

# **James Smith Cree Nation**

## **Consolidated Financial Statements**

**March 31, 2020**

**James Smith Cree Nation**  
Management's Responsibility for Financial Reporting  
March 31, 2020

The financial statements have been prepared by management in accordance with the Public Sector Accounting Standards (PSAS) of the Chartered Professional Accountants of Canada (CPA) and the reporting requirements of the funding agreement with Indigenous Services Canada. Financial statements are not precise since they contain certain amounts based on estimates and judgments. 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.

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.

Signature On File

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James Smith Cree Nation

Signature On File

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Chakastaypasin Band of the Cree Nation

Signature On File

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Peter Chapman Band

March 17, 2021

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Date



# McClelland Debusschere

Chartered Professional Accountants  
Assurance Tax Advisory

## **Independent Auditor's Report**

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To the Members of  
James Smith Cree Nation

### **Opinion**

We have audited the consolidated financial statements of James Smith Cree Nation, which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated Statements of operations, changes in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of James Smith Cree Nation as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with the applicable financial reporting framework.

### **Basis for Opinion**

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the applicable financial reporting framework, 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.

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

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.



# McClelland Debusschere

Chartered Professional Accountants  
Assurance Tax Advisory

## **Independent Auditor's Report**

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

*McClelland Debusschere*  
*CPA PC INC*

Saskatoon, SK  
March 17, 2021

Chartered Professional Accountants

# James Smith Cree Nation

## Consolidated Statement of Financial Position

March 31, 2020

	2020	2019
<b>Financial Assets</b>		
Cash	\$ 1,344,377	\$ -
Restricted assets (Note 2)	2,471,690	5,283,301
Trust funds held by Federal Government (Note 3)	358,570	98,721
Term deposits (Note 4)	187,196	186,994
Accounts receivable (Note 5)	876,215	686,632
Due to/from related parties (Note 6)	32,930	56,427
Investment in government business enterprises (Note 7)	(732,180)	(625,832)
	<u>4,538,798</u>	<u>5,686,243</u>
<b>Liabilities</b>		
Bank indebtedness (Note 8)	-	313,238
Accounts payable and accrued liabilities (Note 9)	913,999	330,768
Unexpended revenue (Note 10)	3,277,854	3,249,375
Obligations under capital lease (Note 11)	319,113	408,201
Long term debt (Note 12)	6,663,909	6,080,988
	<u>11,174,875</u>	<u>10,382,570</u>
<b>Net Debt</b>	<u>(6,636,077)</u>	<u>(4,696,327)</u>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 13)	29,147,809	24,816,020
Prepaid	30,630	2,697
	<u>29,178,439</u>	<u>24,818,717</u>
<b>Accumulated Surplus (Note 14)</b>	<u>\$ 22,542,362</u>	<u>\$ 20,122,390</u>

### Commitments (Note 18)

Approved on behalf of the James Smith Cree Nation:

Signature On File \_\_\_\_\_, James Smith Cree Nation

Signature On File \_\_\_\_\_, Chakastaypasin Band of the Cree Nation

Signature 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, 2020

	2020 Budget	2020	2019
<b>Revenue</b>			
Indigenous Services Canada (Note 15)	\$12,557,823	\$15,357,495	\$ 9,768,481
Health Canada	-	3,492,625	3,337,168
Prince Albert Grand Council	1,209,370	1,672,345	1,562,841
Revenue trust	-	705,132	572,882
Other revenue	133,980	567,775	584,543
Canada Mortgage and Housing Corporation	363,752	448,677	426,436
CMHC Rental Income	98,260	141,300	141,300
Interest income	200	61,287	81,579
Earnings (loss) in GBE	-	(106,348)	(260,114)
Unexpended revenue - prior year	-	213,094	170,190
Unexpended revenue - current year	-	(1,212,358)	(213,094)
Deferred revenue - prior year	-	3,036,281	4,396,241
Deferred revenue - current year	-	(2,065,497)	(3,036,281)
	<b>14,363,385</b>	<b>22,311,808</b>	<b>17,532,172</b>
<b>Expenses</b>			
Community Development (Schedule 1)	3,855,386	4,515,773	2,372,815
Economic Development (Schedule 2)	-	10,359	32,742
Education (Schedule 3)	5,586,385	5,730,778	4,898,935
Indian Government Support (Schedule 4)	672,793	886,617	1,007,324
Land Management (Schedule 5)	732,309	126,557	154,713
Social Development (Schedule 6)	2,204,082	2,352,769	2,506,131
Indian Registration (Schedule 7)	26,881	26,881	26,299
Health Programs (Schedule 8)	-	4,058,130	3,844,759
Housing (Schedule 9)	462,212	538,808	382,862
Band Programs (Schedule 10)	461,953	1,645,164	818,405
	<b>14,002,001</b>	<b>19,891,836</b>	<b>16,044,985</b>
<b>Current surplus</b>	<b>361,384</b>	<b>2,419,972</b>	<b>1,487,187</b>
Accumulated surplus - beginning of the year	-	20,122,390	18,635,203
<b>Accumulated surplus - end of the year</b>	<b>\$ 361,384</b>	<b>\$22,542,362</b>	<b>\$20,122,390</b>
<b>Expense by object disclosure (Note 16)</b>			

