

James Smith Cree Nation

Consolidated Financial Statements

March 31, 2023

James Smith Cree Nation

Management's Responsibility for Financial Reporting

March 31, 2023

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

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

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

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and review the financial statements and the external auditors' report.

McClelland Debusschere CPA PC Inc., an independent firm of Chartered Professional Accountants, has been engaged by Chief and Council 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 29, 2023 _____
Date

____ Chakastaypasin Band of the Cree Nation

____ December 29, 2023 _____
Date

____ Peter Chapman Band

____ December 29, 2023 _____
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, 2023, 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, 2023, 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 PC INC*

Saskatoon, SK
December 29, 2023

Chartered Professional Accountants

James Smith Cree Nation
Consolidated Statement of Financial Position
March 31, 2023

	2023	2022
Financial Assets		
Cash	\$ 4,530,001	\$ 5,293,690
Restricted assets (Note 2)	4,122,138	3,564,354
Trust funds held by Federal Government (Note 3)	2,094,370	1,272,957
Term deposits (Note 4)	1,206,366	1,203,693
Accounts receivable (Note 5)	543,871	1,864,236
Due from related parties (Note 6)	3,372,680	1,083,856
	15,869,426	14,282,786
Liabilities		
Accounts payable (Note 7)	627,512	350,684
Unexpended revenue (Note 8)	9,863,548	7,119,360
Long term debt (Note 9)	6,568,921	7,318,173
Loss in government business enterprises (Note 10)	3,075,386	2,733,005
	20,135,367	17,521,222
Net Financial Debt	(4,265,941)	(3,238,436)
Non-financial Assets		
Tangible capital assets (Note 11)	37,593,933	35,101,814
Prepaid expenses	1,900	600
	37,595,833	35,102,414
Accumulated Surplus (Note 12)	\$ 33,329,892	\$ 31,863,978

Approved on behalf of the James Smith Cree Nation

_____, Signatures on file _____, James Smith Cree Nation

_____, Chakastaypasin Band of the Cree Nation

_____, Peter Chapman Band

James Smith Cree Nation

Consolidated Statement of Operations and Accumulated Surplus For the Year Ended March 31, 2023

	2023 Budget	2023	2022
Revenue			
Indigenous Services Canada (Note 13)	\$ 6,626,333	\$ 21,393,526	\$ 16,934,852
Health Canada	3,245,225	5,196,321	5,491,101
Prince Albert Grand Council	577,502	1,370,580	1,183,808
Administration fees	217,896	1,448,935	439,917
Revenue trust	-	821,413	649,325
Other revenue	5,948	570,123	655,135
Canada Mortgage and Housing Corporation	-	530,677	528,549
CMHC Rental Income	-	192,000	188,100
Northern Lights Community Development	-	173,116	-
Interest income	-	32,247	3,857
Loss in GBE	-	(342,381)	(1,358,596)
Recognition (deferral) of unexpended funding	-	(2,744,188)	(2,771,489)
	10,672,904	28,642,369	21,944,559
Expenses			
Community Development (Schedule 1)	2,712,219	2,577,247	2,219,339
Economic Development (Schedule 2)	-	210,540	194,369
Education (Schedule 3)	1,147,154	1,841,099	1,895,869
Indian Government Support (Schedule 4)	603,874	811,446	627,170
Land Management (Schedule 5)	143,533	634,353	544,111
Social Development (Schedule 6)	2,141,827	3,970,991	2,281,945
Indian Registration (Schedule 7)	27,042	32,042	29,446
Health Programs (Schedule 8)	4,001,583	5,945,149	5,609,320
Housing (Schedule 9)	-	198,525	277,328
Band Programs (Schedule 10)	-	9,707,384	3,514,567
Amortization (Schedule 11)	-	1,247,679	1,104,557
	10,777,232	27,176,455	18,298,021
Current surplus			
Accumulated surplus - beginning of the year	(104,328)	1,465,914	3,646,538
	31,863,980	31,863,978	28,217,442
Accumulated surplus - end of the year	\$ 31,759,652	\$ 33,329,892	\$ 31,863,978
Expense by object disclosure (Note 14)			

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

James Smith Cree Nation

Consolidated Statement of Changes in Net Financial Debt For the Year Ended March 31, 2023

