

James Smith Cree Nation

Consolidated Financial Statements

March 31, 2022

James Smith Cree Nation

Management's Responsibility for Financial Reporting

March 31, 2022

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.

Signature on file

James Smith Cree Nation

December 20, 2022

Date

Signature on file

Chakastaypasin Band of the Cree Nation

December 20, 2022

Date

Signature on file

Peter Chapman Band

December 20, 2022

Date



McClelland Debusschere

Chartered Professional Accountants

Assurance Tax Advisory

Independent Auditor's Report

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 statement of financial position as at March 31, 2022, 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, 2022, 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

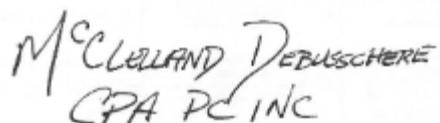
Chartered Professional Accountants
Assurance Tax Advisory

Independent Auditor's Report

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 P.C. Inc.

Saskatoon, SK
December 20, 2022

Chartered Professional Accountants

James Smith Cree Nation

Consolidated Statement of Financial Position

March 31, 2022

	2022	2021
Financial Assets		
Cash	\$ 5,293,690	\$ 2,198,541
Restricted assets (Note 2)	3,564,354	4,159,036
Trust funds held by Federal Government (Note 3)	1,272,957	623,632
Term deposits (Note 4)	1,203,693	187,391
Accounts receivable (Note 5)	1,864,236	1,074,069
Due from related parties (Note 6)	203,856	46,694
	13,402,786	8,289,363
Liabilities		
Accounts payable and accrued liabilities (Note 8)	350,684	331,185
Due to related parties (Note 9)	-	185,640
Deferred/Unexpended revenue (Note 10)	7,119,360	4,347,871
Obligations under capital lease (Note 11)	-	224,947
Long term debt (Note 12)	7,318,173	7,180,192
Loss in government business enterprises (Note 13)	2,733,005	1,374,409
	17,521,222	13,644,244
Net Debt	(4,118,437)	(5,354,881)
Non-financial Assets		
Tangible capital assets (Note 14)	35,981,814	33,572,322
Prepaid expenses	600	-
	35,982,414	33,572,322
Accumulated Surplus (Note 15)	\$ 31,863,977	\$ 28,217,441
Commitments (Note 11)		

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 and Accumulated Surplus For the Year Ended March 31, 2022

	2022 Budget	2022	2021
Revenue			
Indigenous Services Canada (Note 16)	\$ 7,736,450	\$ 16,934,852	\$18,374,050
Health Canada	-	5,491,101	4,595,644
Prince Albert Grand Council	141,144	1,183,808	767,474
Other revenue	52,000	1,095,052	1,146,963
Revenue trust	-	649,325	715,062
Canada Mortgage and Housing Corporation	-	528,549	483,247
CMHC Rental Income	-	188,100	166,650
Interest income	-	3,856	21,849
Earnings (loss) in GBE	-	(1,358,596)	(642,229)
Recognition (deferral) of unexpended funding	-	(2,771,489)	(1,070,017)
	7,929,594	21,944,558	24,558,693
Expenses			
Community Development (Schedule 1)	2,826,274	2,941,955	2,235,884
Economic Development (Schedule 2)	-	517,881	92,769
Education (Schedule 3)	1,688,003	1,895,869	4,289,171
Indian Government Support (Schedule 4)	686,579	667,344	633,056
Land Management (Schedule 5)	143,533	220,599	185,446
Social Development (Schedule 6)	2,354,830	2,330,652	2,408,435
Indian Registration (Schedule 7)	27,042	29,446	28,469
Health Programs (Schedule 8)	-	5,721,959	3,878,260
Housing (Schedule 9)	-	546,631	469,962
Band Programs (Schedule 10)	203,333	3,425,687	4,662,162
	7,929,594	18,298,023	18,883,614
Current surplus			
Accumulated surplus - beginning of the year	-	3,646,535	5,675,079
Accumulated surplus - end of the year	28,217,441	28,217,441	22,542,362
Expense by object disclosure (Note 17)	\$ 28,217,441	\$ 31,863,977	\$28,217,441