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

# James Smith Cree Nation

## Statement of Changes in Net Debt For the Year Ended March 31, 2020

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	<b>2020 Budget</b>	<b>2020</b>	<b>2019</b>
Current surplus	\$ 361,384	\$ 2,419,972	\$ 1,487,187
Acquisition of tangible capital assets	-	(7,820,665)	(2,149,457)
Disposal of tangible capital assets	-	2,776,193	-
Amortization of tangible capital assets	-	1,040,667	1,106,758
Reduction of accumulated amortization	-	(327,984)	-
Increase in prepaid expenses	-	(27,933)	(137)
<b>Change in net debt during the year</b>	<b>361,384</b>	<b>(1,939,750)</b>	444,351
Net debt - Beginning of year	-	(4,696,327)	(5,140,677)
<b>Net debt - End of year</b>	<b>\$ 361,384</b>	<b>\$ (6,636,077)</b>	<b>\$ (4,696,327)</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, 2020

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Current surplus	\$ 2,419,972	\$ 1,487,187
<b>Non-cash items:</b>		
Amortization	1,040,667	1,106,758
Income from investment in GBE	106,348	260,941
Loss on disposal of tangible capital assets	2,401,142	-
<b>Change in working capital items:</b>		
Change in accounts receivable	(189,583)	(491,624)
Change in accounts payable and accrued liabilities	583,231	(386,867)
Change in unexpended revenue	28,479	(1,317,056)
Change in prepaid expense	(27,933)	(137)
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>6,362,323</b>	<b>659,202</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Change in restricted assets	2,811,611	974,176
Change in trust funds held by Federal Government	(259,849)	(78,602)
Change in term deposits	(202)	(11,994)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>2,551,560</b>	<b>883,580</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of long term debt	(580,062)	(991,488)
Proceeds from long term debt	1,162,984	1,400,000
Change in due to/from related parties	23,497	49,653
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<b>606,419</b>	<b>458,165</b>
<b>CAPITAL ACTIVITIES:</b>		
Tangible capital asset additions	(7,820,665)	(2,149,457)
Proceeds from disposition of tangible capital assets	47,066	-
Change in obligations under capital lease	(89,088)	408,201
<b>NET CASH USED BY CAPITAL ACTIVITIES</b>	<b>(7,862,687)</b>	<b>(1,741,256)</b>
<b>Net increase in cash</b>	<b>1,657,615</b>	<b>259,691</b>
Cash (bank indebtedness) at beginning of period	(313,238)	(572,929)
<b>Cash (bank indebtedness) at end of period</b>	<b>\$ 1,344,377</b>	<b>\$ (313,238)</b>

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, 2020

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### 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.

#### b. Financial instruments

Financial assets include cash, restricted cash, trust funds, term deposits, related party advances, government business enterprise investments, and accounts receivable and are measured at amortized cost as presented on the balance sheet. Financial liabilities include bank indebtedness, unexpended revenues, accounts payable, lease obligations, and term debt and are measured at amortized cost as presented on the balance sheet.

#### c. Reporting entity

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

# James Smith Cree Nation

Notes to the Financial Statements  
For the Year Ended March 31, 2020

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## 1. Significant Accounting Policies continued

### d. 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 a government business enterprise, which are included in the consolidated statements on a modified equity basis. Inter-organizational balances and the transactions are eliminated upon consolidation.

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

- James Smith Cree Nation - Operations
- James Smith Cree Nation - CMHC Housing

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

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.

Entities recorded under the modified equity method include:

- Fort a La Corne Ventures LP

### e. 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.

### f. 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.

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, 2020

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### 1. Significant Accounting Policies continued

#### g. Cash and cash equivalents

Cash is defined as cash on hand, balances with banks net of bank overdrafts, and short-term investments with maturity dates of less than 90 days at acquisition which are held for the purpose of meeting short-term cash commitments. The First Nation's short-term investments are considered to be cash equivalents and are recorded at cost, which approximates current market value.

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.

#### h. 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, 2020.

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.

At March 31, 2020, management has determined there is no liability.

# James Smith Cree Nation

Notes to the Financial Statements  
For the Year Ended March 31, 2020

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## 1. Significant Accounting Policies continued

### i. 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.

Roads	25 years Straight line
Buildings	50 years Straight line
Housing	40 years Straight line
Equipment	5 years Straight line
Vehicles and machinery	4 years Straight line
Infrastructure	50 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.

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, 2020

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## 1. Significant Accounting Policies continued

### j. 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 amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable and member advances are assessed for collectability annually and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements.

### k. Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First 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.

### l. 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."

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, 2020

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## 1. Significant Accounting Policies continued

### 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 and funding 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.

Earnings on government business enterprises are recorded each year based on the modified equity method.

Other revenue including interest, trust revenue, and rental income are recorded when earned.

### n. Investments

Portfolio investments which are owned by James Smith Cree Nation but not controlled or influenced by the First Nation are recorded using the cost method. Any impairment in these investments which is other than temporary is charged against the amount the investment is reported at.

### o. Leased assets

Leased assets that transfer substantially all the benefits and risks of ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the First Nation, and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

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, 2020

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## 1. Significant Accounting Policies continued

### 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. Other Economic Interests

The First Nation is a member of the Prince Albert Grand Council (PAGC). The Prince Albert Grand Council is an organization of twelve nations.

The First Nation does not either share in the control or the profit or loss of Prince Albert Grand Council. As a result, the financial statements of the PAGC have not been consolidated or proportionately consolidated with the financial statements of James Smith Cree Nation.