	2023 Budget	2023	2022
Current surplus	\$ 1,465,914	\$ 1,465,914	\$ 3,646,538
Amortization of tangible capital assets	-	1,247,679	1,104,557
Disposal of tangible capital assets	-	-	371,486
Acquisition of tangible capital assets	-	(3,739,798)	(2,956,210)
Increase in prepaid expenses	-	(1,300)	(600)
Reduction of accumulated amortization	-	-	(49,328)
Change in net financial assets (debt) during the year	1,465,914	(1,027,505)	2,116,443
Net debt - Beginning of year	-	(3,238,436)	(5,354,879)
Net Financial debt - End of year	\$ 1,465,914	\$(4,265,941)	\$(3,238,436)

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, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Current surplus	\$ 1,465,914	\$ 3,646,538
Non-cash items:		
Amortization	1,247,679	1,104,557
Loss from GBE	342,381	1,358,596
Loss on disposal of tangible capital assets	-	(185,040)
	1,590,060	2,278,113
Change in working capital items:		
Accounts receivable	1,320,365	(790,167)
Due from related parties	(2,288,824)	(1,037,162)
Accounts payable	276,828	19,499
Unexpended revenue	2,744,188	2,771,489
Prepaid expense	(1,300)	(600)
	5,107,231	6,887,710
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in restricted assets	(557,784)	594,682
Change in term deposits	(2,672)	(1,016,302)
Change in trust funds held by Federal Government	(821,413)	(649,325)
	(1,381,869)	(1,070,945)
NET CASH USED BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long term debt	(638,302)	(610,650)
Proceeds from long term debt	-	748,632
Obligations under capital lease	(110,951)	(224,947)
	(749,253)	(86,965)
NET CASH USED BY FINANCING ACTIVITIES		
CAPITAL ACTIVITIES:		
Tangible capital asset additions	(3,739,798)	(2,956,210)
Tangible capital asset disposals	-	322,158
	(3,739,798)	(2,634,052)
Net increase (decrease) in cash	(763,689)	3,095,748
Cash at beginning of period	5,293,690	2,197,942
Cash at end of period	\$ 4,530,001	\$ 5,293,690

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, 2023

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, 2023 no loss provision is determined as required on the loan guarantees.

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 Fund

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

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, 2023

1. Significant Accounting Policies continued

c. Principles of consolidation continued

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.

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, 2023.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions

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, 2023

1. Significant Accounting Policies continued

g. Liability for contaminated sites continued

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, 2023, management has determined there is no liability.

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.

James Smith Cree Nation

Notes to the Financial Statements

For the Year Ended March 31, 2023

1. Significant Accounting Policies continued

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.

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.

James Smith Cree Nation

Notes to the Financial Statements

For the Year Ended March 31, 2023

1. Significant Accounting Policies continued

I. Revenue recognition continued

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.

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.

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, 2023

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:

	2023	2022
Restricted cash - capital projects		
School assessment	\$ 1,695,578	\$ 1,869,867
Flood recovery roads	887,127	946,166
Subdivision Phase 4	399,870	-
Lagoon	295,181	295,181
Peonan Creek	199,870	-
Solid waste transfer station	180,246	44,569
	3,657,872	3,155,783
Restricted cash - CMHC	464,266	408,571
	\$ 4,122,138	\$ 3,564,354

James Smith Cree Nation

Notes to the Financial Statements

For the Year Ended March 31, 2023

3. Trust Funds held by Federal Government

	Revenue	Capital	2023 Total	2022 Total
Surplus, beginning of year	\$ 1,272,478	\$ 479	\$ 1,272,957	\$ 623,632
Lease revenue	768,194	-	768,194	628,531
Interest earned	53,219	-	53,219	20,794
	\$ 2,093,891	\$ 479	\$ 2,094,370	\$ 1,272,957

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	2023	2022
Guaranteed investment certificate. Assigned as security for credit card.	1.6%	2024	\$ 1,031,366	\$ 1,028,693
Guaranteed investment certificate.	2.3%	2022	175,000	175,000
			\$ 1,206,366	\$ 1,203,693

James Smith Cree Nation

Notes to the Financial Statements

For the Year Ended March 31, 2023

5. Accounts Receivable

Accounts receivable consist of the following:

	2023	2022
Due from Government and other Government organizations		
Health Canada	\$ 192,807	\$ -
PAGC	122,000	323,223
CMHC	44,467	43,979
ISC	18,964	1,434,059
	378,238	1,801,261
Trade accounts receivables	162,331	67,440
Due from members and staff	90,871	90,566
	631,440	1,959,267
Allowance for doubtful accounts	(87,569)	(95,031)
	\$ 543,871	\$ 1,864,236

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.

