

Smith's Landing First Nation #196
Consolidated Financial Statements
March 31, 2023

Smith's Landing First Nation #196

CONTENTS

	<u>Page</u>
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Schedule of Changes in Accumulated Surplus - Schedule 1	8
Consolidated Statement of Tangible Capital Assets - Schedule 2	9
Consolidated Statement of Financial Operations by Program - Schedule 3	10
Consolidated Statement of Expenditures by Object - Schedule 4	11
Notes to the Consolidated Financial Statements	12 - 20



Smith's Landing First Nation

Thebacha Nare IR # 196

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of **Smith's Landing First Nation #196** are the responsibility of management and have been approved by the Chief and Chief Executive Officer on behalf of Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen those it deems most appropriate under the circumstances to ensure that the consolidated financial statements are presented fairly in all material respects.

Smith's Landing First Nation #196 maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that Smith's Landing First Nation #196's assets are appropriately accounted for and adequately safeguarded.

The Smith's Landing First Nation #196's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for the financial statements. The Smith's Landing First Nation #196's Council carries out this responsibility principally through its meetings with management and the external auditors. Discussion on the internal controls over the financial reporting process, auditing matters, and financial reporting issues to satisfy that each party is discharging its responsibilities properly, and to review the financial statements, and the external auditor's report.

The financial statements have been audited by Doyle & Company Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards, on behalf of the members. Doyle & Company Chartered Professional Accountants has full and free access to Smith's Landing First Nation #196's Council.

Original Signed By

Chief

Original Signed By

Chief Executive Officer (CEO)

Edward Cheung, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*
*Operates as a Professional Corporation

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INDEPENDENT AUDITOR'S REPORT

To the Chief and Council

Opinion

We have audited the consolidated financial statements of Smith's Landing First Nation #196 (the "Nation"), which comprise the statement of consolidated financial position as at March 31, 2023, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the 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 the 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 consolidated financial statements section of our report. We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the 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 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 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 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 Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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.

INDEPENDENT AUDITOR'S REPORT - continued

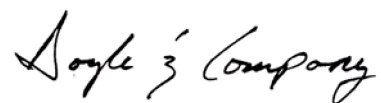
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 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 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 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 Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

September 9, 2024
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1



Chartered Professional Accountants

Smith's Landing First Nation #196
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	3,166,928	1,768,482
Restricted cash (Note 3)	445,097	630,392
Accounts receivable (Note 4)	2,177,253	1,385,643
Investment (Note 5)	19,823	19,823
Investment in Nation controlled entities (Note 6)	171,000	171,000
Trust funds held by federal government (Note 7)	15,012	14,048
	5,995,113	3,989,388
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	563,997	496,901
Deferred revenue (Note 9)	5,410,186	3,219,050
	5,974,183	3,715,951
NET FINANCIAL ASSETS	20,930	273,437
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	4,373,513	3,124,024
Prepaid expenses	53,881	30,791
Investments (Note 10)	29,732,661	30,908,642
	34,160,055	34,063,457
ACCUMULATED SURPLUS (Schedule 1 and Note 14)	34,180,985	34,336,894

Contingent Liabilities - Note 15

Approved by the First Nation:

<p>_____ <i>Original Signed by</i> Chief</p> <p>_____ <i>Original Signed By</i> Councilor</p> <p>_____ <i>Original Signed By</i> Councilor</p>	<p>_____ <i>Original Signed By</i> Councilor</p> <p>_____ <i>Original Signed By</i> Councilor</p>
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The accompanying notes form part of these financial statements.