### r. Employee Future Benefits

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

# James Smith Cree Nation

## Notes to the Financial Statements For the Year Ended March 31, 2020

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### 2. Restricted Assets

The First Nation has received federal assistance through the CMHC, pursuant to Section 95 of the National Housing Act, to reduce mortgage interest and enable the First Nation to provide housing to members. The continuation of this interest rate reduction is contingent on the First 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 First 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 the Canada Deposit 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:

	<b>2020</b>	<b>2019</b>
<b>Restricted cash - capital projects</b>		
Flood recovery roads	<b>\$ 1,140,855</b>	\$ 4,840,488
Lagoon	<b>773,479</b>	174,470
Solid Waste Transfer Station	<b>100,000</b>	-
School assessment	<b>51,143</b>	69,981
Oil clean up	<b>-</b>	66
	<b>2,065,477</b>	5,085,005
Restricted cash - CMHC	<b>406,213</b>	198,296
	<b>\$ 2,471,690</b>	\$ 5,283,301

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, 2020

### 3. Trust funds held by federal government

	Revenue	Capital	2020 Total	2019 Total
Surplus, beginning of year	\$ 98,242	\$ 479	\$ 98,721	\$ 20,119
Interest earned	1,881	-	1,881	4,363
Lease revenue	702,840	-	702,840	568,108
Other revenue	411	-	411	411
Withdrawals	(445,283)	-	(445,283)	(494,280)
	<b>\$ 358,091</b>	<b>\$ 479</b>	<b>\$ 358,570</b>	<b>\$ 98,721</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 management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

### 4. Term Deposits

The James Smith Cree Nation Health Clinic has two term deposits:

	Annual Interest Rate	Maturity Date	2020	2019
Guaranteed investment certificate. Assigned as security for long term debt.	2.3%	2021	\$ 175,000	\$ 175,000
Guaranteed investment certificate. Assigned as security for credit card.	1.6%	2024	12,196	11,994
			<b>\$ 187,196</b>	<b>\$ 186,994</b>

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, 2020

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## 5. Accounts Receivable

	<b>2020</b>	<b>2019</b>
<b>Due from Government and other Government organizations</b>		
Health Canada	\$ 309,363	\$ 40,000
ISC	206,809	311,453
CMHC	54,313	17,354
	<b>570,485</b>	368,807
PAGC	219,773	131,839
Due from members and staff	104,043	98,340
Other receivables	87,191	87,646
	<b>981,492</b>	686,632
Allowance for doubtful accounts	(105,277)	-
	<b>\$ 876,215</b>	\$ 686,632

## 6. Due to/from related parties

The First 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. During the year the sectors transfer money to the First Nation to pay for certain debt payments.

	<b>2020</b>	<b>2019</b>
Due from James Smith Sector	\$ 4,736	\$ 18,117
Due from Chakastaypasin Sector	5,282	5,642
Due from Peter Chapman Sector	22,912	32,668
	<b>\$ 32,930</b>	\$ 56,427

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, 2020

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## 7. Investment in government business enterprises

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Standards 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 Fort a La Corne Ventures LP.

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>Fort a La Corne Ventures LP</b>		
Cash (bank indebtedness)	\$ (1,829)	\$ (4,637)
Other assets	26,001	65,934
<b>Total assets</b>	<b>24,172</b>	<b>61,297</b>
Liabilities	756,311	687,077
Equity	(732,139)	(625,780)
<b>Total liabilities and equity</b>	<b>24,172</b>	<b>61,297</b>
Revenue	217,665	997,354
Expenses	(211,953)	(1,019,805)
<b>Net operating income (loss)</b>	<b>5,712</b>	<b>(22,451)</b>
Income (loss) on partnerships	(112,071)	(237,689)
<b>Net income (loss)</b>	<b>\$ (106,359)</b>	<b>\$ (260,140)</b>

## 8. Bank indebtedness

The First Nation has an approved operating line of credit with a limit of \$300,000 with the First Nations Bank of Canada.

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, 2020

### 9. Accounts payable and accrued liabilities

	2020	2019
Trade payables	\$ 747,015	\$ 202,573
Salaries and benefits	130,355	121,272
	<b>877,370</b>	323,845
<b>Due to Government and other Government organizations</b>		
FNIHB	31,953	-
ISC	4,676	6,923
	<b>\$ 913,999</b>	<b>\$ 330,768</b>

### 10. Unexpended revenue

ISC 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 ISC, deferred to the following year, or transferred to another ISC 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 "Unexpended funds" on the financial statements.

	2019: Beginning of year	Revenue recognized	Current year deferral	2020
<b>ISC Capital funding</b>				
Flood road recovery	\$ 2,798,228	\$ (2,798,228)	\$ 1,140,855	\$ 1,140,855
Lagoon expansion	168,053	(168,053)	773,479	773,479
Waste transfer station	-	-	100,000	100,000
School assessment	70,000	(70,000)	51,163	51,163
<b>Total unexpended ISC capital funding</b>	3,036,281	(3,036,281)	2,065,497	2,065,497
<b>Unexpended funding</b>				
Post Secondary	10,109	(10,109)	-	-
Land management	12,646	(12,646)	29,624	29,624
Social assistance employment & training	32,790	(32,790)	-	-
Capacity development	83,807	(83,807)	-	-
Climate & health assessment	54,870	(54,870)	59,334	59,334
Student & youth employment	18,872	(18,872)	-	-
Construction (4-5 bedroom units)	-	-	1,123,400	1,123,400
<b>Total unexpended revenue</b>	<b>\$ 3,249,375</b>	<b>\$ (3,249,375)</b>	<b>\$ 3,277,855</b>	<b>\$ 3,277,854</b>

