,078	315,037
Telephone	2,100	3,443	5,889
Travel, meetings, per diems	32,910	45,402	58,105
Utilities	44,531	60,989	137,693
Wages & benefits	271,641	285,359	399,263

# James Smith Cree Nation

## Schedule #2

### James Smith Cree Nation

Community Development

Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
Transfer to capital assets	-	(2,839,833)	(2,330,117)
	2,023,183	1,638,293	1,837,328
<b>Current surplus before expended transfers</b>	<b>-</b>	<b>5,224,225</b>	769,828
Unexpended funds transferred to deferred revenue	-	-	(68,199)
<b>Current surplus before transfers</b>	<b>-</b>	<b>5,224,225</b>	701,629
<b>Transfers</b>			
Transfer - Band Programs	-	-	100,000
Amortization -Capital Programs	-	(864,084)	(638,730)
Transfers to other programs	-	19,953	-
Transfers to other programs	-	(19,953)	-
Transfers to other programs	-	(47,394)	-
<b>Current surplus</b>	<b>\$ -</b>	<b>\$ 4,312,747</b>	\$ 162,899

# James Smith Cree Nation

## Schedule #3

### James Smith Cree Nation

#### Economic Development

#### Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Revenue</b>			
INAC - Fixed	\$ -	\$ 20,000	\$ -
INAC - Set	27,000	27,000	-
Interest and other	126,221	-	-
Net income from investment government business enterprise	126,221	-	-
Administration	-	96,779	100,384
	27,000	143,779	100,384
<b>Expenses</b>			
Bank charges	-	393	374
Consultants and contractors	116,987	104,830	83,392
Professional fees	-	20,000	-
Supplies	44,000	-	-
Travel, meetings, per diems	-	4,679	21,176
	160,987	129,902	104,942
<b>Current surplus before expended transfers</b>	<b>(133,987)</b>	<b>13,877</b>	<b>(4,558)</b>
<b>Unexpended Transfers</b>			
<b>Current surplus before transfers</b>	<b>(133,987)</b>	<b>13,877</b>	<b>(4,558)</b>
<b>Transfers</b>			
<b>Current surplus (deficit)</b>	<b>\$ (133,987)</b>	<b>\$ 13,877</b>	<b>\$ (4,558)</b>

# James Smith Cree Nation

## Schedule #4

### James Smith Cree Nation

#### Education

#### Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Revenue</b>			
INAC - Fixed	\$ 3,541,217	\$ 3,684,683	\$ 3,296,285
INAC - Set	235,702	92,236	58,478
Prince Albert Grand Council	(844,098)	901,486	472,406
Unexpended funds - prior year	-	-	78,708
	<b>2,932,821</b>	<b>4,678,405</b>	<b>3,905,877</b>
<b>Expenses</b>			
Administration fees	-	2,114	1,887
Administration	13,042	12,972	90,634
Consultants and contractors	252,808	252,818	245,800
Graduation, awards, prizes	22,900	26,996	83,764
Honorariums	51,920	51,450	7,784
Insurance	15,000	17,000	25,732
Janitorial	24,000	24,389	-
Long term debt - payments (principal & interest)	16,447	17,943	21,105
Professional fees	12,000	15,000	3,500
Program expenses	32,462	31,018	35,538
Repairs and maintenance	26,946	68,314	84,386
Student allowance	616,108	607,960	635,290
Student support	110,600	88,963	68,977
Student tuition	309,802	302,715	296,679
Supplies	350,211	351,834	178,821
Telephone	13,080	30,043	16,666
Travel, meetings, per diems	71,800	95,028	83,637
Utilities	67,000	66,391	909
Wages & benefits	2,662,687	2,599,994	2,027,353
Transfer to capital assets	-	(47,394)	(13,580)
	<b>4,668,813</b>	<b>4,615,548</b>	<b>3,894,882</b>
<b>Current surplus before expended transfers</b>	<b>-</b>	<b>62,857</b>	<b>10,995</b>

# James Smith Cree Nation

## Schedule #4

### James Smith Cree Nation

Education

Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Unexpended Transfers</b>			
Unexpended Funds - current year	-	27,342	(23,171)
<b>Current surplus before transfers</b>	-	(11,879)	(12,176)
<b>Transfers</b>			
Transfers to other programs	-	(47,394)	-
<b>Current surplus</b>	\$ -	\$ 82,908	\$ (12,176)