	2023	2022
Due from DR Links Holdings	\$ 2,000,000	\$ -
Due from 102092257 Sask Ltd.	734,015	880,000
Due from James Smith Sector	368,977	33,856
Due from Chakastaypasin Sector	163,938	100,000
Due from Peter Chapman Sector	105,750	70,000
	\$ 3,372,680	\$ 1,083,856

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, 2023

7. Accounts Payable

Accounts payable consists of the following:

	2023	2022
Trade payables	\$ 503,036	\$ 185,017
Salaries and benefits	116,329	122,866
	619,365	307,883
Due to Government and other Government organizations		
FNIHB	-	34,654
ISC	8,147	8,147
	\$ 627,512	\$ 350,684

8. 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.

	Balance, beginning of the year	Contributions received	Amount recognized	2023
ISC Capital funding				
School assessment	\$1,869,866	\$ -	\$ (244,256)	1,625,610
Flood road recovery	946,166	22,888	(85,479)	883,575
Subdivision Expansion	100,000	300,000	(24,857)	375,143
Lagoon expansion	295,181	-	(11,260)	283,921
Waste transfer station	44,569	150,000	(14,323)	180,246
Peonan Creek	200,000	-	(45,706)	154,294
	3,455,782	472,888	(425,881)	3,502,789
Unexpended funding				
Basic Needs	1,035,989	3,073,492	(2,567,810)	1,541,671
Construction (Immediate Needs)	809,265	781,035	(78,104)	1,512,196
Roads & Bridges	629,707	1,127,209	(741,934)	1,014,982
Family Violence Prevention	-	1,080,000	(583,607)	496,393

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, 2023

8. Unexpended Revenue continued

	Balance, beginning of the year	Contributions received	Amount recognized	2023
Construction	-	494,319	(49,432)	444,887
Social Assistance Employment & Training	215,857	261,704	(140,000)	337,561
Water systems	233,868	543,982	(489,186)	288,664
Service Delivery	60,773	372,817	(187,902)	245,688
Wastewater systems	180,420	173,640	(226,106)	127,954
FN Representative Services	-	583,546	(493,930)	89,616
Post Secondary	44,696	1,641,053	(1,596,721)	89,028
Asset Management Plan	-	100,000	(62,969)	37,031
CFS Prevention	-	2,708,437	(2,673,145)	35,292
Assisted Living	-	79,753	(46,924)	32,829
Capacity Building	209,603	-	(177,818)	31,785
FES2020-CO DEV INFRA PLAN	-	25,000	(2,500)	22,500
Electrical Systems	-	17,351	(8,978)	8,373
Community Buildings	-	148,487	(144,178)	4,309
Construction (4-5 bedroom units)	243,400	-	(243,400)	-
	3,663,578	13,211,825	(10,514,644)	6,360,759
	\$7,119,360	\$ 13,684,713	\$ (10,940,525)	\$ 9,863,548

9. Long-Term Debt

	Maturity date	Interest rate	2023	2022
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.	Apr 15, 2025	5.55%	\$ 550,000	\$ 750,000
Contract with Brandt Finance payable with 60 monthly payments of \$9,776. Secured by the financed Grader which has a net book value of \$449,184	Mar 1, 2027	6.75%	408,029	492,123
Contract with Brandt Finance payable with 48 monthly payments of \$2,997. Secured by a Loader and Tractor.	Mar 1, 2026	7.48%	94,921	121,776
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 \$28,563	Mar 1, 2024	5.72%	11,174	21,728
Term loan with First Nations Bank fully paid during the year.	Nov 1, 2022	5.98%	-	7,305
			1,064,124	1,392,932

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, 2023

9. Long-Term Debt continued

	Maturity date	Interest rate	2023	2022
CMHC Phase #5 - Repayable in monthly blended principal and interest installments of \$5,328.97, due for renewal on Oct 1, 2027. Government guarantee pledged as security.	Apr 1, 2032	3.55%	496,396	545,224
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%	1,094,064	1,168,640
CMHC Phase #7 - Repayable in monthly blended principal and interest installments of \$17,885, due for renewal on April 1, 2028. Government guarantee pledged as security.	Apr 1, 2033	3.12%	1,856,846	2,017,705
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.	Apr 1, 2040	0.98%	675,327	711,452
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%	715,299	769,567
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.	Jul 1, 2036	1.22%	666,865	712,653
			5,504,797	5,925,241
			\$ 6,568,921	\$ 7,318,173