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, 2020

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## 11. Obligations under capital lease

	<u>2020</u>	<u>2019</u>
Lease with CWB National Leasing payable with 1 monthly payment of \$21,640 then 35 monthly payments of \$1,306 plus applicable taxes. Full repayment of the lease obligation is due in 2022. The interest rate is nil, the obligation is secured by the leased equipment which has a net book value of \$60,111.	\$ 27,841	\$ 42,766
Lease with CWB National Leasing payable with 59 monthly payments of \$6,936 plus applicable taxes. Full repayment of the obligation is due in 2024. The interest rate is nil, the obligation is secured by the leased equipment which has a net book value of \$341,072.	291,272	365,435
	<u>\$ 319,113</u>	<u>\$ 408,201</u>

Estimated principal repayment over the next five years:

2021	\$94,166
2022	\$92,157
2023	\$79,241
2024	\$53,549
2025	NIL

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, 2020

### 12. Long-term debt

	<b>Maturity date</b>	<b>Interest rate</b>	<b>2020</b>	<b>2019</b>
CMHC Phase #5 - Repayable in monthly blended principal and interest installments of \$4,480, due for renewal on April 1, 2022. Government guarantee pledged as security.	April 1, 2032	1.43%	\$ 644,382	\$ 692,880
CMHC Phase #6 - Repayable in monthly blended principal and interest installments of \$7,495, due for renewal on May 1, 2021. Government guarantee pledged as security.	May 1, 2036	1.21%	1,320,387	1,393,872
CMHC Phase #7 - Repayable in monthly blended principal and interest installments of \$17,291, due for renewal on April 1, 2023. Government guarantee pledged as security.	April 1, 2033	2.41%	2,328,212	2,477,787
CMHC - Phase #8 Advance - will be repayable in monthly blended principal and interest installments of \$3,577, due for renewal on April 1, 2025. Government guarantee pledged as security.	April 1, 2040	0.98%	713,486	-
CMHC - Phase #9 Advance - terms of the loan are not yet known. The terms will be determined when construction is complete.	NA	NA	421,740	-
Section 10 housing - Repayable in monthly blended principal and interest installments of \$7,648. Secured by ministerial guarantee. Matured during the year.	March 1, 2020	3.95%	-	91,167
Finance contract payable in blended monthly payments of \$809. Secured by specific assignment of equipment.	2022	5.84%	16,832	25,282
Term loan repayable in annual principal payments of \$200,000 due April 15 of each year with monthly interest payments. Secured by general security agreement.	April 15, 2023	5.55%	1,150,000	1,350,000
Term loan repayable in monthly blended principal and interest installments of \$943. Secured by general security agreement and the vehicle being financed which has a current net book value of \$33,999.	November 1, 2022	5.98%	27,757	-
Term loan repayable in monthly blended principal and interest installments of \$960. Secured by general security agreement and the vehicle being financed which has a current net book value of \$42,842.	March 1, 2024	5.72%	41,113	50,000
<b>Total bank debt &amp; financing contracts</b>			<b>\$ 6,663,909</b>	<b>\$ 6,080,988</b>

Assuming renewal on comparable terms, principal payments required on long term debt for the next five years and thereafter are as follows:

	<b>Bank debt &amp; financing contracts</b>	<b>CMHC Advances &amp; Mortgages</b>	<b>Total</b>
2021	228,304	\$ 328,949	\$ 557,253
2022	228,382	334,817	563,199
2023	217,104	340,801	557,907
2024	211,180	346,906	558,086
2025 and thereafter	350,730	4,076,735	4,427,464
	1,235,700	\$ 5,428,208	\$ 6,663,909

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, 2020

## 13. Tangible Capital Assets

	Community Buildings	Section 10 Housing	Other Band & CMHC Housing	Community Equipment	Infrastructure	Assets Under Capital Lease	Assets Under Construction	Total
<b>March 31, 2020</b>								
<b>Cost</b>								
Balance, beginning of the year	\$ 7,809,192	\$ 2,769,552	\$ 7,415,819	\$ 958,644	\$ 13,909,661	\$ 429,840	\$ 4,528,897	\$ 37,821,605
Additions	70,925	-	775,234	70,788	-	-	6,903,718	7,820,665
Disposals	-	-	-	(3,000)	(2,773,193)	-	-	(2,776,193)
<b>Balance, end of year</b>	<b>7,880,117</b>	<b>2,769,552</b>	<b>8,191,053</b>	<b>1,026,432</b>	<b>11,136,468</b>	<b>429,840</b>	<b>11,432,615</b>	<b>42,866,077</b>
<b>Accumulated amortization</b>								
Balance, beginning of year	4,350,876	2,769,552	2,825,836	796,327	2,262,994	-	-	13,005,585
Amortization	303,828	-	211,420	38,185	458,578	28,656	-	1,040,667
Reduction	-	-	-	-	(327,984)	-	-	(327,984)
<b>Balance, end of year</b>	<b>4,654,704</b>	<b>2,769,552</b>	<b>3,037,256</b>	<b>834,512</b>	<b>2,393,588</b>	<b>28,656</b>	<b>-</b>	<b>13,718,268</b>
<b>Net Book Value, end of Year</b>	<b>3,225,413</b>	<b>-</b>	<b>5,153,797</b>	<b>191,920</b>	<b>8,742,880</b>	<b>401,184</b>	<b>11,432,615</b>	<b>29,147,809</b>
<b>March 31, 2019</b>								
<b>Cost</b>								
Balance, beginning of year	7,809,192	2,769,552	7,415,819	824,360	13,909,661	-	2,943,564	35,672,148
Additions	-	-	-	134,284	-	429,840	1,585,333	2,149,457
<b>Balance, end of year</b>	<b>7,809,192</b>	<b>2,769,552</b>	<b>7,415,819</b>	<b>958,644</b>	<b>13,909,661</b>	<b>429,840</b>	<b>4,528,897</b>	<b>37,821,605</b>
<b>Accumulated amortization</b>								
Balance, beginning of year	4,049,757	2,769,552	2,614,416	758,494	1,706,608	-	-	11,898,827
Amortization	301,119	-	211,420	37,833	556,386	-	-	1,106,758
<b>Balance, end of year</b>	<b>4,350,876</b>	<b>2,769,552</b>	<b>2,825,836</b>	<b>796,327</b>	<b>2,262,994</b>	<b>-</b>	<b>-</b>	<b>13,005,585</b>
<b>Net Book Value, end of year</b>	<b>\$ 3,458,316</b>	<b>\$ -</b>	<b>\$ 4,589,983</b>	<b>\$ 162,317</b>	<b>\$ 11,646,667</b>	<b>\$ 429,840</b>	<b>\$ 4,528,897</b>	<b>\$ 24,816,020</b>

