

# **James Smith Cree Nation**

## **Consolidated Financial Statements**

**March 31, 2021**

# James Smith Cree Nation

## Management's Responsibility for Financial Reporting

March 31, 2021

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). 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.

Chief and Council review and approve the financial statements for issuance to Band members. 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.

\_\_\_\_\_  
SIGNATURES ON FILE  
James Smith Cree Nation

December 14, 2021

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chakastaypasin Band of the Cree Nation

December 14, 2021

\_\_\_\_\_  
Date

\_\_\_\_\_  
Peter Chapman Band

December 14, 2021

\_\_\_\_\_  
Date

## **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, 2021, and the consolidated statements of operations and accumulated surplus, 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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the 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 Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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*

Chartered Professional Accountants

Saskatoon, SK  
December 14, 2021

# James Smith Cree Nation

## Consolidated Statement of Financial Position

March 31, 2021

	2021	2020
<b>Financial Assets</b>		
Cash	\$ 2,198,541	\$ 1,344,377
Restricted assets (Note 2)	4,159,036	2,471,690
Trust funds held by Federal Government (Note 3)	623,632	358,570
Term deposits (Note 4)	187,391	187,196
Accounts receivable (Note 5)	1,074,069	876,215
Due from related parties (Note 6)	46,694	32,930
Investment in government business enterprises (Note 7)	(1,374,409)	(732,180)
	<b>6,914,954</b>	<b>4,538,798</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 9)	331,185	913,999
Due to related parties (Note 10)	185,640	-
Deferred/Unexpended revenue (Note 11)	4,347,871	3,277,854
Obligations under capital lease (Note 12)	224,947	319,113
Long term debt (Note 13)	7,180,192	6,663,909
	<b>12,269,835</b>	<b>11,174,875</b>
<b>Net Debt</b>	<b>(5,354,882)</b>	<b>(6,636,077)</b>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 14)	33,572,322	29,147,809
Prepaid expenses	-	30,630
	<b>33,572,322</b>	<b>29,178,439</b>
<b>Accumulated Surplus (Note 15)</b>	<b>\$ 28,217,440</b>	<b>\$ 22,542,362</b>

### Commitments (Note 12)

Approved on behalf of the James Smith Cree Nation

\_\_\_\_\_, SIGNATURES ON FILES \_\_\_\_\_, James Smith Cree Nation

\_\_\_\_\_, Chakastaypasin Band of the Cree Nation

\_\_\_\_\_, Peter Chapman Band

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

# James Smith Cree Nation

## Consolidated Statement of Operations and Accumulated Surplus For the Year Ended March 31, 2021

	2021 Budget	2021	2020
<b>Revenue</b>			
Indigenous Services Canada (Note 16)	\$13,822,859	\$18,374,050	\$15,357,495
Health Canada	-	4,595,644	3,492,625
Other revenue	427,209	1,146,963	567,775
Prince Albert Grand Council	141,144	767,474	1,672,345
Revenue trust	464,651	715,062	705,132
Canada Mortgage and Housing Corporation	813,427	483,247	448,677
CMHC Rental Income	98,260	166,650	141,300
Interest income	300	21,848	61,287
Earnings (loss) in GBE	-	(642,229)	(106,348)
Unexpended revenue - prior year	-	1,212,358	213,094
Unexpended revenue - current year	-	(631,105)	(1,212,358)
Deferred revenue - prior year	-	2,065,497	3,036,281
Deferred revenue - current year	-	(3,716,766)	(2,065,497)
	<b>15,767,850</b>	<b>24,558,693</b>	<b>22,311,808</b>
<b>Expenses</b>			
Community Development (Schedule 1)	5,463,539	2,235,884	4,515,773
Economic Development (Schedule 2)	47,632	92,769	10,359
Education (Schedule 3)	3,983,977	4,289,171	5,730,778
Indian Government Support (Schedule 4)	603,874	633,056	886,617
Land Management (Schedule 5)	143,533	185,446	126,557
Social Development (Schedule 6)	2,244,568	2,408,435	2,352,769
Indian Registration (Schedule 7)	27,042	28,469	26,881
Health Programs (Schedule 8)	-	3,878,260	4,058,130
Housing (Schedule 9)	1,293,515	469,962	538,808
Band Programs (Schedule 10)	2,893,708	4,662,162	1,645,164
	<b>16,701,388</b>	<b>18,883,614</b>	<b>19,891,836</b>
<b>Current surplus (deficit)</b>	<b>(933,538)</b>	<b>5,675,079</b>	<b>2,419,972</b>
Accumulated surplus - beginning of the year	<b>22,542,362</b>	<b>22,542,362</b>	<b>20,122,390</b>
<b>Accumulated surplus - end of the year</b>	<b>\$21,608,824</b>	<b>\$28,217,440</b>	<b>\$22,542,362</b>
<b>Expense by object disclosure (Note 17)</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, 2021