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
2024	\$ 333,650	\$ 428,335	\$ 761,985
2025	331,237	428,539	759,776
2026	288,804	437,977	726,781
2027	110,433	447,674	558,107
2028	-	457,639	457,639
Subsequent	-	3,304,633	3,304,633
	\$ 1,064,124	\$ 5,504,797	\$ 6,568,921

James Smith Cree Nation

Notes to the Financial Statements

For the Year Ended March 31, 2023

10. 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, 2022	December 31, 2021
Fort a La Corne Ventures LP		
Assets	\$ 25,000	\$ 25,000
Liabilities	3,074,347	2,736,604
Equity	(3,056,077)	(2,717,662)
	<u>18,270</u>	<u>18,942</u>
Expenses	4,672	4,114
Net operating income (loss)	(4,672)	(4,114)
Non-operating expenses	337,743	1,354,618
Net loss	<u>\$ (342,415)</u>	<u>\$ (1,358,732)</u>

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

	2023	2022
Balance, beginning of the year	\$(2,733,005)	\$ (1,374,409)
Share of earnings	(342,381)	(1,358,596)
	<u>\$ (3,075,386)</u>	<u>\$ (2,733,005)</u>

James Smith Cree Nation

Notes to the Financial Statements
For the Year Ended March 31, 2023

11. Tangible Capital Assets

March 31, 2023	Community Buildings	Section 10 Housing	Other Housing	Equipment & Vehicles	Infrastructure	Assets Under Capital Lease	Assets Under Construction	Total
Cost								
Balance, beginning of the year	\$ 8,760,326	\$ 2,769,552	\$ 9,839,491	\$ 1,856,211	\$ 11,240,868	\$ -	\$ 16,384,709	\$ 50,851,157
Additions	-	-	2,286,736	650,571	376,610	-	425,881	3,739,798
Transfers	880,000	-	-	-	-	-	(880,000)	-
Balance, end of year	9,640,326	2,769,552	12,126,227	2,506,782	11,617,478	-	15,930,590	54,590,955
Accumulated amortization								
Balance, beginning of year	5,267,496	2,769,552	3,548,987	878,800	3,284,508	-	-	15,749,343
Amortization	337,883	-	300,817	159,344	449,635	-	-	1,247,679
Balance, end of year	5,605,379	2,769,552	3,849,804	1,038,144	3,734,143	-	-	16,997,022
Net Book Value, end of Year	4,034,947	-	8,276,423	1,468,638	7,883,335	-	15,930,590	37,593,933
March 31, 2022								
Cost								
Balance, beginning of year	7,892,299	2,769,552	9,051,655	1,178,004	11,136,468	429,840	15,808,615	48,266,433
Additions	515,483	-	181,860	619,853	104,400	-	1,534,614	2,956,210
Disposals	-	-	-	(6,052)	-	(365,434)	-	(371,486)
Transfers	352,544	-	605,976	64,406	-	(64,406)	(958,520)	-
Balance, end of year	8,760,326	2,769,552	9,839,491	1,856,211	11,240,868	-	16,384,709	50,851,157
Accumulated amortization								
Balance, beginning of year	4,960,897	2,769,552	3,279,684	787,617	2,839,052	57,312	-	14,694,114
Amortization	306,599	-	269,303	83,199	445,456	-	-	1,104,557
Reduction	-	-	-	7,984	-	(57,312)	-	(49,328)
Balance, end of year	5,267,496	2,769,552	3,548,987	878,800	3,284,508	-	-	15,749,343
Net Book Value, end of year	\$ 3,492,830	\$ -	\$ 6,290,504	\$ 977,411	\$ 7,956,360	\$ -	\$ 16,384,709	\$ 35,101,814

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, 2023

12. Accumulated Surplus

	2023	2022
Operating fund	\$ 4,853,746	\$ 6,390,703
Equity in capital assets	31,025,013	27,783,641
Equity in investments	(3,075,396)	(2,733,005)
CMHC replacement reserve	273,011	216,159
CMHC operating reserve	253,518	206,480
	\$33,329,892	\$31,863,978

- 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.