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, 2020

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## 14. Accumulated surplus

	<b>2020</b>	<b>2019</b>
Operating fund	<b>\$ 822,593</b>	\$ 2,181,679
Equity in capital assets	<b>22,164,786</b>	18,326,830
Equity in investments	<b>(732,180)</b>	(625,832)
CMHC replacement reserves	<b>170,897</b>	127,298
CMHC operating reserve	<b>116,266</b>	112,415
	<b><u>\$22,542,362</u></b>	<b><u>\$20,122,390</u></b>

- The operating fund reports on the general activities of the First Nation's administration;
- Equity in capital assets represents accumulated surplus amounts not available for operations, but rather past transactions creating capital assets that will be used to provide future services;
- Equity in investments reports on commercial business operations owned by the First Nation; and
- The CMHC reserves are replacement and operating reserves required to be funded for future housing replacements, as per agreements with CMHC.

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, 2020

## 15. Reconciliation of ISC revenue

ISC revenue consists of the following

	<b>2020</b>	<b>2019</b>
ISC - Grant	<b>\$ 680,247</b>	\$ 669,492
ISC - Set contribution	<b>87,126</b>	244,868
ISC - Flexible Contribution	<b>7,286,786</b>	3,778,230
ISC - Fixed Contribution	<b>7,327,899</b>	5,119,883
Receivable (payable) to ISC	<b>(24,563)</b>	(43,992)
	<b><u>\$ 15,357,495</u></b>	<b><u>\$ 9,768,481</u></b>

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

	<b>2020</b>	<b>2019</b>
<b>Balance received per ISC confirmation</b>	<b>\$ 15,382,057</b>	\$ 10,531,344
<b>Current year receivable (payable)</b>		
Band employee benefits	-	(2,245)
Band employee benefits, prior year	-	(15,230)
Basic needs	<b>(24,562)</b>	24,563
Governance - IM/IT	-	(21,663)
Institutional care - pool of funds not accessed	-	(10,342)
CORP - Business planning	-	(19,073)
	<b>(24,562)</b>	(43,990)
<b>Funding allocated to sectors</b>		
Specific claims settlements paid directly to sectors	-	(718,873)
	<b>(24,562)</b>	(762,863)
<b>As per statement of operations</b>	<b><u>\$ 15,357,495</u></b>	<b><u>\$ 9,768,481</u></b>

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, 2020

## 16. Expenses by object

	2020	2020	2019
	Budget	Actual	Actual
Contracted services	\$ 3,251,381	\$ 7,941,236	\$ 2,741,196
Salaries and benefits	4,101,233	5,847,337	5,348,779
Other operating expenses	88,526	2,586,915	150,137
Social assistance	1,679,687	1,995,224	2,062,729
Supplies	1,265,957	1,450,974	1,424,003
Student tuition & assistance	1,243,813	1,257,709	1,229,509
Amortization	-	1,040,667	1,106,758
Professional fees	120,760	793,049	676,015
Travel	147,932	554,035	563,828
Administrative fees	33,600	512,277	419,704
Rental and lease payments	27,010	507,538	492,767
Honorarium	855,475	415,697	364,756
Flow through to sectors	-	267,363	30,000
Member assistance	-	250,732	88,377
Utilities	168,996	237,015	230,942
Repairs and maintenance	145,008	176,249	214,167
Insurance	130,721	138,552	134,288
Bad debt expense (recovery)	-	111,328	827
Activities	90,050	89,964	69,388
CMHC interest	355,522	83,965	81,146
Long term debt interest	277,579	73,944	147,385
Interest and bank charges	18,750	28,975	53,618
<b>Total expenses before transfers</b>	<b>14,002,000</b>	<b>26,360,745</b>	17,630,319
Transfer to capital assets	-	(6,468,909)	(1,585,334)
<b>Total expenses after transfers</b>	<b>\$ 14,002,000</b>	<b>\$ 19,891,836</b>	\$ 16,044,985

## 17. Health Canada - Moveable Assets Reserve (MAR)

Health Canada funding agreements requires the First 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 First Nation has lease commitments for office equipment that require quarterly lease payments of \$2,553.