	2021 Budget	2021	2020
Current surplus	\$ (933,538)	\$ 5,675,079	\$ 2,419,972
Amortization of tangible capital assets	-	1,060,818	1,040,667
Disposal of tangible capital assets	-	506,714	2,776,193
Decrease (increase) in prepaid expenses	-	30,630	(27,933)
Reduction of accumulated amortization	-	(84,974)	(327,984)
Acquisition of tangible capital assets	-	(5,907,072)	(7,820,665)
<b>Change in net debt during the year</b>	<b>(933,538)</b>	<b>1,281,195</b>	<b>(1,939,750)</b>
Net debt - Beginning of year	<b>(6,636,077)</b>	<b>(6,636,077)</b>	<b>(4,696,327)</b>
<b>Net debt - End of year</b>	<b>\$ (7,569,615)</b>	<b>\$ (5,354,882)</b>	<b>\$ (6,636,077)</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, 2021

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Current surplus	\$ 5,675,079	\$ 2,419,972
<b>Non-cash items:</b>		
Amortization	1,060,818	1,040,667
Income from investment in GBE	642,229	106,348
Loss on disposal of tangible capital assets	(29,000)	2,401,142
<b>Change in working capital items:</b>		
Change in accounts receivable	(197,854)	(189,583)
Change in accounts payable and accrued liabilities	(582,814)	583,231
Change in unexpended revenue	1,070,017	28,479
Change in prepaid expense	30,630	(27,933)
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>7,669,105</b>	<b>6,362,323</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Change in restricted assets	(1,687,346)	2,811,611
Change in trust funds held by Federal Government	(265,062)	(259,849)
Change in term deposits	(194)	(202)
Change in due to/from related parties	171,876	23,497
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(1,780,726)</b>	<b>2,575,057</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of long term debt	(565,331)	(580,062)
Proceeds from long term debt	1,081,614	1,162,984
Change in obligations under capital lease	(94,166)	(89,088)
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<b>422,117</b>	<b>493,834</b>
<b>CAPITAL ACTIVITIES:</b>		
Tangible capital asset additions	(5,907,072)	(7,820,665)
Proceeds from disposition of tangible capital assets	29,000	47,066
Assets under construction transfer	421,740	-
<b>NET CASH USED BY CAPITAL ACTIVITIES</b>	<b>(5,456,332)</b>	<b>(7,773,599)</b>
<b>Net increase in cash</b>	<b>854,164</b>	<b>1,657,615</b>
Cash (bank indebtedness) at beginning of period	1,344,377	(313,238)
<b>Cash at end of period</b>	<b>\$ 2,198,541</b>	<b>\$ 1,344,377</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, 2021

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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. Loan guarantees

The First Nation has provided promissory notes for loans issued to the following sectors: James Smith Cree Nation Band, Chakastaypasin Band of the Cree Nation, and Peter Chapman Band. And has also provided guarantees for JSCN Medical Clinic LP.

A provision for losses on the loan guarantees is recorded when it is determined that a loss is likely, and is then accounted for as a liability and in the statement of operations as an expense. If a provision is required to be recorded, the loss on the loan guarantee takes into account the principal amount outstanding, accrued and unpaid interest, amounts recoverable from the borrower and from the sale of assets pledged as security.

The provision for losses on loan guarantees is determined using the best estimates available in light of past events, current conditions, and taking into account all circumstances known at the date of preparation of the financial statements. The provision for losses on loan guarantees is reviewed on an ongoing basis, with any changes in the provision for losses being charged to expenses in the statement of operations.

As at March 31, 2021 no loss provision is determined as required on the loan guarantees.

# James Smith Cree Nation

## Notes to the Financial Statements For the Year Ended March 31, 2021

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### 1. Significant Accounting Policies continued

#### 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 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

#### d. 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.

#### e. 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.

# James Smith Cree Nation

## Notes to the Financial Statements For the Year Ended March 31, 2021

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### 1. Significant Accounting Policies continued

#### f. 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.

#### g. 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, 2021.

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, 2021, management has determined there is no liability.

# James Smith Cree Nation

## Notes to the Financial Statements For the Year Ended March 31, 2021

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### 1. Significant Accounting Policies continued

#### h. 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	25-30 years Straight line
Housing	25 years Straight line
Equipment and vehicles	4-10 years Straight line
Infrastructure	25 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.