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, 2022

	2022 Budget	2022	2021
Current surplus	\$ -	\$ 3,646,535	\$ 5,675,079
Amortization of tangible capital assets	-	1,104,560	1,060,818
Disposal of tangible capital assets	-	1,394,412	506,714
Decrease (increase) in prepaid expenses	-	(600)	30,630
Reduction of accumulated amortization	-	(49,327)	(84,974)
Acquisition of tangible capital assets	-	(4,859,136)	(5,907,072)
Change in net debt during the year	-	1,236,444	1,281,195
Net debt - Beginning of year	(5,345,881)	(5,354,881)	(6,636,076)
Net debt - End of year	<u>\$ (5,345,881)</u>	<u>\$ (4,118,437)</u>	<u>\$ (5,354,881)</u>

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, 2022

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Current surplus	\$ 3,646,476	\$ 5,675,079
Non-cash items:		
Amortization	1,104,560	1,060,818
Income from investment in GBE	1,358,596	642,229
Loss on disposal of tangible capital assets	305,927	(29,000)
Change in working capital items:		
Accounts receivable	(790,169)	(197,853)
Accounts payable	19,499	(582,814)
Unexpended revenue	2,771,489	1,070,017
Prepaid expense	(600)	30,630
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	8,415,778	7,669,106
CASH FLOWS FROM INVESTING ACTIVITIES:		
Restricted assets	594,682	(1,687,346)
Trust funds held by Federal Government	(649,325)	(265,062)
Term deposits	(1,016,300)	(195)
Due to/from related parties	(342,802)	171,876
NET CASH USED BY INVESTING ACTIVITIES	(1,413,745)	(1,780,727)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long term debt	(610,650)	(565,331)
Proceeds from long term debt	748,632	1,081,614
Obligations under capital lease	(224,947)	(94,166)
NET CASH USED BY FINANCING ACTIVITIES	(86,965)	422,117
CAPITAL ACTIVITIES:		
Tangible capital asset additions	(4,859,136)	(5,907,072)
Proceeds from disposition of tangible capital assets	(305,927)	29,000
Assets under construction and assets under lease transfer	1,345,084	421,740
NET CASH USED BY CAPITAL ACTIVITIES	(3,819,979)	(5,456,332)
Net increase in cash	3,095,089	854,164
Cash at beginning of period	2,198,541	1,344,377
Cash at end of period	\$ 5,293,630	\$ 2,198,541

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, 2022

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 JSCH 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, 2022 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, 2022

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, 2022

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, 2022.

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, 2022, management has determined there is no liability.

James Smith Cree Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

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.

James Smith Cree Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

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.

James Smith Cree Nation

Notes to the Financial Statements

For the Year Ended March 31, 2022

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, 2022

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:

	2022	2021
Restricted cash - capital projects		
School assessment	\$ 1,869,867	\$ 25,589
Flood recovery roads	946,166	1,760,939
Lagoon	295,181	1,841,547
Solid waste transfer station	44,569	88,691
	3,155,783	3,716,766
Restricted cash - CMHC	408,571	442,270
	\$ 3,564,354	\$ 4,159,036

James Smith Cree Nation

Notes to the Financial Statements

For the Year Ended March 31, 2022

3. Trust funds held by federal government

	Revenue	Capital	2022 Total	2021 Total
Surplus, beginning of year	\$ 623,153	\$ 479	\$ 623,632	\$ 358,570
Lease revenue	628,106	-	628,106	709,246
Interest earned	20,794	-	20,794	5,391
Other revenue	425	-	425	425
Withdrawals	-	-	-	(450,000)
	\$ 1,272,478	\$ 479	\$ 1,272,957	\$ 623,632

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	2022	2021
Guaranteed investment certificate. Assigned as security for credit card.	1.6%	2024	\$ 1,028,693	\$ 12,391
Guaranteed investment certificate.	2.3%	2022	175,000	175,000
			\$ 1,203,693	\$ 187,391

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, 2022

5. Accounts Receivable

Accounts receivable consist of the following:

	2022	2021
Due from Government and other Government organizations		
ISC	\$ 1,434,059	\$ 902,185
PAGC	323,223	64,500
CMHC	43,979	39,135
	1,801,261	1,005,820
Due from members and staff	90,566	85,967
Other receivables	67,440	70,948
	1,959,267	1,162,735
Total before allowance	(95,031)	(88,666)
	\$ 1,864,236	\$ 1,074,069

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.