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, 2020

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### 19. Loan Guarantees

The Government of Canada has provided multiple Native Claims Program Loans to the sectors of James Smith Cree Nation. Each loan advance is secured by a promissory note made by James Smith Cree Nation. The following are the total outstanding balances of the negotiation loans as at March 31, 2020:

	<u>2020</u>
Treaty Land Entitlement Claim	\$ 142,500
Agricultural Benefits Claim - Chakastaypasin sector	227,316
IR 20 Claim - Peter Chapman sector	227,316
Surrender of IR 98 Claim - Chakastaypasin sector	193,487
De-Amalgamation (Reinstatement and Governance) - Chakastaypasin sector	187,350
De-Amalgamation (Reinstatement and Governance) - Peter Chapman sector	187,350
Residual Cumberland IR 100A Lands	40,000
	<u>\$ 1,205,319</u>

### 20. Pension Plan

The James Smith Cree Nation and eligible employees participate in 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:

	<b>2020</b>	<b>2019</b>
Employee contribution rate (percentage of salary)	5.5%-9.0%	5.0%-9.0%
Employer contribution rate (percentage of salary)	5.5%-9.0%	5.0%-9.0%

### 21. Contingent liabilities

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 First 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. None are required to be recorded at this time.

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, 2020

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## 22. Economic dependence

James Smith Cree Nation receives a significant portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada.

## 23. Canada Mortgage and Housing Corporation Reserves

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

The replacement reserve to ensure replacement of capital equipment and for major repairs to housing units, which requires an annual cash allocation of \$42,870 to the reserve. At March 31, 2020, the reserve is required to be funded to a level of \$170,897 (2019 - \$127,298). At March 31, 2020 the cash balance in the reserve is \$134,646 (2019 - \$70,952).

An operating surplus reserve established for housing units under the Post 1996 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, 2019, the reserve is required to be funded to a level of \$116,266 (2019 - \$112,415). At March 31, 2020 the cash balance in the reserves is \$271,567 (2019 - \$127,344).

## 24. Annual Surplus Net of Capital Related Revenues and Amortization

	<u>2020</u>	<u>2019</u>
Current Surplus (deficit)	<b>\$ 2,419,972</b>	\$ 1,487,187
<b>Less capital related revenues included in annual surplus:</b>		
Federal government transfers recognized	<b>(4,689,231)</b>	(1,655,334)
	<b>(2,269,259)</b>	(168,147)
Earnings from Government Business Enterprise	<b>106,348</b>	260,114
Add amortization expense included in annual surplus	<b>1,040,667</b>	1,106,758
	<b>\$ (1,122,244)</b>	\$ 1,198,725

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, 2020

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## 25. ISC funding

The First Nation (Recipient) receives funding from Indigenous Services Canada (ISC) by entering into an agreement with ISC.

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

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 ISC 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 ISC. A plan must be submitted and approved by ISC 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 ISC.
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 ISC 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 ISC.

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, 2020

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### 26. Segmented information

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

#### 1 - Indigenous Services Canada (ISC)

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.

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 ISC'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.

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, 2020

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## 26. Segmented information continued

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.

### 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.

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, 2020

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### 27. Financial Instruments

The First Nation, as part of its operations, carries a number of financial instruments which include bank balances, restricted assets, advances receivable and payable, and long term debt.

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

The First Nation is not subject to currency risk, credit risk, or other price risk. The following are the significant risks to which the First Nation is exposed:

#### a. Interest Rate Risk

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

#### b. 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 First Nation maintains a portion of its invested assets in liquid securities.

#### c. 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 First Nation is exposed is interest rate risk.

### 28. Budgeted figures

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

### 29. COVID-19

The COVID-19 outbreak in Saskatchewan has resulted in impacts to the band's operations during the fiscal year and these impacts have continued subsequent to year end. These developments resulted in additional government resources to be provided than in the previous fiscal year to accommodate for increased expenses related to the pandemic. The band continues to amend operations as needed to address government regulations related to the outbreak.

### 30. Comparative figures

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

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

# James Smith Cree Nation

## Schedule #1

### Community Development Schedule of Operations

For the Year Ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
ISC - Flexible Contribution	\$ 3,097,905	\$ 4,255,405	\$ 1,167,905
ISC - Fixed Contribution	565,032	1,688,432	620,107
Prince Albert Grand Council	156,182	156,182	164,697
Interest income	-	60,947	74,420
Other revenue	18,000	19,375	38,951
Unexpended revenue - current year	-	(1,123,400)	-
Deferred revenue - prior year	-	3,036,281	3,977,195
Deferred revenue - current year	-	(2,065,497)	(3,036,281)
	<b>3,837,119</b>	<b>6,027,725</b>	<b>3,006,994</b>
<b>Expenses</b>			
Contracted services	2,741,734	6,687,009	1,741,748
Loss on disposal of tangible capital assets	-	2,401,142	-
Amortization	-	761,056	825,448
Salaries and benefits	324,475	419,228	428,018
Supplies	297,663	299,817	384,702
Utilities	78,330	104,862	72,664
Insurance	81,500	81,500	80,930
Administrative fees	5,250	73,652	98,901
Long term debt interest	261,902	70,554	147,385
Travel	39,532	43,408	61,969
Repairs and maintenance	25,000	42,155	105,226
Interest and bank charges	-	299	9,908
Honorarium	-	-	1,250
Transfer to capital assets	-	(6,468,909)	(1,585,334)
	<b>3,855,386</b>	<b>4,515,773</b>	<b>2,372,815</b>
	-	-	-
<b>Current surplus (deficit)</b>	<b>\$ (18,267)</b>	<b>\$ 1,511,952</b>	<b>\$ 634,179</b>