#### i. 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.

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, 2021

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### 1. Significant Accounting Policies continued

#### j. 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.

#### k. 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."

#### l. 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.

#### m. 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.

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, 2021

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### 1. Significant Accounting Policies continued

#### n. 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.

#### o. 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.

#### p. 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.

#### q. 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, 2021

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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:

	2021	2020
<b>Restricted cash - capital projects</b>		
Lagoon	\$ 1,841,547	\$ 773,479
Flood recovery roads	1,760,939	1,140,855
Solid waste transfer station	88,692	100,000
School assessment	25,588	51,143
	<b>3,716,766</b>	<b>2,065,477</b>
<b>Restricted cash - CMHC</b>	<b>442,270</b>	<b>406,213</b>
	<b>\$ 4,159,036</b>	<b>\$ 2,471,690</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, 2021

## 3. Trust funds held by federal government

	Revenue	Capital	2021 Total	2020 Total
Surplus, beginning of year	\$ 358,091	\$ 479	\$ 358,570	\$ 98,721
Interest earned	5,391	-	5,391	1,881
Lease revenue	709,246	-	709,246	702,840
Other revenue	425	-	425	411
Withdrawals	(450,000)	-	(450,000)	(445,283)
	<b>\$ 623,153</b>	<b>\$ 479</b>	<b>\$ 623,632</b>	<b>\$ 358,570</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	2021	2020
Guaranteed investment certificate.	2.3%	2022	\$ 175,000	\$ 175,000
Guaranteed investment certificate. Assigned as security for credit card.	1.6%	2024	12,391	12,196
			<b>\$ 187,391</b>	<b>\$ 187,196</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, 2021

## 5. Accounts Receivable

Accounts receivable consist of the following:

	2021	2020
<b>Due from Government and other Government organizations</b>		
ISC	\$ 902,185	\$ 206,809
PAGC	64,500	219,773
CMHC	39,135	54,313
Health Canada	-	309,363
	<b>1,005,820</b>	<b>790,258</b>
Due from members and staff	85,967	104,043
Other receivables	70,948	87,191
	<b>1,162,735</b>	<b>981,492</b>
<b>Total before allowance</b>	<b>1,162,735</b>	<b>981,492</b>
Allowance for doubtful accounts	(88,666)	(105,277)
	<b>\$ 1,074,069</b>	<b>\$ 876,215</b>

## 6. Due 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. They are not subject to set interest nor repayment terms.

	2021	2020
Due from Peter Chapman Sector	\$ 25,712	\$ 22,912
Due from Chakastaypasin Sector	20,982	5,282
Due from James Smith Sector	-	4,736
	<b>\$ 46,694</b>	<b>\$ 32,930</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, 2021

### 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)
Other assets	<b>25,001</b>	26,001
<b>Total assets</b>	<b>25,001</b>	24,172
Liabilities	<b>1,399,431</b>	756,311
Equity	<b>(1,374,430)</b>	(732,139)
<b>Total liabilities and equity</b>	<b>25,001</b>	24,172
Revenue	<b>1,060</b>	217,665
Expenses	<b>(4,731)</b>	(211,953)
<b>Net operating income (loss)</b>	<b>(3,671)</b>	5,712
Non-operating expenses	<b>(638,622)</b>	(112,071)
<b>Net income (loss)</b>	<b>\$ (642,293)</b>	\$ (106,359)

### 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.

# James Smith Cree Nation

## Notes to the Financial Statements For the Year Ended March 31, 2021

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### 9. Accounts payable and accrued liabilities

Accounts payable consists of the following:

	2021	2020
Trade payables	\$ 200,385	\$ 747,015
Salaries and benefits	91,470	130,355
	<b>291,855</b>	<b>877,370</b>
<b>Due to Government and other Government organizations</b>		
FNIHB	34,654	31,953
ISC	4,676	4,676
	<b>\$ 331,185</b>	<b>\$ 913,999</b>

### 10. Due to 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 may require money to be transferred from the First Nation. They are not subject to set interest nor repayment terms.

	2021	2020
Due to James Smith Sector	\$ 185,640	\$ -

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, 2021

### 11. Deferred/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.

	2020 Beginning of year	Revenue recognized	Revenue deferral	2021
<b>ISC Capital funding</b>				
Lagoon expansion	\$ 773,479	\$ -	\$ 1,068,067	\$ 1,841,546
Flood road recovery	1,140,855	-	620,084	1,760,939
Waste transfer station	100,000	(11,308)	-	88,692
School assessment	51,163	(25,574)	-	25,589
<b>Total deferred ISC capital funding</b>	<b>2,065,497</b>	<b>(36,882)</b>	<b>1,688,151</b>	<b>3,716,766</b>
<b>Unexpended funding</b>				
Construction (4-5 bedroom units)	1,123,400	(880,000)	-	243,400
Wastewater systems	-	-	195,524	195,524
Water systems	-	-	76,855	76,855
Land management	29,623	-	17,443	47,066
Climate & health assessment	59,334	(19,160)	-	40,174
Summer work experience	-	-	28,086	28,086
<b>Total unexpended funding</b>	<b>1,212,357</b>	<b>(899,160)</b>	<b>317,908</b>	<b>631,105</b>
<b>Total deferred/unexpended revenue</b>	<b>\$ 3,277,854</b>	<b>\$ (936,042)</b>	<b>\$ 2,006,059</b>	<b>\$ 4,347,871</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, 2021

## 12. Obligations under capital lease

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 \$316,709.

2021	2020
\$ 212,031	\$ 291,272

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 \$55,818.