	2022	2021
Due from Chakastaypasin Sector	\$ 100,000	\$ 20,982
Due from Peter Chapman Sector	70,000	25,712
Due from James Smith Sector	33,856	-
	\$ 203,856	\$ 46,694

7. 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, 2022

8. Accounts payable and accrued liabilities

Accounts payable consists of the following:

	2022	2021
Trade payables	\$ 186,217	\$ 200,385
Salaries and benefits	122,866	91,470
Other accrued liabilities	(1,200)	-
	307,883	291,855
Due to Government and other Government organizations		
FNIHB	34,654	34,654
ISC	8,147	4,676
	\$ 350,684	\$ 331,185

9. 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.

	2022	2021
Due to James Smith Sector	\$ -	\$ 185,640

James Smith Cree Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

10. 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.

	2021 Beginning of year	Contributions received	Amount recognized	2022
ISC Capital funding				
School assessment	\$ 25,589	\$ 1,850,000	\$ (5,723)	\$ 1,869,866
Flood road recovery	1,760,939	-	(814,773)	946,166
Lagoon expansion	1,841,546	-	(1,546,365)	295,181
Peonan Creek	-	200,000	-	200,000
Subdivision 4	-	100,000	-	100,000
Waste transfer station	88,692	-	(44,123)	44,569
	3,716,766	2,150,000	(2,410,984)	3,455,782
Unexpended funding				
Basic Needs	-	2,801,444	(1,765,455)	1,035,989
Construction (Immediate Needs)	-	809,265	-	809,265
Roads & Bridges	-	1,127,209	(497,502)	629,707
Construction (4-5 bedroom units)	243,400	-	-	243,400
Water systems	76,855	543,982	(386,969)	233,868
Social Assistance Employment & Training	-	238,105	(22,248)	215,857
Capacity Building	-	308,000	(98,397)	209,603
Wastewater systems	195,524	182,881	(197,985)	180,420
Service Delivery	-	318,810	(258,036)	60,774
Post Secondary	-	1,609,355	(1,564,660)	44,695
Land management	47,066	173,533	(220,599)	-
Climate & health assessment	40,174	-	(40,174)	-
Summer work experience	28,086	61,212	(89,298)	-
	631,105	8,173,796	(5,141,323)	3,663,578
	\$4,347,871	\$ 10,323,796	\$ (7,552,307)	\$ 7,119,360

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, 2022

11. Obligations under capital lease

	2022	2021
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 First Nation chose to buy-out in 2022. The interest rate is nil, the obligation is secured by the leased equipment which has a net book value of \$292,348.	\$ -	\$ 212,031
Lease with CWB National Leasing - ended during 2022 fiscal year.	- -	12,916
	<hr/>	<hr/>
	\$ -	\$ 224,947

James Smith Cree Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

12. Long-term debt

	Maturity date	Interest rate	2022	2021
CMHC Phase #5 - Repayable in monthly blended principal and interest installments of \$4,810, due for renewal on Oct 1, 2022. Government guarantee pledged as security.	April 1, 2032	1.3%	\$ 545,224	\$ 595,146
CMHC Phase #6 - Repayable in monthly blended principal and interest installments of \$7,638, due for renewal on Nov 1, 2026. Government guarantee pledged as security.	May 1, 2036	1.51%	1,168,640	1,245,939
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%	2,017,705	2,174,756
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%	711,452	747,225
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.	Oct 1, 2035	0.68%	769,567	823,467
CMHC - Phase #10 - repayable in monthly blended principal and interest installments of \$4,517, due for renewal on July 1, 2026. Government guarantee pledged as security.	July 1, 2036	1.22%	712,653	594,126
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%	750,000	950,000
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 \$27,199.	Nov 1, 2022	5.98%	7,305	17,836
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 \$33,322.	Mar 1, 2024	5.72%	21,728	31,697
Contract with Brandt Finance payable with 60 monthly payments of \$9,776. Secured by the financed Grader which has a net book value of \$499,092.	Mar 1, 2027	6.75%	492,123	-
Contract with Brandt Finance payable with 48 monthly payments of \$2,997. Secured by Loader and Tractor which has a net book value of \$124,000.	Mar 1, 2026	7.48%	121,776	-
			\$ 7,318,173	\$ 7,180,192