13. Reconciliation of ISC Revenue

ISC revenue consists of the following:

	2023	2022
ISC - Flexible Contribution	\$13,877,925	\$10,596,042
ISC - Fixed Contribution	5,808,505	5,608,907
ISC - Set contribution	966,662	79,753
ISC - Grant	740,434	631,657
Receivable from ISC	-	18,493
	\$21,393,526	\$16,934,852

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

	2023	2022
Balance received per ISC confirmation	\$21,393,526	\$16,916,359
Current year receivable		
Institutional care	-	18,493
	\$21,393,526	\$16,934,852

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, 2023

14. Expenses by Object

	2023	2023	2022
	Budget	Actual	Actual
Salaries and benefits	\$ 3,051,074	\$ 4,652,811	\$ 3,858,121
Contracted services	946,986	4,288,886	3,978,860
Displacement - Community Recovery	-	3,382,387	-
Travel, Meetings & Workshops	1,058,504	2,879,469	1,825,629
Social assistance	1,566,053	2,674,607	1,903,415
Supplies	1,575,160	2,611,905	877,639
Administrative fees	239,935	1,965,386	806,845
Member assistance	-	1,688,503	471,411
Student tuition & assistance	968,014	1,396,022	1,393,616
Amortization	-	1,247,679	1,104,557
Flow through	-	745,400	1,225,940
Activities	-	691,995	19,100
Equipment Purchases	-	580,916	-
Rental and lease payments	-	508,551	490,081
Honorarium	298,345	433,439	205,492
Repairs and maintenance	186,250	284,296	113,601
Other operating expenses	147,794	212,676	932,802
Utilities	202,280	183,882	237,617
Insurance	25,000	131,991	255,882
COVID 19 Expenses	-	96,909	835,115
CMHC interest	-	95,511	88,221
Long term debt interest	476,837	81,867	53,937
Professional fees	25,000	77,143	127,258
Interest and bank charges	10,000	13,407	26,563
Transfers (to) from other programs	104,328	-	-
Bad debt expense (recovery)	-	(9,385)	6,363
Total expenses before transfers	10,672,904	30,916,253	20,838,065
Transfer to capital assets	-	(3,739,798)	(2,540,044)
Total expenses after transfers	\$ 10,672,904	\$ 27,176,455	\$ 18,298,021

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, 2023

15. 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, 2023:

	Maturity Date	Interest Rate	2023	2022
Surrender of IR 98 Claim - Chakastaypasin sector. Secured by promissory note.	Negotiation settlement date	0%	\$ 987,652	\$ 811,168
Agricultural Benefits Claim - Chakastaypasin sector. Secured by promissory note.	Negotiation settlement date	0%	818,751	618,751
IR 20 Claim - Peter Chapman sector. Secured by promissory note.	Negotiation settlement date	0%	818,751	618,751
De-Amalgamation (Reinstatement and Governance) - Chakastaypasin sector. Secured by promissory note.	Negotiation settlement date	0%	779,119	579,119
De-Amalgamation (Reinstatement and Governance) - Peter Chapman sector. Secured by promissory note.	Negotiation settlement date	0%	779,119	579,119
Treaty Land Entitlement Claim. Secured by promissory note.	Negotiation settlement date	0%	538,461	392,592
De-Amalgamation (Reinstatement and Governance) - James Smith sector. Secured by promissory note.	Negotiation settlement date	0%	232,271	194,742
Residual Cumberland IR 100A Lands. Secured by promissory note.	Negotiation settlement date	0%	40,000	40,000
			\$ 4,994,124	\$ 3,834,242

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, 2023

15. 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, 2023:

	Maturity Date	Interest Rate	2023	2022
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%	\$ 3,039,130	\$ 2,844,220
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%	2,988,160	2,864,270
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%	2,759,647	2,612,451
			\$ 8,786,937	\$ 8,320,941

James Smith Cree Nation

Notes to the Financial Statements For the Year Ended March 31, 2023

15. 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, 2023:

	Maturity Date	Interest Rate	2023	2022
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.	May 2025	Prime + 3%	\$ 1,761,626	\$ 2,004,609
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.	May 2025	Prime + 3%	1,213,411	1,380,778
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.	May 2025	Prime + 3%	533,025	605,710
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.	May 2025	Prime + 3%	305,197	346,348
			\$ 3,813,259	\$ 4,337,445

Subsequent to year end, these loans were refinanced with another financial institution.