12,916	27,841
\$ 224,947	\$ 319,113

Estimated principal repayment in subsequent years:

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, 2021

### 13. Long-term debt

	Maturity date	Interest rate	2021	2020
CMHC Phase #5 - Repayable in monthly blended principal and interest installments of \$4,840, due for renewal on April 1, 2022. Government guarantee pledged as security.	April 1, 2032	1.43%	\$ 595,146	\$ 644,382
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%	1,245,939	1,320,387
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%	2,174,756	2,328,212
CMHC - Phase #8 - 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%	747,225	713,486
CMHC - Phase #9 - repayable in monthly blended principal and interest installments of \$4,944, due for renewal on Oct 1, 2025. Government guarantee pledged as security.	October 1, 2035	0.68%	823,467	421,740
CMHC - Phase 10 Advance, with interest adjustment date after year end.	July 1, 2026	1.22%	594,126	-
Finance contract payable in blended monthly payments of \$809. The loan was fully paid out in February 2021.	NA	5.84%	-	16,832
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%	950,000	1,150,000
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 \$30,599.	November 1, 2022	5.98%	17,836	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 \$38,082.	March 1, 2024	5.72%	31,697	41,113
			<b>\$ 7,180,192</b>	<b>\$ 6,663,909</b>

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

	Bank debt & financing contracts	CMHC Operating Advances & Mortgages	Total
2022	268,519	\$ 378,937	\$ 647,456
2023	265,620	377,959	643,579
2024	259,414	384,258	643,672
2025	248,990	390,680	639,670
2026	199,591	397,228	596,819
Thereafter	351,526	3,657,470	4,008,996
	<b>\$ 1,593,660</b>	<b>\$ 5,586,532</b>	<b>\$ 7,180,192</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, 2021

### 14. Tangible Capital Assets

March 31, 2021	Community Buildings	Section 10 Housing	Other Housing	Community Equipment	Infrastructure	Assets Under Capital Lease	Assets Under Construction	Total
<b>Cost</b>								
Balance, beginning of the year	\$ 7,880,117	\$ 2,769,552	\$ 8,191,053	\$ 1,026,432	\$ 11,136,468	\$ 429,840	\$ 11,432,615	\$ 42,866,077
Additions	12,182	-	860,603	236,546	-	-	4,797,741	5,907,072
Disposals	-	-	-	(84,974)	-	-	(421,740)	(506,714)
<b>Balance, end of year</b>	<b>7,892,299</b>	<b>2,769,552</b>	<b>9,051,656</b>	<b>1,178,004</b>	<b>11,136,468</b>	<b>429,840</b>	<b>15,808,616</b>	<b>48,266,435</b>
<b>Accumulated amortization</b>								
Balance, beginning of year	4,654,704	2,769,552	3,037,256	834,512	2,393,588	28,656	-	13,718,268
Amortization	306,193	-	242,429	38,082	445,458	28,656	-	1,060,818
Reduction	-	-	-	(84,974)	-	-	-	(84,974)
<b>Balance, end of year</b>	<b>4,960,897</b>	<b>2,769,552</b>	<b>3,279,685</b>	<b>787,620</b>	<b>2,839,046</b>	<b>57,312</b>	<b>-</b>	<b>14,694,112</b>
<b>Net Book Value, end of Year</b>	<b>2,931,402</b>	<b>-</b>	<b>5,771,971</b>	<b>390,384</b>	<b>8,297,422</b>	<b>372,528</b>	<b>15,808,616</b>	<b>33,572,322</b>
<b>March 31, 2020</b>								
<b>Cost</b>								
Balance, beginning of 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>

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, 2021

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## 15. Accumulated surplus

	2021	2020
Operating fund	\$ 3,046,034	\$ 822,593
Equity in capital assets	26,167,183	22,164,786
Equity in investments	(1,374,409)	(732,180)
CMHC replacement reserve	202,225	170,897
CMHC operating reserve	176,407	116,266
	<b>\$28,217,440</b>	<b>\$22,542,362</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, 2021

## 16. Reconciliation of ISC revenue

ISC revenue consists of the following:

	2021	2020
ISC - Flexible Contribution	\$ 12,203,411	\$ 7,286,786
ISC - Fixed Contribution	5,439,382	7,327,899
ISC - Grant	680,247	680,247
ISC - Set contribution	57,789	87,126
Receivable (payable) to ISC	(6,779)	(24,563)
	<b>\$ 18,374,050</b>	<b>\$ 15,357,495</b>

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

	2021	2020
<b>Balance received per ISC confirmation</b>	<b>\$ 18,380,829</b>	<b>\$ 15,382,057</b>
<b>Current year receivable (payable)</b>		
Basic needs	-	(24,562)
Institutional care	(6,779)	-
<b>As per statement of operations</b>	<b>\$ 18,374,050</b>	<b>\$ 15,357,495</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, 2021