# James Smith Cree Nation

## Schedule #5

### James Smith Cree Nation

Indian Government Support

Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Revenue</b>			
INAC - Grant	\$ 563,954	\$ 563,954	\$ 563,954
INAC - Fixed	-	43,615	44,296
INAC - Set	167,533	137,152	136,305
INAC - current year receivable (payable)	-	11,024	(12,387)
Prince Albert Grand Council	90,500	90,500	-
Interest and other	(140,000)	231,215	38,259
Net income from investment government business enterprise	140,000	-	-
Administration	-	-	90,639
Income (loss) on GBE	-	49,271	(423)
	821,987	1,126,731	860,643
<b>Expenses</b>			
Administration	-	36,173	-
Assistance to band members	-	26,638	-
Bank charges	8,000	19,816	21,237
Consultants and contractors	9,460	30,450	9,325
Graduation, awards, prizes	1,000	1,000	-
Honorariums	160,000	159,502	121,567
Insurance	15,636	24,476	4,000
Prior period unrecorded unexpended funds	-	-	70,896
Professional fees	23,500	53,218	49,500
Repairs and maintenance	7,320	12,198	5,650
Other rental expenses	-	101,054	-
Supplies	45,724	54,267	14,337
Telephone	5,135	6,312	18,444
Travel, meetings, per diems	23,000	29,196	26,064
Utilities	909	909	-
Wages & benefits	538,261	486,196	472,662
	837,945	1,041,405	813,682

# James Smith Cree Nation

## Schedule #5

### James Smith Cree Nation

Indian Government Support

Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Current surplus before expended transfers</b>	<b>(15,958)</b>	<b>85,326</b>	46,961
<b>Unexpended Transfers</b>			
Current period unexpended funds deferred revenue	-	<b>4,274</b>	-
<b>Current surplus before transfers</b>	<b>(15,958)</b>	<b>81,052</b>	46,961
<b>Transfers</b>			
<b>Current surplus (deficit)</b>	<b>\$ (15,958)</b>	<b>\$ 81,052</b>	\$ 46,961

# James Smith Cree Nation

## Schedule #6

### James Smith Cree Nation

#### Land Management

#### Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Revenue</b>			
INAC - Fixed	\$ (143,533)	\$ 143,533	\$ 108,394
INAC - Set	143,533	-	-
Unexpended funds - prior year	-	-	1,599
	-	143,533	109,993
<b>Expenses</b>			
Bank charges	1,400	888	2,097
Insurance	3,000	3,000	2,100
Professional fees	5,645	5,645	3,500
Supplies	35,217	24,075	14,531
Travel, meetings, per diems	15,152	15,814	13,130
Utilities	3,500	4,010	4,554
Wages & benefits	79,619	74,688	69,064
	143,533	128,120	108,976
<b>Current surplus before expended transfers</b>	<b>(143,533)</b>	<b>15,413</b>	<b>1,017</b>
<b>Unexpended Transfers</b>			
Unexpended Funds - current year	-	15,414	1,017
<b>Current surplus before transfers</b>	<b>(143,533)</b>	<b>(1)</b>	<b>-</b>
<b>Transfers</b>			
<b>Current surplus (deficit)</b>	<b>\$ (143,533)</b>	<b>\$ (1)</b>	<b>-</b>

# James Smith Cree Nation

## Schedule #7

### James Smith Cree Nation

#### Social Development

#### Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Revenue</b>			
INAC - Fixed	\$ 260,827	\$ 118,487	\$ 111,116
INAC - Set	1,976,270	2,400,148	2,300,580
INAC - current year receivable (payable)	-	(78,732)	(82,547)
	<b>2,237,097</b>	<b>2,439,903</b>	2,329,149
<b>Expenses</b>			
Assistance - basic needs	1,507,125	1,791,224	1,739,690
Assistance - special needs	142,340	74,639	146,205
Assistance to band members	47,760	42,758	46,968
Bank charges	10,000	12,158	13,539
NCBR program expenses	285,402	284,457	317,787
Supplies	15,393	14,914	22,684
Travel, meetings, per diems	34,934	15,551	20,238
Wages & benefits	194,143	119,525	164,253
	<b>2,237,097</b>	<b>2,355,226</b>	2,471,364
<b>Current surplus before expended transfers</b>	<b>-</b>	<b>84,677</b>	<b>(142,215)</b>
<b>Unexpended Transfers</b>			
<b>Current surplus before transfers</b>	<b>-</b>	<b>84,677</b>	<b>(142,215)</b>
<b>Transfers</b>			
Transfers to other programs	-	(104,332)	-
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ (19,655)</b>	<b>\$ (142,215)</b>

# James Smith Cree Nation

## Schedule #8

### James Smith Cree Nation

Indian Registration

Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Revenue</b>			
INAC - Fixed	\$ 24,759	\$ 24,759	\$ 25,259
<b>Expenses</b>			
Supplies	5,930	5,930	5,567
Travel, meetings, per diems	3,553	3,240	3,897
Wages & benefits	15,275	15,587	15,986
	<b>24,758</b>	<b>24,757</b>	<b>25,450</b>
<b>Current surplus before expended transfers</b>	<b>1</b>	<b>2</b>	<b>(191)</b>
<b>Unexpended Transfers</b>			
Current surplus before transfers	1	2	(191)
<b>Transfers</b>			
<b>Current surplus (deficit)</b>	<b>\$ 1</b>	<b>\$ 2</b>	<b>(191)</b>