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

# James Smith Cree Nation

## Schedule #2

### Economic Development Schedule of Operations

For the Year Ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Other revenue	\$ -	\$ 10,000	\$ 27,416
Receivable (payable) to ISC	-	-	(19,073)
Unexpended revenue - prior year	-	-	24,673
	-	<b>10,000</b>	<b>33,016</b>
<b>Expenses</b>			
Contracted services	-	10,327	27,000
Professional fees	-	-	5,600
Interest and bank charges	-	32	142
	-	<b>10,359</b>	<b>32,742</b>
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ (359)</b>	<b>\$ 274</b>

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

# James Smith Cree Nation

## Schedule #3

### Education

### Schedule of Operations

For the Year Ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
ISC - Fixed Contribution	\$ 4,845,162	\$ 4,837,197	\$ 3,961,199
Prince Albert Grand Council	1,053,188	1,053,188	1,030,651
Other revenue	28,980	28,980	-
ISC - Flexible Contribution	-	7,965	-
Gain on sale of capital asset	-	-	11,640
Unexpended revenue - prior year	-	28,981	43,786
Unexpended revenue - current year	-	-	(28,981)
	<b>5,927,330</b>	<b>5,956,311</b>	5,018,295
<b>Expenses</b>			
Salaries and benefits	3,030,713	3,146,434	2,606,068
Student tuition & assistance	1,243,813	1,257,709	1,229,509
Supplies	692,303	736,395	555,917
Contracted services	223,694	210,745	223,694
Activities	90,050	89,964	20,858
Travel	71,200	74,158	74,476
Repairs and maintenance	77,458	70,701	45,654
Utilities	65,666	64,083	93,198
Professional fees	26,300	26,258	6,000
Administrative fees	-	20,969	18,516
Honorarium	13,500	13,399	8,175
Rental and lease payments	27,010	10,210	10,210
Insurance	9,000	9,000	6,660
Long term debt interest	15,677	753	-
	<b>5,586,384</b>	<b>5,730,778</b>	4,898,935
<b>Current surplus (deficit)</b>	<b>\$ 340,946</b>	<b>\$ 225,533</b>	<b>\$ 119,360</b>

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

# James Smith Cree Nation

## Schedule #4

Indian Government Support  
 Schedule of Operations  
 For the Year Ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
ISC - Grant	\$ 548,942	\$ 680,247	\$ 669,492
Other revenue	87,000	104,443	237,396
ISC - Flexible Contribution	-	54,932	-
ISC - Fixed Contribution	20,625	20,625	156,139
ISC - Set contribution	54,932	-	165,402
Receivable (payable) to ISC	-	-	(17,477)
Unexpended revenue - prior year	-	54,870	-
Unexpended revenue - current year	-	(59,334)	(54,870)
	<b>711,499</b>	<b>855,783</b>	1,156,082
<b>Expenses</b>			
Salaries and benefits	355,593	326,662	452,211
Honorarium	187,200	218,819	245,006
Bad debt expense (recovery)	-	111,328	827
Professional fees	25,000	52,803	77,992
Administrative fees	-	58,281	10,051
Supplies	60,000	55,906	51,118
Utilities	25,000	32,362	22,308
Insurance	10,000	17,831	17,717
Interest and bank charges	10,000	12,325	10,175
Travel	-	300	17,251
Contracted services	-	-	35,062
Activities	-	-	43,550
Repairs and maintenance	-	-	24,056
	<b>672,793</b>	<b>886,617</b>	1,007,324
<b>Current surplus (deficit)</b>	<b>\$ 38,706</b>	<b>\$ (30,834)</b>	<b>\$ 148,758</b>

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

# James Smith Cree Nation

## Schedule #5

### Land Management Schedule of Operations

For the Year Ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
ISC - Fixed Contribution	\$ 143,534	\$ 143,535	\$ 143,534
Other revenue	-	-	15,757
Unexpended revenue - prior year	-	12,646	9,255
Unexpended revenue - current year	-	(29,624)	(12,646)
	<b>143,534</b>	<b>126,557</b>	155,900
<b>Expenses</b>			
Salaries and benefits	75,986	78,306	85,188
Travel	25,000	25,168	27,037
Supplies	33,807	15,377	12,767
Professional fees	3,000	3,000	2,700
Insurance	2,741	2,741	1,500
Honorarium	591,775	1,965	3,800
Contracted services	-	-	14,570
Utilities	-	-	7,151
	<b>732,309</b>	<b>126,557</b>	154,713
<b>Current surplus (deficit)</b>	<b>\$ (588,775)</b>	<b>\$ -</b>	<b>\$ 1,187</b>