Smith's Landing First Nation #196

Consolidated Statement of Operations

For the year ended March 31, 2023

	2023 Budget (Note 18) \$	2023 Actual \$	2022 Actual \$
REVENUE			
Indigenous Services Canada (ISC)	5,201,738	5,273,152	4,270,834
Akaiitcho Territory Government	76,096	-	116,209
Alberta Government	2,771,878	670,371	484,182
First Nation Development Fund (FNDF)	324,000	479,493	358,485
Government of Canada	310,000	489,909	264,965
Investment income	984,183	1,000,000	1,000,000
Other revenue	215,028	1,380,760	1,429,820
Revenue deferred from previous period	-	3,046,552	1,660,540
Revenue deferred to subsequent period	-	(5,237,690)	(3,046,552)
	9,882,923	7,102,547	6,538,483
EXPENDITURES			
Administration	591,933	920,875	898,776
Akaiitcho Territory Government - Chipewyan Language program	118,511	79,305	61,114
Alberta Government	1,154,516	734,402	404,159
Capacity/Innovation	-	6,210	-
Capital Projects	3,550,500	334,238	931,645
Chief and Council	225,836	192,229	142,622
Climate Change Preparedness North	170,620	143,380	50,180
Consultation	80,000	62,435	232,680
COVID-19	-	71,811	449,732
DFO- Pilot Project	310,000	288,302	253,999
Des Nedhe' Trail Project	20,702	3,046	852
Economic Development	65,740	84,567	57,737
Education	323,105	302,397	387,646
Family Wellness	31,079	100,222	190,079
First Nation Development Fund	324,000	361,050	255,527
FNIHB - Baseline Health Study	208,735	180,851	64,580
Government of Northwest Territories	55,286	282,439	252,350
Health	627,768	140,990	-
Housing	-	55,340	73,784
Impact Assessment Act	-	-	1,625
Indigenous Skills & Employment - CRF/EI	155,923	187,190	118,552
Lands Nature United	-	12,508	-
Membership	167,000	212,388	161,834
NIB Funding	-	-	80,722
PID Funding	-	-	2,233
Pine Point	156,049	54,832	104,832
Public Works	606,005	361,225	618,179
Social Development	301,506	151,606	130,979
Suncor Base Mine	-	2,500	10,118
T8 TK Policy	-	43,443	25,963
Wood Buffalo National Park	638,109	524,482	-
	9,882,923	5,894,263	5,962,499
Excess (Deficiency) of Revenue Over Expenditures			
Before Other Expenditures	-	1,208,284	575,984
Other Expenditures			
Amortization	-	(189,176)	(132,150)
Gain (Loss) on disposition of assets	-	-	(46)
	-	(189,176)	(132,196)
EXCESS (DEFICIENCY) OF REVENUE			
OVER EXPENDITURES	-	1,019,108	443,788

The accompanying notes form part of these financial statements.

Smith's Landing First Nation #196
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31, 2023

	2023	2022
	\$	\$
EXCESS OF REVENUES OVER EXPENDITURES	1,019,108	443,788
Acquisition of tangible capital assets	(1,438,665)	(793,116)
Amortization of tangible capital assets	189,176	132,150
(Gain) Loss on disposal of capital assets	-	46
	(1,249,489)	(660,920)
Acquisition of prepaid assets	(53,881)	(30,791)
Increase in investments	964	893
Use of prepaid assets	30,791	45,956
	(22,126)	16,058
DECREASE IN NET ASSETS	(252,507)	(201,074)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	273,437	474,511
NET FINANCIAL ASSETS, END OF YEAR	20,930	273,437

The accompanying notes form part of these financial statements.

Smith's Landing First Nation #196

Consolidated Statement of Cash Flows

For the year ended March 31, 2023

	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and other income	8,503,037	7,350,513
Cash paid to suppliers and employees	(5,850,257)	(5,959,896)
	2,652,780	1,390,617
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) in investments	(964)	(893)
Purchase of tangible capital assets	(1,438,665)	(793,116)
	(1,439,629)	(794,009)
INCREASE (DECREASE) IN CASH DURING THE YEAR	1,213,151	596,608
CASH - Beginning of year	2,398,874	1,802,266
CASH - End of year	3,612,025	2,398,874
Cash consists of:		
Cash	3,166,928	1,768,482
Restricted cash (Note 3)	445,097	630,392
	3,612,025	2,398,874

The accompanying notes form part of these financial statements.