# James Smith Cree Nation

## Schedule #9

### James Smith Cree Nation

#### Health Programs

#### Schedule of Operations

For the Year Ended March 31, 2017

		2017	2017	2016
		Budget	Actual	Actual
<b>Revenue</b>				
Health Canada	\$ -	\$ 2,735,292	\$ 2,689,442	
Health Canada - recovered		-	-	(26,701)
Prince Albert Grand Council		-	167,477	185,624
Interest and other		-	240,269	366,153
Deferred revenue - prior year		-	91,000	(91,000)
		-	3,234,038	3,123,518
<b>Expenses</b>				
Administration		-	224,607	226,415
Bank charges		-	8,713	5,460
Consultants and contractors		-	493,637	507,813
Equipment		-	-	12,861
Other expenses		-	76,320	124,987
Supplies		-	100,830	97,448
Telephone		-	29,694	25,420
Training		-	443,392	313,605
Travel, meetings, per diems		-	377,495	377,324
Wages & benefits		-	1,366,110	1,414,361
Transfer to capital assets		-	-	(12,861)
Automotive		-	34,713	-
		-	3,155,511	3,092,833
<b>Current surplus before expended transfers</b>		-	78,527	30,685
<b>Unexpended Transfers</b>				
Unexpended Funds - current year		-	(20,027)	-
<b>Current surplus before transfers</b>		-	58,500	30,685
<b>Transfers</b>				
Transfers to other programs		-	104,332	-
Amortization - Health		-	(48,880)	(55,166)
<b>Current surplus (deficit)</b>	\$ -	\$ 113,952	\$ (24,481)	

# James Smith Cree Nation

## Schedule #10

### James Smith Cree Nation

#### CMHC Housing

#### Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Revenue</b>			
CMHC - Subsidy	\$ -	\$ 149,595	\$ 61,209
CMHC - RRAP	359,804	562,634	117,916
Rental Income - CMHC units	-	75,300	37,600
CMHC - Other	2,612,000	11,986	-
Interest and other	-	85	71
Deferred Revenue - Current Year	-	(409,201)	129,266
Deferred revenue - prior year	-	83,858	(117,916)
	<b>2,971,804</b>	<b>474,257</b>	<b>228,146</b>
<b>Expenses</b>			
Administration	-	17,100	7,200
Bank charges	9,500	11,417	62
Consultants and contractors	2,582,000	2,116,836	-
Insurance	7,499	14,040	16,380
Lease payments to traditional land holders	-	-	60,213
Long term debt - payments (principal & interest)	-	103,690	-
Long term debt - principal repayment	74,951	(54,662)	(43,872)
Professional fees	10,500	3,760	2,500
Repairs and maintenance	8,250	22,600	4,060
Supplies	86,098	330,271	-
Wages & benefits	-	12,574	-
Transfer to capital assets	-	(1,946,716)	-
	<b>2,778,798</b>	<b>630,910</b>	<b>46,543</b>
<b>Current surplus before transfers</b>	<b>-</b>	<b>(156,653)</b>	<b>(76,929)</b>
<b>Transfers</b>			
Amortization - CMHC	-	(106,111)	(78,565)
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ (262,764)</b>	<b>\$ (155,494)</b>

# James Smith Cree Nation

## Schedule #11

### James Smith Cree Nation

#### Band Programs

#### Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Revenue</b>			
First Nations Trust	\$ -	\$ -	\$ 1,193,475
Funds earned & held by Federal Government	-	657,231	581,408
Interest and other	-	35,412	32,709
	-	692,643	1,807,592
<b>Expenses</b>			
Assistance to band members	-	153,374	95,685
Lease payments to traditional land holders	-	504,306	481,754
Long term debt - payments (principal & interest)	-	-	92,083
Long term debt - principal repayment	-	-	(76,814)
Other expenses	-	-	3,559
FNT - paid to member First Nations	-	-	1,093,476
Recreational activities	-	35,919	86,144
Repairs and maintenance	-	2,350	-
	-	695,949	1,775,887
<b>Current surplus before transfers</b>	-	(3,306)	31,705
<b>Transfers</b>			
Transfer - Community Development	-	-	(100,000)
<b>Current surplus (deficit)</b>	\$ -	\$ (3,306)	\$ (68,295)

# James Smith Cree Nation

## Schedule #12

### James Smith Cree Nation

#### Amortization

#### Schedule of Operations

For the Year Ended March 31, 2017

	2017	2017	2016
	Budget	Actual	Actual
<b>Revenue</b>			
<b>Expenses</b>			
Amortization - CMHC	\$ -	\$ 106,111	\$ 78,565
Amortization - Health	-	48,880	55,166
Amortization - Capital Programs	-	864,084	638,730
	-	<b>1,019,075</b>	772,461
<b>Current surplus before transfers</b>	-	<b>1,019,075</b>	772,461
<b>Transfers</b>			
Transfers to other programs	-	(1,019,075)	(772,461)
<b>Current surplus (deficit)</b>	\$ -	\$ -	\$ -

# **James Smith Cree Nation**

The accompanying notes are an integral part of these financial statements.