### 17. Expenses by object

	2021	2021	2020
	Budget	Actual	Actual
Contracted services	\$ 5,279,773	\$ 5,207,848	\$ 7,941,236
Salaries and benefits	3,160,943	4,357,043	5,847,337
COVID 19 Expenses	2,116,535	3,460,956	105,596
Social assistance	1,761,009	2,074,264	1,995,224
Student tuition & assistance	1,054,734	1,394,065	1,257,709
Supplies	889,754	1,097,449	1,345,377
Amortization	-	1,060,818	1,040,667
Flow through to East Central Education Authority	-	727,229	-
Professional fees	60,760	588,206	793,049
Rental and lease payments	27,010	527,573	507,538
Travel	141,034	511,427	554,036
Administrative fees	35,350	440,813	512,277
Member assistance	225,978	374,338	250,732
Honorarium	203,700	298,254	415,697
Utilities	121,894	227,937	237,015
Insurance	135,541	198,015	138,552
Other operating expenses	64,289	171,670	2,586,915
Repairs and maintenance	115,481	167,390	176,249
CMHC interest	403,506	90,424	83,965
Long term debt interest	795,271	61,165	73,944
Interest and bank charges	15,550	32,292	28,975
Flow through to sectors	-	25,000	267,363
Activities	93,276	9,664	89,964
Bad debt expense (recovery)	-	(16,611)	111,328
<b>Total expenses before transfers</b>	<b>16,701,388</b>	<b>23,087,229</b>	<b>26,360,745</b>
Transfer to capital assets	-	(4,203,615)	(6,468,909)
<b>Total expenses after transfers</b>	<b>\$ 16,701,388</b>	<b>\$ 18,883,614</b>	<b>\$ 19,891,836</b>

### 18. 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.

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, 2021

### 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. As losses on the loan guarantees are not considered to be likely, no provision for losses has been recorded within the liabilities of the financial statements.

The following are the total outstanding balances of the negotiation loans as at March 31, 2021:

	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>2021</b>	<b>2020</b>
Surrender of IR 98 Claim - Chakastaypasin sector. Secured by promissory note.	Negotiation settlement date	0%	\$ 568,568	\$ 193,487
Agricultural Benefits Claim - Chakastaypasin sector. Secured by promissory note.	Negotiation settlement date	0%	421,248	227,316
IR 20 Claim - Peter Chapman sector. Secured by promissory note.	Negotiation settlement date	0%	421,248	227,316
Treaty Land Entitlement Claim. Secured by promissory note.	Negotiation settlement date	0%	392,592	142,500
De-Amalgamation (Reinstatement and Governance) - Chakastaypasin sector. Secured by promissory note.	Negotiation settlement date	0%	381,616	187,350
De-Amalgamation (Reinstatement and Governance) - Peter Chapman sector. Secured by promissory note.	Negotiation settlement date	0%	381,616	187,350
De-Amalgamation (Reinstatement and Governance) - James Smith sector. Secured by promissory note.	Negotiation settlement date	0%	194,742	-
Residual Cumberland IR 100A Lands. Secured by promissory note.	Negotiation settlement date	0%	40,000	40,000
			<b>\$ 2,801,630</b>	<b>\$ 1,205,319</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, 2021

### 19. Loan Guarantees continued

The Royal Bank of Canada (RBC) has provided multiple term loans to the James Smith Sector of James Smith Cree Nation. Each loan advance is secured by insurance policies and statutory declarations (including by James Smith Cree Nation). As losses on the loan guarantees are not considered to be likely, no provision for losses has been recorded within the liabilities of the financial statements.

The following are the total outstanding balances of the RBC loans as at March 31, 2021:

	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>2021</b>	<b>2020</b>
Treaty Benefit loan. Approved for credit of \$4,482,240. Payments are interest only compounded quarterly. Secured by insurance policy and statutory declaration.	Earlier of receipt of settlement funds and maturity date (Apr 2024).	Prime + 0.50%	<b>\$ 2,081,530</b>	\$ 1,945,915
Amalgamation Claim loan. Approved for credit of \$2,988,160. Payments are interest only compounded quarterly. Secured by insurance policy and statutory declaration.	Earlier of receipt of settlement funds and maturity date (Apr 2024).	Prime + 0.75%	<b>2,773,094</b>	2,320,400
TLE Claim loan. Approved for credit of \$4,855,760. Payments are interest only compounded quarterly. Secured by insurance policy and statutory declaration.	Earlier of receipt of settlement funds and maturity date (Apr 2024).	Prime + 0.50%	<b>2,596,591</b>	2,007,290
			<b><u>\$ 7,451,215</u></b>	<b><u>\$ 6,273,605</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, 2021

### 19. Loan Guarantees continued

The Bank of Montreal (BMO) has provided multiple term loans to the JSCN Medical Clinic LP. Each loan advance is secured by a corporate guarantee from James Smith Cree Nation. As losses on the loan guarantees are not considered to be likely, no provision for losses has been recorded within the liabilities of the financial statements.