Smith's Landing First Nation #196

Schedule of Changes in Accumulated Surplus - Schedule 1

For the year ended March 31, 2023

	Unrestricted Surplus	Equity in Enterprise Fund	Equity in Tangible Capital Assets	Equity in Trust Funds	Equity in Settlement Capital	2023 Total	2022 Total
	\$	\$	\$	\$	\$	\$	\$
Balance, Beginning of Year	119,180	171,000	3,124,024	14,048	30,908,642	34,336,894	32,947,275
Excess (Deficiency) of revenue over expenses	1,019,108	-	-	-	-	1,019,108	443,788
Net investment income (loss)	-	-	-	964	(175,981)	(175,017)	1,945,831
Capital funds used for operation	-	-	-	-	(1,000,000)	(1,000,000)	(1,000,000)
Current years funds used for tangible capital assets	(1,438,665)	-	1,438,665	-	-	-	-
Annual amortization expense	189,176	-	(189,176)	-	-	-	-
Change in accumulated surplus	(230,381)	-	1,249,489	964	(1,175,981)	(155,909)	1,389,619
Balance, End of Year	(111,201)	171,000	4,373,513	15,012	29,732,661	34,180,985	34,336,894

The accompanying notes form part of these financial statements.

Smith's Landing First Nation #196
Consolidated Statement of Tangible Capital Assets - Schedule 2
For the year ended March 31, 2023

	Automotive	Buildings & Infrastructure	Equipment	Land	2023	2022
	\$	\$	\$	\$	\$	\$
COST:						
Balance, Beginning of Year	643,420	3,547,133	267,279	391,772	4,849,604	4,060,338
Acquisition of tangible capital assets	36,724	1,391,383	10,558	-	1,438,665	793,116
Disposal of tangible capital assets	-	-	-	-	-	(3,850)
Balance, End of Year	680,144	4,938,516	277,837	391,772	6,288,269	4,849,604
ACCUMULATED AMORTIZATION:						
Balance, Beginning of Year	468,123	1,034,234	223,223	-	1,725,580	1,597,234
Annual amortization	58,098	121,159	9,919	-	189,176	132,150
Accumulated amortization on disposals	-	-	-	-	-	(3,804)
Balance, End of Year	526,221	1,155,393	233,142	-	1,914,756	1,725,580
NET BOOK VALUE	153,923	3,783,123	44,695	391,772	4,373,513	3,124,024
2022 NET BOOK VALUE	175,297	2,512,899	44,056	391,772	3,124,024	

The accompanying notes form part of these financial statements.

Smith's Landing First Nation #196
Consolidated Statement of Financial Operations - Schedule 3
For the year ended March 31, 2023

	ISC Revenue	Other Revenue	Total Revenue	Total Expenditures	Surplus (Deficit) Before Other Items 2023	Other Items 2023	Surplus (Deficit) Before Other Items 2022
		\$	\$	\$	\$	\$	\$
Administration	367,085	453,898	820,983	920,875	(99,892)	(189,175)	(2,919)
Akaiicho Territory Government							
Chipewyan Language Program	-	55,095	55,095	79,305	(24,210)	-	-
Alberta Government	-	800,843	800,843	734,402	66,441	-	(163)
Capacity/ Innovation	73,000	(66,790)	6,210	6,210	-	-	-
Capital Projects	2,306,685	(750,217)	1,556,468	334,238	1,222,230	(1,200,087)	7,025
Chief and Council	-	192,229	192,229	192,229	-	-	-
Climate Change							
Preparedness North	-	36,157	36,157	143,380	(107,223)	-	-
Consultation	-	60,943	60,943	62,435	(1,492)	-	(37,297)
COVID-19	-	71,811	71,811	71,811	-	-	21,030
DFO - Pilot Project	-	288,302	288,302	288,302	-	-	-
Des Nedhe' Trial Project	-	3,046	3,046	3,046	-	-	-
Economic Development	65,740	18,827	84,567	84,567	-	-	-
Education	188,848	113,549	302,397	302,397	-	-	(45,715)
Family Wellness	683,461	(583,239)	100,222	100,222	-	-	-
First Nation Development Fund	-	400,721	400,721	361,050	39,671	(45,558)	33,255
FNIHB Baseline Health Study	-	179,968	179,968	180,851	(883)	-	-
GNWT	-	282,439	282,439	282,439	-	-	(17,354)
Health	623,107	(482,117)	140,990	140,990	-	-	-
Housing	-	55,340	55,340	55,340	-	-	-
Impact Assessment Act	-	-	-	-	-	-	-
ISET - CRF/EI	-	185,419	185,419	187,190	(1,771)	-	-
Lands Nature United	-	12,508	12,508	12,508	-	-	-
Membership	-	212,388	212,388	212,388	-	-	-
NIB Funding	-	-	-	-	-	-	-
PID Funding	-	-	-	-	-	-	-
Pine Point	119,846	(65,014)	54,832	54,832	-	-	-
Public Works	335,023	141,615	476,638	361,225	115,413	(145,738)	618,122
Social Development	323,059	(171,453)	151,606	151,606	-	-	-
Suncor Base Mine	-	2,500	2,500	2,500	-	-	-
T8 TK Policy	187,298	(143,855)	43,443	43,443	-	-	-
Wood Buffalo National Park	-	524,482	524,482	524,482	-	-	-
	5,273,152	1,829,395	7,102,547	5,894,263	1,208,284	(1,580,558)	575,984