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, 2022

12. Long-term debt continued

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
2023	\$ 339,848	\$ 429,963	\$ 769,811
2024	334,273	429,381	763,654
2025	332,071	436,519	768,590
2026	288,521	443,794	732,315
2027	98,220	451,209	549,429
Thereafter	-	3,734,374	3,734,374
	<u>\$ 1,392,933</u>	<u>\$ 5,925,240</u>	<u>\$ 7,318,173</u>

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, 2022

13. Loss 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.

	December 31, 2021	December 31, 2020
Fort a La Corne Ventures LP		
Assets	<u>\$ 25,000</u>	<u>\$ 25,001</u>
Liabilities	<u>2,742,662</u>	<u>1,399,431</u>
Equity	<u>(2,717,662)</u>	<u>(1,374,430)</u>
	<u>25,000</u>	<u>25,001</u>
Revenue	-	1,060
Expenses	<u>(4,114)</u>	<u>(4,731)</u>
Net operating income (loss)	<u>(4,114)</u>	<u>(3,671)</u>
Non-operating expenses	<u>(1,354,618)</u>	<u>(638,622)</u>
Net loss	<u>\$ (1,358,732)</u>	<u>\$ (642,293)</u>

The First Nation's government business enterprise consist of the following:

	2022	2021
Balance, beginning of the year	<u>\$ (1,374,409)</u>	<u>\$ (732,180)</u>
Share of earnings	<u>(1,358,596)</u>	<u>(642,229)</u>
	<u>\$ (2,733,005)</u>	<u>\$ (1,374,409)</u>

James Smith Cree Nation

Notes to the Financial Statements
For the Year Ended March 31, 2022

14. Tangible Capital Assets

March 31, 2022	Community Buildings	Section 10 Housing	Other Housing	Community Equipment	Infrastructure	Assets Under Capital Lease	Assets Under Construction	Total
Cost								
Balance, beginning of the year	\$ 7,892,299	\$ 2,769,552	\$ 9,051,656	\$ 1,178,004	\$ 11,136,468	\$ 429,840	\$ 15,808,616	\$ 48,266,435
Additions	868,027	-	787,836	684,259	104,400	-	2,414,614	4,859,136
Disposals	-	-	-	(6,052)	-	(429,840)	(958,520)	(1,394,412)
Balance, end of year	8,760,326	2,769,552	9,839,492	1,856,211	11,240,868	-	17,264,710	51,731,159
Accumulated amortization								
Balance, beginning of year	4,960,897	2,769,552	3,279,685	787,620	2,839,047	57,312	-	14,694,113
Amortization	306,599	-	269,303	83,199	445,459	-	-	1,104,560
Reduction	-	-	-	7,984	-	(57,312)	-	(49,328)
Balance, end of year	5,267,496	2,769,552	3,548,988	878,803	3,284,506	-	-	15,749,345
Net Book Value, end of Year	3,492,830	-	6,290,504	977,408	7,956,362	-	17,264,710	35,981,814
March 31, 2021								
Cost								
Balance, beginning of 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)
Balance, end of year	7,892,299	2,769,552	9,051,656	1,178,004	11,136,468	429,840	15,808,616	48,266,435
Accumulated amortization								
Balance, beginning of year	4,654,704	2,769,552	3,037,256	834,512	2,393,589	28,656	-	13,718,269
Amortization	306,193	-	242,429	38,082	445,458	28,656	-	1,060,818
Reduction	-	-	-	(84,974)	-	-	-	(84,974)
Balance, end of year	4,960,897	2,769,552	3,279,685	787,620	2,839,047	57,312	-	14,694,113
Net Book Value, end of year	\$ 2,931,402	\$ -	\$ 5,771,971	\$ 390,384	\$ 8,297,421	\$ 372,528	\$ 15,808,616	\$ 33,572,322

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, 2022

15. Accumulated surplus

	2022	2021
Operating fund	\$ 8,007,160	\$ 3,046,035
Equity in capital assets	26,167,183	26,167,183
Equity in investments	(2,733,005)	(1,374,409)
CMHC replacement reserve	216,159	202,225
CMHC operating reserve	206,480	176,407
	\$31,863,977	\$28,217,441

- 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.