James Smith Cree Nation

Notes to the Financial Statements For the Year Ended March 31, 2023

15. Loan Guarantees continued

The Concentra Bank (Concentra) has provided multiple term loans to the Chakastaypasin 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 Concentra loans as at March 31, 2023:

	Maturity Date	Interest Rate	2023	2022
IR 98 Pre-Settlement Loan. Approved for credit of \$5,975,367. Payments are interest only compounded quarterly. Secured by insurance policy and statutory declaration.	Earlier of receipt of settlement funds and maturity date (Dec 2025)	Greater of Prime + 0.75% and Floor Rate	\$ 4,785,672	\$ 4,221,389
Land Selection Pre-Settlement Loan. Approved for credit of \$5,944,273. Payments are interest only compounded quarterly. Secured by insurance policy and statutory declaration.	Earlier of receipt of settlement funds and maturity date (Dec 2025)	Greater of Prime + 0.75% and Floor Rate	4,420,811	3,380,656
			\$ 9,206,483	\$ 7,602,045

The Bank of Montreal (BMO) has provided a term loan to the Chakastaypasin Sector of James Smith Cree Nation. The loan advance is secured by an insurance policy and statutory declarations (including by James Smith Cree Nation). As losses on the loan guarantee is not considered to be likely, no provision for losses has been recorded within the liabilities of the financial statements. The following is the total outstanding balance of the BMO loan as at March 31, 2023:

	Maturity Date	Interest Rate	2023	2022
Agricultural Benefits Pre-Settlement Loan. Approved for credit of \$2,004,120. Payments are interest only compounded quarterly. Secured by insurance policy and direction to pay.	Maximum amortization term of 60 months	Prime + 1.75%	\$ 1,074,552	\$ 562,066

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, 2023

16. 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:

	2023	2022
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%

During the year, James Smith Cree Nation contributed \$111,326 (2022 - \$94,470) to the pension plan.

17. 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.

18. Economic Dependence

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

19. 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 \$58,870 to the reserve. At March 31, 2023, the reserve is required to be funded to a level of \$273,011 (2022 - \$216,159). At March 31, 2023 the cash balance in the reserve is \$139,084 (2022 - \$139,156).

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, 2023, the reserve is required to be funded to a level of \$253,518 (2022 - \$206,480). At March 31, 2023 the cash balance in the reserve is \$325,181 (2022 - \$269,414).

In accordance with terms of the agreement, CMHC reserve monies must be held or invested only in accounts or instruments guaranteed by the Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. Reserve withdrawals are credited first to interest and then to principal.

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, 2023

20. Annual Surplus Net of Capital Related Revenues and Amortization

	2023	2022
Current Surplus (deficit)	\$ 1,465,914	\$ 3,646,538
Less capital related revenues included in annual surplus:		
Federal government transfers recognized	<u>(425,880)</u>	(2,414,615)
	1,040,034	1,231,923
Add amortization expense included in annual surplus	1,247,679	1,104,557
Loss from Government Business Enterprise	342,381	1,358,596
	<u>\$ 2,630,094</u>	\$ 3,695,076

21. ISC Funding

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

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

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

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

James Smith Cree Nation

Notes to the Financial Statements For the Year Ended March 31, 2023

22. 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.

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.

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, 2023

22. Segmented Information continued

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, 2023**

23. 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.

24. 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.

25. 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, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
ISC - Flexible Contribution	\$ 544,903	\$ 3,523,259	\$ 3,557,170
ISC - Fixed Contribution	2,018,000	2,184,907	2,059,907
Prince Albert Grand Council	149,316	230,777	461,943
Interest income	-	22,888	3,630
Other revenue	-	6,967	34,264
Northern Lights Community Development	-	3,000	-
Recognition (deferral) of unexpended funding	-	(1,411,242)	(1,319,897)
	2,712,219	4,560,556	4,797,017
Expenses			
Contracted services	396,640	3,093,460	2,724,389
Supplies	880,951	817,972	407,811
Salaries and benefits	697,343	646,456	725,738
Administrative fees	-	593,417	125,934
Repairs and maintenance	140,000	225,799	25,919
Utilities	125,669	99,310	148,691
Travel, Meetings & Workshops	56,616	86,843	55,593
Long term debt interest	400,000	80,896	50,926
Insurance	15,000	55,818	160,427
Flow through	-	6,000	-
Interest and bank charges	-	503	262
Other operating expenses	-	-	300,479
Professional fees	-	-	12,050
Honorarium	-	-	134
Transfer to capital assets	-	(3,129,227)	(2,519,014)
	2,712,219	2,577,247	2,219,339
Current surplus (deficit)	\$ -	\$ 1,983,309	\$ 2,577,678