The accompanying notes form part of these financial statements.

Smith's Landing First Nation #196
Consolidated Statement of Expenditures by Object - Schedule 4
For the year ended March 31, 2023

	2023	2023	2022
	Budget	Actual	Actual
	\$	\$	\$
EXPENDITURES			
Administration	222,022	42,303	87,264
Bad debts (recovery)	-	528	5,377
Contract labour	311,965	19,459	264,183
Donations	-	19,545	2,812
Honorarium	343,259	219,165	175,794
Housing	-	41,413	850,514
Insurance	33,000	52,620	30,527
Interest, bank charges and loan payments	4,900	12,248	10,856
Meeting costs	15,000	54,102	63,708
Members needs	205,940	205,596	485,425
Office and supplies	1,209,169	664,695	214,479
Professional fees	4,668,443	1,534,438	1,063,708
Program expenses	438,068	30,145	41,569
Repairs and maintenance	389,500	336,720	412,854
Travel	177,370	105,649	38,984
Tuition, allowances, bursaries and training	423,112	411,890	424,412
Vehicle	1,800	111,105	106,282
Wages and employee benefits	1,439,375	2,032,642	1,683,751
TOTAL EXPENDITURES	9,882,923	5,894,263	5,962,499

The accompanying notes form part of these financial statements.

Smith's Landing First Nation #196

Notes to the Consolidated Financial Statements

March 31, 2023

NATURE OF OPERATIONS

Smith's Landing First Nation #196 (the "Nation") provides local government, education, and social development services to its members and was established under the Indian Act (Canada).

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of Smith's Landing First Nation #196 are the representations of management, prepared in accordance with Canadian Public Sector Accounting Standards and include the following significant accounting policies:

(a) Reporting Entity and Principles of Consolidation

The consolidated financial statements consolidate the financial activities of all entities and departments comprising Smith's Landing First Nation #196 (the "Nation"), except for the Nation business entities.

Business accounted for by the modified equity basis include:

- i) Smith's Landing Development Corporation

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

The Nation's business entity, which is owned or controlled by the Nation but not dependent on the Nation for their continuing operations, are included in the First Nation's consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities are recorded at acquisition cost and are increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distribution received.

(b) Basis of Presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it comes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

(c) Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, expenses that have been prepaid, and investments (Trust money invested).

(d) Net Financial Assets

The Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Nation is determined by its financial assets less liabilities.

Smith's Landing First Nation #196
Notes to the Consolidated Financial Statements
March 31, 2023

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES'S - continued

(e) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

(f) Revenue Recognition

i) Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

ii) Government transfers

The Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

iii) Industry and other revenues

Industry and other revenues are recognized when prices are agreed upon, all significant contractual obligations have been satisfied, and collectibility is reasonably assured.

(g) Indigenous Services Canada (ISC) Capital and Revenue Trust Funds

Funds held in trust on behalf of Nation members by the Government of Canada are reported on the consolidated statement of financial position with an offsetting amount in revenue. Trust moneys consist of:

i) Capital trust monies derived from non-renewable resource transactions on the sale of land or other Nation capital assets, and

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

First Nation trust funds are included as revenue in these statements only to the extent they have been received from the First Nation's trust fund accounts, or are receivable or accrued at year-end, which have been authorized by Indigenous and Northern Affairs Canada (ISC) and were approved by a band council resolution (BCR).

(h) Cash

Cash consist of cash in bank accounts and temporary investments with maturities of three months or less.

(i) Investments

Investments in guaranteed investment certificate with a maturity date of twelve months from date of acquisition are recorded at cost and are classified as a current investment.

Investments with CIBC Wood Gundy are recorded at fair market value. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognized the loss.