16. Reconciliation of ISC revenue

ISC revenue consists of the following:

	2022	2021
ISC - Flexible Contribution	\$10,596,042	\$12,203,411
ISC - Fixed Contribution	5,608,907	5,439,382
ISC - Grant	631,657	680,247
ISC - Set contribution	79,753	57,789
Receivable (payable) to ISC	18,493	(6,779)
	\$16,934,852	\$18,374,050

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

	2022	2021
Balance received per ISC confirmation	\$16,916,359	\$18,380,829
Current year receivable (payable)		
Institutional care	18,493	(6,779)
As per statement of operations	\$16,934,852	\$18,374,050

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, 2022

17. Expenses by object

	2022	2022	2021
	Budget	Actual	Actual
Contracted services	\$ 433,340	\$ 3,978,860	\$ 5,207,848
Salaries and benefits	1,703,967	3,858,121	4,357,043
Social assistance	1,761,009	1,903,415	2,074,264
Student tuition & assistance	1,239,000	1,393,616	1,394,065
Flow through	-	1,225,940	752,229
Amortization	-	1,104,557	1,060,818
Professional fees	28,000	1,089,941	588,206
Supplies	953,312	877,639	1,097,449
COVID 19 Expenses	-	835,115	3,460,956
Administrative fees	47,360	806,845	440,813
Other operating expenses	79,753	935,574	171,670
Travel	99,876	755,392	511,427
Rental and lease payments	-	490,081	526,302
Member assistance	-	471,411	374,338
Honorarium	190,200	289,245	298,254
Insurance	138,240	255,882	198,015
Utilities	134,487	237,617	227,937
Repairs and maintenance	817,550	113,601	167,390
CMHC interest	-	88,221	90,424
Long term debt interest	288,500	53,937	62,436
Interest and bank charges	15,000	26,562	32,292
Activities	-	19,100	9,664
Bad debt expense (recovery)	-	6,365	(16,611)
Total expenses before transfers	7,929,594	20,817,037	23,087,229
Transfer to capital assets	-	(2,519,014)	(4,203,615)
Total expenses after transfers	\$ 7,929,594	\$ 18,298,023	\$ 18,883,614

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.

James Smith Cree Nation

Notes to the Financial Statements

For the Year Ended March 31, 2022

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, 2022:

	Maturity Date	Interest Rate	2022	2021
Surrender of IR 98 Claim - Chakastaypasin sector. Secured by promissory note.	Negotiation settlement date	0%	\$ 811,168	\$ 568,568
Agricultural Benefits Claim - Chakastaypasin sector. Secured by promissory note.	Negotiation settlement date	0%	618,751	421,248
IR 20 Claim - Peter Chapman sector. Secured by promissory note.	Negotiation settlement date	0%	618,751	421,248
De-Amalgamation (Reinstatement and Governance) - Chakastaypasin sector. Secured by promissory note.	Negotiation settlement date	0%	579,119	381,616
De-Amalgamation (Reinstatement and Governance) - Peter Chapman sector. Secured by promissory note.	Negotiation settlement date	0%	579,119	381,616
Treaty Land Entitlement Claim. Secured by promissory note.	Negotiation settlement date	0%	392,592	392,592
De-Amalgamation (Reinstatement and Governance) - James Smith sector. Secured by promissory note.	Negotiation settlement date	0%	194,742	194,742
Residual Cumberland IR 100A Lands. Secured by promissory note.	Negotiation settlement date	0%	40,000	40,000
			\$ 3,834,242	\$ 2,801,630

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, 2022

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, 2022:

	Maturity Date	Interest Rate	2022	2021
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%	\$ 2,864,270	\$ 2,773,094
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 2025)	Prime + 0.50%	2,844,220	2,596,591
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%	2,612,451	2,081,530
			\$ 8,320,941	\$ 7,451,215

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, 2022

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, 2022:

	Maturity Date	Interest Rate	2022	2021
Bank loan with BMO. Monthly principal payments of \$20,249. Secured by general security agreement, and guarantees from James Smith Cree Nation and 4 other parties.	Maximum amortization term of 120 months	Prime + 3.5%	\$ 2,004,609	\$ 2,160,136
Bank loan with BMO. Monthly principal payments of \$13,947. Secured by general security agreement, and guarantees from James Smith Cree Nation and 4 other parties.	Maximum amortization term of 120 months	Prime + 3.5%	1,380,778	1,487,917
Bank loan with BMO. Monthly principal payments of \$6,057. Secured by general security agreement, and guarantees from James Smith Cree Nation and 4 other parties.	Maximum amortization term of 120 months	Prime + 3.5%	605,710	652,276
Bank loan with BMO. Monthly principal payments of \$3,429. Secured by general security agreement, and guarantees from James Smith Cree Nation and 4 other parties.	Maximum amortization term of 120 months	Prime + 3.5%	346,348	372,731
			\$ 4,337,445	\$ 4,673,060

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:

	2022	2021
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 \$94,470 for the 2022 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, 2022

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 \$57,670 to the reserve. At March 31, 2022, the reserve is required to be funded to a level of \$216,159 (2021 - \$202,225). At March 31, 2022 the cash balance in the reserve is \$139,156 (2021 - \$138,382).

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, 2022, the reserve is required to be funded to a level of \$206,480 (2021 - \$176,407). At March 31, 2022 the cash balance in the reserves is \$269,414 (2021 - \$303,888).

24. Annual Surplus Net of Capital Related Revenues and Amortization

	2022	2021
Current Surplus (deficit)	\$ 3,646,535	\$ 5,675,079
Less capital related revenues included in annual surplus:		
Federal government transfers recognized	(2,414,614)	(3,011,783)
Add amortization expense included in annual surplus	1,231,921	2,663,296
Loss from Government Business Enterprise	1,104,557	1,060,818
	1,358,596	642,229
	\$ 3,695,074	\$ 4,366,343

James Smith Cree Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

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, 2022

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.

James Smith Cree Nation

Notes to the Financial Statements For the Year Ended March 31, 2022

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, 2022

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, and accounts payable 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. Comparative figures

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

James Smith Cree Nation

Schedule #1

Community Development
 Schedule of Operations
For the Year Ended March 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
ISC - Flexible Contribution	\$ 597,905	\$ 3,557,170	\$ 5,297,905
ISC - Fixed Contribution	1,993,318	2,059,907	993,232
Prince Albert Grand Council	141,144	461,943	141,144
Other revenue	52,000	34,263	172,953
Interest income	-	3,632	21,423
Unexpended revenue - prior year	-	515,779	1,123,400
Unexpended revenue - current year	-	(2,096,660)	(515,779)
Deferred revenue - prior year	-	3,716,766	2,065,497
Deferred revenue - current year	-	(3,455,782)	(3,716,766)
	2,784,367	4,797,018	5,583,009
Expenses			
Contracted services	418,340	2,724,389	4,447,588
Salaries and benefits	491,828	725,738	470,744
Amortization	-	722,615	750,736
Supplies	532,779	407,811	337,413
Other operating expenses	-	300,479	-
Insurance	125,500	160,427	81,500
Utilities	114,487	148,691	103,922
Administrative fees	14,114	125,934	70,564
Travel	23,176	55,594	44,796
Long term debt interest	288,500	50,926	59,056
Repairs and maintenance	817,550	25,919	69,077
Professional fees	-	12,050	-
Interest and bank charges	-	262	623
Honorarium	-	134	-
Rental and lease payments	-	-	3,480
Transfer to capital assets	-	(2,519,014)	(4,203,615)
	2,826,274	2,941,955	2,235,884
Current surplus (deficit)	\$ (41,907)	\$ 1,855,063	\$ 3,347,125

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, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
ISC - Fixed Contribution	\$ -	\$ 194,369	\$ -
Other revenue	-	326,276	135,914
	<hr/>	<hr/>	<hr/>
		520,645	135,914
Expenses			
Contracted services	-	319,202	92,446
Flow through	-	194,369	-
Travel	-	3,791	-
Interest and bank charges	-	519	323
	<hr/>	<hr/>	<hr/>
		517,881	92,769
Current surplus (deficit)	\$ -	\$ 2,764	\$ 43,145