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, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
ISC - Fixed Contribution	\$ -	\$ 191,400	\$ 194,369
Expenses			
Flow through	-	191,400	194,369
Administrative fees	-	19,140	-
	-	210,540	194,369
Current surplus (deficit)	\$ -	\$ (19,140)	\$ -

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, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
ISC - Fixed Contribution	\$1,147,154	\$ 1,827,064	\$ 1,911,023
Other revenue	-	245	14,374
Recognition (deferral) of unexpended funding	-	(44,334)	(16,609)
	1,147,154	1,782,975	1,908,788
Expenses			
Student tuition & assistance	968,014	1,396,022	1,393,616
Salaries and benefits	84,140	247,133	356,702
Travel, Meetings & Workshops	60,000	102,414	52,886
Contracted services	20,000	51,324	30,711
Supplies	15,000	25,605	16,410
Administrative fees	-	18,601	44,089
Long term debt interest	-	-	1,455
	1,147,154	1,841,099	1,895,869
Current surplus (deficit)	\$ -	\$ (58,124)	\$ 12,919

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, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
ISC - Grant	\$ 548,942	\$ 740,434	\$ 631,657
ISC - Flexible Contribution	54,932	54,932	54,932
Administration fees	-	1,393,243	-
Other revenue	-	106,816	55,554
Prince Albert Grand Council	-	41,910	-
	603,874	2,337,335	742,143
Expenses			
Salaries and benefits	267,529	219,635	282,829
Honorarium	199,145	209,736	77,974
Supplies	27,000	122,994	49,250
Administrative fees	-	79,537	-
Travel, Meetings & Workshops	25,000	60,025	23,526
Professional fees	25,000	50,268	84,258
Utilities	40,000	37,779	40,330
Insurance	10,000	28,632	27,068
Contracted services	5,000	6,960	20,031
Interest and bank charges	5,000	4,825	9,292
Repairs and maintenance	200	440	800
Other operating expenses	-	-	5,447
Bad debt expense (recovery)	-	(9,385)	6,365
	603,874	811,446	627,170
Current surplus (deficit)	\$ -	\$ 1,525,889	\$ 114,973

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, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
ISC - Flexible Contribution	\$ -	\$ 583,546	\$ -
ISC - Fixed Contribution	143,533	143,533	143,533
Other revenue	-	116,978	356,276
Recognition (deferral) of unexpended funding	-	(89,616)	47,066
	143,533	754,441	546,875
Expenses			
Travel, Meetings & Workshops	5,000	137,755	120,778
Salaries and benefits	52,296	128,533	80,169
Honorarium	-	120,000	-
Equipment Purchases	-	120,000	-
Contracted services	-	101,749	319,202
Administrative fees	-	72,708	500
Member assistance	-	65,703	-
Supplies	9,400	7,471	20,667
Professional fees	-	250	-
Interest and bank charges	-	184	518
Insurance	-	-	2,277
Transfer to capital assets	-	(120,000)	-
	66,696	634,353	544,111
Current surplus (deficit)	\$ 76,837	\$ 120,088	\$ 2,764

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, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
ISC - Flexible Contribution	\$1,978,272	\$4,486,133	\$ 3,350,477
ISC - Fixed Contribution	134,661	326,634	276,792
ISC - Set contribution	28,894	79,753	79,753
Receivable from ISC	-	-	18,493
Recognition (deferral) of unexpended funding	-	(845,129)	(1,312,620)
	2,141,827	4,047,391	2,412,895
Expenses			
Basic needs	1,428,094	2,260,461	1,765,456
Administrative fees	-	475,935	-
Special needs	137,959	414,146	137,959
Member assistance	-	244,820	-
Displacement - Community Recovery	-	215,460	-
Salaries and benefits	269,176	148,902	168,807
Supplies	271,704	139,640	44,039
Assisted living	28,894	38,949	98,246
Travel, Meetings & Workshops	6,000	24,521	54,883
Contracted services	-	8,157	3,500
Interest and bank charges	-	-	9,055
	2,141,827	3,970,991	2,281,945
Current surplus before the undernoted			
Transfer to other programs	-	76,400	130,950
	-	(133,129)	(130,950)
Current surplus (deficit)	\$ -	\$ (56,729)	\$ -