Smith's Landing First Nation #196
Notes to the Consolidated Financial Statements
March 31, 2023

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES'S - continued

i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a declining balance basis over the estimated useful life of the assets at the annual rates as follows:

Automotive	30%
Buildings and Infrastructure	4%
Equipment	20%

Annual amortization is charged in the year of acquisition and not in the year of disposal.
Assets under construction are not amortized until the asset is available for productive use.

ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value when the amount can reasonably be determined and would have been purchased by the Nation, if not contributed, at the date of receipt and also are recorded as revenue.

iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operation leases and the related lease payments are charges to expenses as incurred.

(j) Financial Instruments

(i) Measurement of financial instruments

Smith Landing First Nation initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

Smith Landing First Nation subsequently measures all of its financial assets and liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, restricted cash, accounts receivables, investments and trust funds held by federal government.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed the original cost. The amount of the reversal is recognized in operations.

Smith's Landing First Nation #196

Notes to the Consolidated Financial Statements

March 31, 2023

2. MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian Accounting Standards for Public Sector Accounting Board requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of the tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

3. RESTRICTED CASH

	2023	2022
	\$	\$
First Nation Development Fund (FNDF)	445,097	630,392

The FNDF grant funds can only be spent on approved expenditures by the Government of Alberta Indigenous Relations branch.

4. ACCOUNTS RECEIVABLE

	2023	2022
	\$	\$
Alberta Government	345,034	260,063
Environment and Parks	599,075	185,793
Indigenous Services Canada (ISC)	148,204	22,744
Government of Canada	390,000	157,827
Members	239,786	166,033
Goods and Services Tax (GST)	100,751	65,972
Government of Northwest Territories	113,460	146,147
Other	418,907	595,506
	2,355,217	1,600,085
Less: Allowance for doubtful accounts	(177,964)	(214,442)
	2,177,253	1,385,643

5. INVESTMENT

The investment is a variable guaranteed investment certificate (GIC) with the Bank of Montreal (BMO). The term is for 1 year maturing January 2024 at an interest rate of prime minus 2.40%. The interest is calculated and paid at maturity. This GIC is to secure the two BMO mastercards, one mastercard has a limit of \$10,000 and the other card is \$6,800.

Smith's Landing First Nation #196
Notes to the Consolidated Financial Statements
March 31, 2023

6. INVESTMENT IN FIRST NATION CONTROLLED ENTITY

	2023	2022
	\$	\$
Smith's Landing Development Corporation		
Shares	10	10
Advances	189,847	189,847
Accumulated deficit in earnings	(18,857)	(18,857)
	171,000	171,000

Unaudited financial information for the above entity for its respective March 31, 2022 year ended is as follows:

	Assets	Liabilities	Revenues	Net Earnings
	\$	\$	\$	\$
Smith's Landing Development Corporation	171,000	189,837	-	-

7. INDIGENOUS SERVICES CANADA REVENUE TRUST FUNDS

The Ottawa Trust accounts arise from monies derived from revenue sources which the Crown considers are described in Section 62 of the *Indian Act*. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by section 63 and 69 of the *Indian Act*.

These Ottawa Funds are held in trust in the Consolidated Revenue fund of the Government of Canada. These funds earn interest as specified in Section 61(2) of the *Indian Act*.

Revenue trust moneys are transferred to the Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the Nation's Council.

	2023	2022
	\$	\$
Revenue Trust		
Balance, beginning of year	14,048	13,155
Earnings	964	893
Balance, end of year	15,012	14,048

Smith's Landing First Nation #196
Notes to the Consolidated Financial Statements
March 31, 2023

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
	\$	\$
Trade	501,073	418,417
Wages and Vacation	62,924	78,484
	563,997	496,901