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, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
ISC - Fixed Contribution	\$ 1,688,003	\$ 1,911,023	\$ 3,717,385
Other revenue	-	14,371	297,249
Unexpended revenue - prior year	-	28,086	-
Unexpended revenue - current year	-	(44,695)	(28,086)
	1,688,003	1,908,785	3,986,548
Expenses			
Student tuition & assistance	1,239,000	1,393,616	1,394,065
Salaries and benefits	330,032	356,702	1,510,881
Travel	16,500	52,886	41,759
Administrative fees	33,246	44,089	22,738
Contracted services	15,000	30,711	115,604
Supplies	54,225	16,410	338,601
Long term debt interest	-	1,455	1,271
Flow through	-	-	727,229
Repairs and maintenance	-	-	64,915
Utilities	-	-	50,271
Activities	-	-	6,437
Professional fees	-	-	6,300
Insurance	-	-	5,600
Honorarium	-	-	3,500
	1,688,003	1,895,869	4,289,171
Current surplus (deficit)	\$ -	\$ 12,916	\$ (302,623)

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, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
ISC - Grant	\$ 631,647	\$ 631,657	\$ 680,247
Other revenue	-	55,554	81,932
ISC - Flexible Contribution	-	54,932	54,932
ISC - Set contribution	54,932	-	-
Unexpended revenue - prior year	-	40,174	59,334
Unexpended revenue - current year	-	-	(40,174)
	686,579	782,317	836,271
Expenses			
Salaries and benefits	374,379	303,823	256,385
Professional fees	25,000	84,258	67,478
Honorarium	187,200	77,974	73,476
Supplies	50,000	49,250	97,078
Travel	10,000	42,707	19,642
Utilities	20,000	40,330	36,630
Insurance	10,000	27,068	61,857
Contracted services	-	20,031	23,468
Interest and bank charges	10,000	9,291	13,653
Bad debt expense (recovery)	-	6,365	(16,611)
Other operating expenses	-	5,447	-
Repairs and maintenance	-	800	-
	686,579	667,344	633,056
Current surplus (deficit)	\$ -	\$ 114,973	\$ 203,215

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, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
ISC - Fixed Contribution	\$ 143,533	\$ 143,533	\$ 202,887
Other revenue	-	30,000	-
Unexpended revenue - prior year	-	47,066	29,625
Unexpended revenue - current year	-	-	(47,066)
	143,533	220,599	185,446
Expenses			
Honorarium	3,000	83,753	2,000
Salaries and benefits	75,986	80,169	87,622
Travel	25,000	29,643	20,930
Supplies	33,807	20,667	47,578
Professional fees	3,000	3,590	-
Insurance	2,740	2,277	2,316
Administrative fees	-	500	-
Flow through	-	-	25,000
	143,533	220,599	185,446
Current surplus (deficit)	\$ -	\$ -	\$ -

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, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
ISC - Flexible Contribution	\$ 2,103,446	\$ 4,119,445	\$ 3,283,279
ISC - Fixed Contribution	171,631	276,792	321,252
ISC - Set contribution	79,753	79,753	57,789
Receivable (payable) to ISC	-	18,493	(6,779)
Other revenue	-	63,250	-
Unexpended revenue - current year	-	(1,312,620)	-
	2,354,830	3,245,113	3,655,541
Expenses			
Basic needs	1,623,050	1,765,456	1,510,616
Salaries and benefits	258,065	168,807	136,381
Special needs	137,959	137,959	563,648
Assisted living	79,753	98,246	75,589
Supplies	247,003	63,564	65,796
Travel	4,000	57,643	45,582
Contracted services	-	14,105	-
Honorarium	-	11,045	-
Interest and bank charges	5,000	9,054	10,823
Other operating expenses	-	2,773	-
Administrative fees	-	2,000	-
	2,354,830	2,330,652	2,408,435
Current surplus before the undernoted			
Transfer to other programs	-	914,461	1,247,106
	-	(899,918)	(108,332)
Current surplus (deficit)	\$ -	\$ 14,543	\$ 1,138,774