The following are the total outstanding balances of the BMO loans as at March 31, 2021:

	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>2021</b>	<b>2020</b>
Bank loan with BMO, repayable at \$22,699 per month including interest. Secured by general security agreement, and guarantees from James Smith Cree Nation and 4 other parties.	Maximum amortization term of 120 months	Prime + 1.5%	<b>\$ 2,091,936</b>	<b>\$ -</b>
Bank loan with BMO, repayable at \$15,802 per month including interest. Secured by general security agreement, and guarantees from James Smith Cree Nation and 4 other parties.	Maximum amortization term of 120 months	Prime + 1.5%	<b>1,456,327</b>	<b>-</b>
Bank loan with BMO, repayable at \$6,877 per month including interest. Secured by general security agreement, and guarantees from James Smith Cree Nation and 4 other parties.	Maximum amortization term of 120 months	Prime + 1.5%	<b>638,532</b>	<b>-</b>
Bank loan with BMO, repayable at \$3,873 per month including interest. Secured by general security agreement, and guarantees from James Smith Cree Nation and 4 other parties.	Maximum amortization term of 120 months	Prime + 1.5%	<b>364,992</b>	<b>-</b>
			<b>\$ 4,551,787</b>	<b>\$ -</b>

### 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>2021</b>	<b>2020</b>
Employee contribution rate (percentage of salary)	5.5%-9.0%	5.5%-9.0%
Employer contribution rate (percentage of salary)	5.5%-9.0%	5.5%-9.0%

The pension remittance expenses totaled \$127,312 for the 2021 fiscal year.

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, 2021

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### 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.

### 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 required an annual cash allocation of \$51,070 to the reserve. At March 31, 2021, the reserve is required to be funded to a level of \$202,225 (2020 - \$170,897). At March 31, 2021 the cash balance in the reserve is \$138,382 (2020 - \$134,646).

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, 2021, the reserve is required to be funded to a level of \$176,407 (2020 - \$116,266). At March 31, 2021 the cash balance in the reserves is \$303,888 (2020 - \$271,567).

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

	2021	2020
Current Surplus (deficit)	\$ 5,675,079	\$ 2,419,972
<b>Less capital related revenues included in annual surplus:</b>		
Federal government transfers recognized	(3,011,783)	(4,689,231)
	<b>2,663,296</b>	(2,269,259)
Add amortization expense included in annual surplus	<b>1,060,818</b>	1,040,667
Loss from Government Business Enterprise	<b>642,229</b>	106,348
	<b>\$ 4,366,343</b>	<b>\$ (1,122,244)</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, 2021

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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.

# James Smith Cree Nation

## Notes to the Financial Statements For the Year Ended March 31, 2021

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### 26. Segmented information

As previously discussed in note 1 (j) 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, 2021

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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.

# James Smith Cree Nation

## Notes to the Financial Statements For the Year Ended March 31, 2021

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### 27. Financial Instruments

The First Nation, as part of its operations, carries a number of 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.

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 years 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, 2021

	2021 Budget	2021 Actual	2020 Actual
<b>Revenue</b>			
ISC - Flexible Contribution	\$ 4,750,671	\$ 5,297,905	\$ 4,255,405
ISC - Fixed Contribution	565,032	993,232	1,688,432
Other revenue	18,000	172,952	19,375
Prince Albert Grand Council	141,144	141,144	156,182
Interest income	-	21,423	60,947
Unexpended revenue - prior year	-	1,123,400	-
Unexpended revenue - current year	-	(515,779)	(1,123,400)
Deferred revenue - prior year	-	2,065,497	3,036,281
Deferred revenue - current year	-	(3,716,766)	(2,065,497)
	<b>5,474,847</b>	<b>5,583,008</b>	<b>6,027,725</b>
<b>Expenses</b>			
Contracted services	4,341,234	4,447,589	6,687,009
Amortization	-	750,736	761,056
Salaries and benefits	342,159	470,744	419,228
Supplies	296,799	337,413	299,817
Utilities	74,399	103,922	104,862
Insurance	81,500	81,500	81,500
Administrative fees	7,000	70,564	73,652
Repairs and maintenance	28,931	69,077	42,155
Long term debt interest	261,902	59,056	70,554
Travel	29,615	44,796	43,408
Rental and lease payments	-	3,480	-
Interest and bank charges	-	622	299
Loss (Gain) on disposal of tangible capital assets	-	-	2,401,142
Transfer to capital assets	-	(4,203,615)	(6,468,909)
	<b>5,463,539</b>	<b>2,235,884</b>	<b>4,515,773</b>
<b>Current surplus (deficit)</b>	<b>\$ 11,308</b>	<b>\$ 3,347,124</b>	<b>\$ 1,511,952</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, 2021