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, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
ISC - Fixed Contribution	\$ 27,042	\$ 32,042	\$ 27,042
Expenses			
Salaries and benefits	18,544	23,752	19,714
Supplies	8,498	5,086	9,732
Administrative fees	-	3,204	-
	27,042	32,042	29,446
Current surplus (deficit)	\$ -	\$ -	\$ (2,404)

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, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Health Canada	\$ 3,245,225	\$ 5,196,321	\$ 5,491,101
Prince Albert Grand Council	428,186	1,097,894	721,864
Administration fees	217,896	55,692	439,917
Other revenue	5,948	43,002	83,107
Interest income	-	9,178	-
	3,897,255	6,402,087	6,735,989
Expenses			
Salaries and benefits	1,662,046	2,510,835	2,072,477
Travel, Meetings & Workshops	905,888	1,881,385	1,460,631
Contracted services	525,346	759,356	556,621
Administrative fees	239,935	287,078	594,722
Supplies	362,607	258,937	237,737
Other operating expenses	118,900	173,727	528,629
Utilities	36,611	46,792	48,596
Repairs and maintenance	46,050	43,372	36,697
Interest and bank charges	5,000	7,391	6,960
Honorarium	99,200	5,930	87,280
Transfer to capital assets	-	(29,654)	(21,030)
	4,001,583	5,945,149	5,609,320
Current surplus before the undernoted	(104,328)	456,938	1,126,669
Transfers to other programs	104,328	(409,505)	2,008,755
Current surplus (deficit)	\$ -	\$ 47,433	\$ 3,135,424

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, 2023

		2023 Budget	2023 Actual	2022 Actual
Revenue				
CMHC subsidy	\$ -	\$ 530,677	\$ 509,817	
CMHC Rental Income	-	192,000	188,100	
Interest income	-	180	226	
HIIFNIY Program	-	-	18,732	
Other revenue	-	-	7,896	
		722,857	724,771	
Expenses				
CMHC interest	-	95,511	88,221	
Administrative fees	-	40,225	39,600	
Insurance	-	39,700	66,110	
Repairs and maintenance	-	11,484	44,136	
Professional fees	-	10,500	12,300	
Supplies	-	750	-	
Interest and bank charges	-	355	333	
Salaries and benefits	-	-	26,628	
		198,525	277,328	
Current surplus (deficit)	\$ -	\$ 524,332	\$ 447,443	

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, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
ISC - Flexible Contribution	\$ -	\$ 5,230,055	\$ 3,633,463
ISC - Fixed Contribution	-	1,102,925	996,241
ISC - Set contribution	-	886,909	-
Revenue trust	-	821,413	649,325
Other revenue	-	296,114	103,666
Northern Lights Community Development	-	170,116	-
Loss in GBE	-	(342,381)	(1,358,596)
Recognition (deferral) of unexpended funding	-	(353,866)	(169,429)
		7,811,285	3,854,670
Expenses			
Displacement - Community Recovery	-	3,166,927	-
Member assistance	-	1,377,978	471,411
Supplies	-	1,233,450	91,993
Salaries and benefits	-	727,564	125,057
Activities	-	691,995	19,100
Travel, Meetings & Workshops	-	586,526	57,332
Flow through	-	548,000	1,031,571
Lease payments to traditional land holders	-	508,551	490,081
Equipment Purchases	-	460,916	-
Administrative fees	-	375,545	2,000
Contracted services	-	267,880	324,405
Honorarium	-	97,773	40,104
COVID 19 Expenses	-	96,909	835,115
Professional fees	-	16,125	18,650
Insurance	-	7,840	-
Repairs and maintenance	-	3,200	6,048
Long term debt interest	-	971	1,556
Interest and bank charges	-	150	144
Transfer to capital assets	-	(460,916)	-
		9,707,384	3,514,567
Current surplus (deficit) before the undernoted			
Transfers to(from) other programs	-	(1,896,099)	340,103
		542,634	(1,877,805)
Current surplus (deficit)	\$ -	\$ (1,353,465)	\$ (1,537,702)

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

James Smith Cree Nation

Schedule #11

Amortization

Schedule of Operations

For the Year Ended March 31, 2023
(unaudited)

	2023	2023	2022
	Budget	Actual	Actual
Revenue			
Expenses			
Amortization - Community Development	\$ -	\$ 792,889	\$ 722,615
Amortization - Housing	-	300,817	269,303
Amortization - Health Programs	-	153,973	112,639
	-	1,247,679	1,104,557
Current surplus (deficit)	\$ -	\$ (1,247,679)	\$ (1,104,557)

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