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, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
ISC - Fixed Contribution	\$ 27,042	\$ 27,042	\$ 27,042
Expenses			
Salaries and benefits	17,344	19,714	20,626
Supplies	8,498	9,732	7,843
Travel	1,200	-	-
	27,042	29,446	28,469
Current surplus (deficit)	\$ -	\$ (2,404)	\$ (1,427)

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, 2022

		2022 Budget	2022 Actual	2021 Actual
Revenue				
Health Canada	\$ -	\$ 5,491,101	\$ 4,354,412	
Prince Albert Grand Council	-	721,864	626,330	
Administrative Fees	-	439,917	291,750	
Other revenue	-	83,107	114,475	
Recovery of Unexpended Funds	-	-	(2,701)	
		6,735,989	5,384,266	
Expenses				
Salaries and benefits	-	2,072,477	1,737,003	
Professional fees	-	959,093	504,928	
Administrative fees	-	594,722	312,111	
Contracted services	-	556,621	473,269	
Other operating expenses	-	528,629	90,981	
Travel	-	480,508	337,995	
Supplies	-	237,737	184,228	
Amortization	-	112,639	67,653	
Honorarium	-	87,280	95,452	
Utilities	-	48,596	37,114	
Repairs and maintenance	-	36,697	30,917	
Interest and bank charges	-	6,960	6,609	
		5,721,959	3,878,260	
Current surplus before the undernoted				
Transfers from other programs	-	1,014,030	1,506,006	
		2,008,755	108,332	
Current surplus (deficit)	\$ -	\$ 3,022,785	\$ 1,614,338	

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, 2022

		2022 Budget	2022 Actual	2021 Actual
Revenue				
CMHC subsidy	\$ -	\$ 509,817	\$ 439,272	
CMHC Rental Income	-	188,100	166,650	
IIIFNIY Program	-	18,732	6,300	
Other revenue	-	7,896	-	
Interest income	-	226	425	
RRAP	-	-	37,675	
			724,771	650,322
Expenses				
Amortization	-	269,303	242,429	
CMHC interest	-	88,221	90,424	
Insurance	-	66,110	46,742	
Transfer to replacement reserve	-	57,896	51,496	
Repairs and maintenance	-	44,136	982	
Administrative fees	-	39,600	35,400	
Transfer to operating reserve	-	30,073	42,505	
Salaries and benefits	-	26,628	27,645	
Professional fees	-	12,300	9,500	
Interest and bank charges	-	333	137	
Supplies	-	-	15,312	
Travel	-	-	721	
Contracted services	-	-	670	
Transfer to CMHC reserves	-	(87,969)	(94,001)	
			546,631	469,962
Current surplus (deficit)			\$ 178,140	\$ 180,360

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, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
ISC - Flexible Contribution	\$ 203,333	\$ 2,864,495	\$ 3,567,295
ISC - Fixed Contribution	-	996,241	177,584
Health Canada	-	-	241,232
Revenue trust	-	649,325	715,062
Other revenue	-	40,416	55,393
Earnings (loss) in GBE	-	(1,358,596)	(642,229)
Unexpended revenue - current year	-	(209,603)	-
	203,333	2,982,278	4,114,337
Expenses			
Flow through	-	1,031,571	-
COVID 19 Expenses	-	835,115	3,460,956
Lease payments to traditional land holders	-	490,081	522,822
Member assistance	-	471,411	374,338
Contracted services	-	313,800	54,803
Salaries and benefits	156,333	104,064	109,755
Supplies	27,000	72,468	3,600
Travel	20,000	32,619	-
Honorarium	-	29,059	123,827
Activities	-	19,099	3,226
Professional fees	-	18,650	-
Repairs and maintenance	-	6,048	1,500
Long term debt interest	-	1,556	2,109
Interest and bank charges	-	146	126
Other operating expenses	-	-	5,100
	203,333	3,425,687	4,662,162
Current deficit before transfers			
Transfers to other programs	-	(443,409)	(547,825)
	-	(1,108,837)	-
Current surplus (deficit)			
	\$ -	\$ (1,552,246)	\$ (547,825)

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