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

# James Smith Cree Nation

## Schedule #6

### Social Development Schedule of Operations

For the Year Ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
ISC - Flexible Contribution	\$ 1,924,059	\$ 2,455,179	\$ 2,356,992
ISC - Fixed Contribution	192,897	192,897	192,605
ISC - Set contribution	87,126	87,126	57,789
Receivable (payable) to ISC	-	(24,563)	14,221
Unexpended revenue - prior year	-	32,790	40,813
Unexpended revenue - current year	-	-	(32,790)
	<b>2,204,082</b>	<b>2,743,429</b>	<b>2,629,630</b>
<b>Expenses</b>			
Basic needs	1,509,640	1,807,598	1,909,466
Salaries and benefits	244,122	139,741	122,388
Special needs	170,047	187,626	153,263
Supplies	173,847	121,671	241,250
Assisted living	87,126	76,876	49,304
Travel	11,000	10,957	13,718
Interest and bank charges	8,300	8,300	16,342
Honorarium	-	-	400
	<b>2,204,082</b>	<b>2,352,769</b>	<b>2,506,131</b>
<b>Current surplus before the undernoted</b>	<b>-</b>	<b>390,660</b>	<b>123,499</b>
<b>Transfers</b>			
Transfer to capital assets	-	(104,332)	(104,332)
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 286,328</b>	<b>\$ 19,167</b>

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

# James Smith Cree Nation

## Schedule #7

### Indian Registration Schedule of Operations

For the Year Ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
ISC - Fixed Contribution	\$ 26,881	\$ 26,881	\$ 26,299
<b>Expenses</b>			
Salaries and benefits	17,344	17,344	16,433
Supplies	8,337	8,043	8,500
Travel	1,200	1,494	1,366
	<b>26,881</b>	<b>26,881</b>	<b>26,299</b>
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

# James Smith Cree Nation

## Schedule #8

Health Programs  
 Schedule of Operations  
 For the Year Ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Health Canada	\$ -	\$ 3,492,625	\$ 3,337,168
Prince Albert Grand Council	-	462,975	367,493
Administrative Fees	-	254,572	217,451
Transfers to/from other programs	-	104,332	104,332
Other revenue	-	77,072	47,404
Interest income	-	-	7,024
Recovery of Unexpended Funds	-	(31,953)	(16,453)
	-	<b>4,359,623</b>	4,064,419
<b>Expenses</b>			
Salaries and benefits	-	1,616,551	1,611,709
Professional fees	-	644,528	577,262
Contracted services	-	587,649	538,924
Travel	-	378,819	357,611
Administrative fees	-	342,682	263,436
Supplies	-	108,167	129,621
Honorarium	-	118,514	106,125
Other operating expenses	-	108,897	100,833
Amortization	-	68,192	69,891
Repairs and maintenance	-	40,477	37,097
Utilities	-	35,707	35,621
Interest and bank charges	-	7,947	16,629
	-	<b>4,058,130</b>	3,844,759
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 301,493</b>	<b>\$ 219,660</b>

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

# James Smith Cree Nation

## Schedule #9

### Housing

### Schedule of Operations

For the Year Ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
CMHC subsidy	\$ 363,752	\$ 363,752	\$ 375,081
CMHC Rental Income	98,260	141,300	141,300
Insurance proceeds	-	101,577	-
OTJTI Program	-	38,000	-
HIIFNIY Program	-	29,400	-
Skills sponsorship	-	8,775	-
HMPI Travel	-	8,750	-
Interest income	200	340	134
RRAP	-	-	9,035
CMHC - other	-	-	42,320
Deferred revenue - prior year	-	-	419,046
	<b>462,212</b>	<b>691,894</b>	<b>986,916</b>
<b>Expenses</b>			
Amortization	-	211,420	211,420
Contracted services	-	100,000	-
CMHC interest	355,522	83,965	81,146
Salaries and benefits	-	50,072	6,766
Transfer to replacement reserve	-	43,210	42,974
Transfer to operating reserve	-	33,037	70,338
Insurance	27,480	27,480	27,480
Repairs and maintenance	42,550	22,916	2,134
Administrative fees	28,350	16,693	28,800
Travel	-	19,729	9,523
Professional fees	6,460	6,460	6,460
Interest and bank charges	450	73	98
Supplies	-	-	9,035
Transfer to CMHC reserves	-	(76,247)	(113,312)
	<b>460,812</b>	<b>538,808</b>	<b>382,862</b>
<b>Current surplus (deficit)</b>	<b>\$ 1,400</b>	<b>\$ 153,086</b>	<b>\$ 604,054</b>

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

# James Smith Cree Nation

## Schedule #10

Band Programs  
 Schedule of Operations  
 For the Year Ended March 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Revenue trust	\$ -	\$ 705,132	\$ 572,882
ISC - Flexible Contribution	246,953	513,305	253,333
ISC - Fixed Contribution	215,000	418,333	20,000
Other revenue	-	3,709	4,980
ISC - Set contribution	-	-	21,677
Receivable (payable) to ISC	-	-	(21,663)
Earnings (loss) in GBE	-	(106,348)	(260,114)
Unexpended revenue - prior year	-	83,807	51,663
Unexpended revenue - current year	-	-	(83,807)
	<b>461,953</b>	<b>1,617,938</b>	<b>558,951</b>
<b>Expenses</b>			
Lease payments to traditional land holders	-	497,328	482,557
Contracted services	285,953	345,507	160,197
Flow through to sectors	-	267,363	30,000
Member assistance	-	250,732	88,377
Supplies	-	105,596	31,094
Honorarium	63,000	63,000	-
Professional fees	60,000	60,000	-
Salaries and benefits	53,000	53,000	20,000
Long term debt interest	-	2,638	-
Interest and bank charges	-	-	325
Activities	-	-	4,980
Travel	-	-	875
	<b>461,953</b>	<b>1,645,164</b>	<b>818,405</b>
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ (27,226)</b>	<b>\$ (259,454)</b>

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