	2021 Budget	2021 Actual	2020 Actual
<b>Revenue</b>			
Other revenue	\$ 47,632	\$ 135,914	\$ 10,000
<b>Expenses</b>			
Contracted services	47,632	92,446	10,327
Interest and bank charges	-	323	32
	<b>47,632</b>	<b>92,769</b>	10,359
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 43,145</b>	<b>\$ (359)</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, 2021

	2021 Budget	2021 Actual	2020 Actual
<b>Revenue</b>			
ISC - Fixed Contribution	\$ 3,371,604	\$ 3,717,385	\$ 4,837,197
Other revenue	346,557	297,247	28,982
ISC - Flexible Contribution	-	-	7,965
Prince Albert Grand Council	-	-	1,053,188
Unexpended revenue - prior year	-	-	28,981
Unexpended revenue - current year	-	(28,086)	-
	<b>3,718,161</b>	<b>3,986,546</b>	<b>5,956,313</b>
<b>Expenses</b>			
Salaries and benefits	2,243,093	1,510,881	3,146,434
Student tuition & assistance	1,054,734	1,394,065	1,257,709
Flow through to East Central Education Authority	-	727,229	-
Supplies	296,567	338,601	736,395
Contracted services	102,908	115,604	210,745
Repairs and maintenance	42,500	64,915	70,701
Utilities	22,495	50,271	64,083
Travel	59,219	41,759	74,158
Administrative fees	-	22,738	20,969
Activities	90,050	6,437	89,964
Professional fees	26,300	6,300	26,258
Insurance	5,600	5,600	9,000
Honorarium	13,500	3,500	13,399
Rental and lease payments	27,010	1,271	10,210
Long term debt interest	-	-	753
	<b>3,983,976</b>	<b>4,289,171</b>	<b>5,730,778</b>
<b>Current surplus (deficit)</b>	<b>\$ (265,815)</b>	<b>\$ (302,625)</b>	<b>\$ 225,535</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, 2021

	2021 Budget	2021 Actual	2020 Actual
<b>Revenue</b>			
ISC - Grant	\$ 548,942	\$ 680,247	\$ 680,247
Other revenue	-	81,932	104,443
ISC - Flexible Contribution	-	54,932	54,932
ISC - Fixed Contribution	-	-	20,625
ISC - Set contribution	54,932	-	-
Unexpended revenue - prior year	-	59,334	54,870
Unexpended revenue - current year	-	(40,174)	(59,334)
	<b>603,874</b>	<b>836,271</b>	<b>855,783</b>
<b>Expenses</b>			
Salaries and benefits	261,674	256,385	326,662
Supplies	60,000	97,078	55,906
Honorarium	187,200	73,476	218,819
Professional fees	25,000	67,478	52,803
Insurance	10,000	61,857	17,831
Utilities	25,000	36,630	32,362
Contracted services	5,000	23,468	-
Travel	20,000	19,642	300
Interest and bank charges	10,000	13,653	12,325
Administrative fees	-	-	58,281
Bad debt expense (recovery)	-	(16,611)	111,328
	<b>603,874</b>	<b>633,056</b>	<b>886,617</b>
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 203,215</b>	<b>\$ (30,834)</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, 2021

	2021 Budget	2021 Actual	2020 Actual
<b>Revenue</b>			
ISC - Fixed Contribution	\$ 143,533	\$ 202,888	\$ 143,534
Unexpended revenue - prior year	-	29,624	12,647
Unexpended revenue - current year	-	(47,066)	(29,624)
	<b>143,533</b>	<b>185,446</b>	<b>126,557</b>
<b>Expenses</b>			
Salaries and benefits	75,986	87,622	78,306
Supplies	33,806	47,578	15,377
Flow through to sectors	-	25,000	-
Travel	25,000	20,930	25,168
Insurance	2,741	2,316	2,741
Honorarium	3,000	2,000	1,965
Professional fees	3,000	-	3,000
	<b>143,533</b>	<b>185,446</b>	<b>126,557</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 #6

### Social Development Schedule of Operations

For the Year Ended March 31, 2021

	2021 Budget	2021 Actual	2020 Actual
<b>Revenue</b>			
ISC - Flexible Contribution	\$ 2,040,391	\$ 3,283,279	\$ 2,455,179
ISC - Fixed Contribution	146,388	321,252	192,897
ISC - Set contribution	57,789	57,789	87,126
Receivable (payable) to ISC	-	(6,779)	(24,563)
Unexpended revenue - prior year	-	-	32,790
	<b>2,244,568</b>	<b>3,655,541</b>	<b>2,743,429</b>
<b>Expenses</b>			
Basic needs	1,623,050	1,510,616	1,807,598
Special needs	137,959	563,648	187,626
Salaries and benefits	220,686	136,381	139,741
Assisted living	57,789	75,589	76,876
Supplies	194,084	65,796	121,671
Travel	6,000	45,582	10,957
Interest and bank charges	5,000	10,823	8,300
	<b>2,244,568</b>	<b>2,408,435</b>	<b>2,352,769</b>
<b>Current surplus before the undernoted</b>	-	1,247,106	390,660
<b>Transfers</b>			
Transfer to other programs	-	(108,332)	(104,332)
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 1,138,774</b>	<b>\$ 286,328</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, 2021

	2021 Budget	2021 Actual	2020 Actual
<b>Revenue</b>			
ISC - Fixed Contribution	\$ 27,042	\$ 27,042	\$ 26,881
<b>Expenses</b>			
Salaries and benefits	17,344	20,626	17,344
Supplies	8,498	7,843	8,043
Travel	1,200	-	1,494
	<b>27,042</b>	<b>28,469</b>	<b>26,881</b>
<b>Current surplus (deficit)</b>	<b>\$ -</b>	<b>\$ (1,427)</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, 2021

	2021 Budget	2021 Actual	2020 Actual
<b>Revenue</b>			
Health Canada	\$ -	\$ 4,354,412	\$ 3,492,625
Prince Albert Grand Council	-	626,330	462,975
Administrative Fees	-	291,750	254,572
Other revenue	-	114,475	77,072
Recovery of Unexpended Funds	-	(2,701)	(31,953)
	-	5,384,266	4,255,291
<b>Expenses</b>			
Salaries and benefits	-	1,737,003	1,616,551
Professional fees	-	504,928	644,528
Contracted services	-	473,269	587,649
Travel	-	337,995	378,819
Administrative fees	-	312,111	342,682
Supplies	-	184,228	108,167
Honorarium	-	95,452	118,514
Other operating expenses	-	90,981	108,897
Amortization	-	67,653	68,192
Utilities	-	37,114	35,707
Repairs and maintenance	-	30,917	40,477
Interest and bank charges	-	6,609	7,947
	-	3,878,260	4,058,130
<b>Current surplus before the undernoted</b>	-	1,506,006	197,161
<b>Transfers</b>			
Transfers from other programs	-	108,332	104,332
<b>Current surplus (deficit)</b>	\$ -	\$ 1,614,338	\$ 301,493

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, 2021

	2021 Budget	2021 Actual	2020 Actual
<b>Revenue</b>			
CMHC subsidy	\$ 813,427	\$ 439,272	\$ 363,752
CMHC Rental Income	98,260	166,650	141,300
RRAP	-	37,675	-
HIIFNIY Program	-	6,300	29,400
Interest income	300	426	339
Insurance proceeds	-	-	101,577
OTJTI Program	-	-	38,000
Skills sponsorship	-	-	8,775
HMPI Travel	-	-	8,750
	<b>911,987</b>	<b>650,323</b>	<b>691,893</b>
<b>Expenses</b>			
Amortization	-	242,429	211,420
CMHC interest	403,506	90,424	83,965
Transfer to replacement reserve	-	51,496	43,210
Insurance	35,700	46,742	27,480
Transfer to operating reserve	-	42,505	33,037
Administrative fees	28,350	35,400	16,693
Salaries and benefits	-	27,645	50,072
Supplies	-	15,312	-
Professional fees	6,460	9,500	6,460
Repairs and maintenance	42,550	982	22,916
Travel	-	721	19,729
Contracted services	774,999	670	100,000
Interest and bank charges	550	137	73
Transfer to CMHC reserves	-	(94,001)	(76,247)
	<b>1,292,115</b>	<b>469,962</b>	<b>538,808</b>
<b>Current surplus (deficit)</b>	<b>\$ (380,128)</b>	<b>\$ 180,361</b>	<b>\$ 153,085</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, 2021

	2021 Budget	2021 Actual	2020 Actual
<b>Revenue</b>			
ISC - Flexible Contribution	\$ 2,116,535	\$ 3,567,295	\$ 513,305
Revenue trust	464,651	715,062	705,132
Health Canada	-	241,232	-
ISC - Fixed Contribution	-	177,584	418,333
Other revenue	15,020	55,393	3,709
Earnings (loss) in GBE	-	(642,229)	(106,348)
Unexpended revenue - prior year	-	-	83,807
	<b>2,596,206</b>	<b>4,114,337</b>	<b>1,617,938</b>
<b>Expenses</b>			
COVID 19 Expenses	2,116,535	3,460,956	105,596
Lease payments to traditional land holders	-	522,822	497,328
Member assistance	225,978	374,338	250,732
Honorarium	-	123,827	63,000
Salaries and benefits	-	109,755	53,000
Contracted services	8,000	54,803	345,507
Other operating expenses	5,100	5,100	-
Supplies	-	3,600	-
Activities	3,226	3,226	-
Long term debt interest	533,369	2,109	2,638
Repairs and maintenance	1,500	1,500	-
Interest and bank charges	-	126	-
Flow through to sectors	-	-	267,363
Professional fees	-	-	60,000
	<b>2,893,708</b>	<b>4,662,162</b>	<b>1,645,164</b>
<b>Current surplus (deficit)</b>	<b>\$ (297,502)</b>	<b>\$ (547,825)</b>	<b>\$ (27,226)</b>

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