9. DEFERRED REVENUE

	2023	2022
	\$	\$
Administration		
ICSF - DIR ALL EMAP (Q3V9-001)	-	47,202
Akaiicho Territory Government	-	55,095
Alberta Government Grants	216,594	169,325
ISC - Capacity/Innovation		
Capacity/Innovation/enhancement (Q3AD-001, Q3XM-001)	96,790	30,000
Capital Projects		
Construction (Q3XJ-001)	846,339	208,794
Housing subdivisions (Q3XO-001)	363,457	1,000,000
Lot servicing (Q3XL-001)	3,133	90,000
Renovation (QA1B-002)	117,705	-
Planning design & construction (Q38L-001)	15,907	-
Planning design & construction (Q38L-002)	800,000	-
FES2020-Co dev infra plan (Q3UZ-001)	15,000	-
Consultation	26,830	-
Climate Change Preparedness North		
Projects and capacity (QZJ0-001)	-	36,157
COVID-19		
Covid-19 OSR Community service (Q3TO-001)	2,362	74,173
Covid-19 LEDSP (Q3QP-001)	-	-
ICSF3 Envelope 2 (Q3T4-002)	370,427	370,427
Response (Q3FP-001)	-	-
DFO - Pilot Project	22,501	803
Economic Development		
CED - Non block/core allocation (Q3W8-001)	6,755	8,003
Centre for Northern Conservation	17,101	-
Education		
Post secondary student supp prog (Q29A-001 & 002)	-	3,736
Family Wellness		
Community Based Initiatives Current (Q3KQ-001)	75,258	174,421
Community Based Initiatives Retro (Q3KR-001, 002)	637,898	1,059
FN Representative service (Q2C7-001)	45,563	-
First Nation Development Fund	310,244	207,676
FNIHB Baseline Health Study	-	182,968
GNWT - Environment and Natural Resources	49,309	48,375

Smith's Landing First Nation #196
Notes to the Consolidated Financial Statements
March 31, 2023

9. DEFERRED REVENUE - continued

	2023	2022
	\$	\$
Health		
Mental wellness program (Q21G-001)	8,513	-
Maternal child health (Q22I-001)	100,000	-
HCC service delivery (Q22U-001)	92,037	-
Health planning management -gov (Q30P-001)	56,865	-
CFS Prevention (Q2C3-001)	224,702	-
Indigenous Skills & Employment Training (ISET)		
CRF funding	-	11,839
EI funding	-	13,032
Lands Nature United	14,393	-
Pine Point		
North participant funding (QZP0-001)	77,288	12,274
Public Works		
Community buildings (Q3B0-001 & 002, Q3BK-001)	-	-
O&M community assets (Q3WI-001)	30,000	20,000
Operations & maintenance (Q3OG-001)	100,000	100,000
Regional Municipality of Wood Buffalo	8,216	10,000
Social Development		
Basic needs (Q29W-002 & 003)	-	41,257
Community based initiative current (Q2KQ-001)	177,798	-
Service delivery (Q2BH-001)	-	-
Service delivery (Q2AF-001 & 002)	122,640	87,728
T8 TK Policy		
Discussion tables (QZP0-001)	186,064	42,209
Land Acquisition	172,497	172,497
	5,410,186	3,219,050

10. INVESTMENTS

	2023	2023	2022	2022
	Market	Cost	Market	Cost
	\$	\$	\$	\$
CIBC Wood Gundy				
Cash and cash equivalents	3,071,350	3,071,350	3,118,160	3,118,158
Fixed income	8,833,997	9,339,803	9,349,175	9,521,988
Equities	17,827,314	12,430,987	18,441,307	12,064,026
	29,732,661	24,842,140	30,908,642	24,704,172

The above investments are in accordance with the policy guidelines approved by the Smith's Landing First Nation #196 council. These amounts have been recorded at fair value.

The amounts of unrealized gains included in the market values are \$4,890,521 (2022 - \$6,687,792).

The change between the opening and closing unrealized gain/(loss) is (\$1,250,852) (2022 - \$458,360) and has been recorded to the equity in settlement capital funds.

Smith's Landing First Nation #196
Notes to the Consolidated Financial Statements
March 31, 2023

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	2023 \$	2022 \$
Tangible capital assets (Schedule 2)	6,288,269	4,849,604
Accumulated amortization (Schedule 2)	(1,914,756)	(1,725,580)
	4,373,513	3,124,024

12. EQUITY IN ENTERPRISE FUND

	2023 \$	2022 \$
Balance, beginning of year	171,000	171,000
Advances to (from) controlled entity	-	-
Earnings (loss) from controlled entity	-	-
Balance, end of year	171,000	171,000

13. EQUITY IN SETTLEMENT CAPITAL FUND

	2023 \$	2022 \$
Balance, beginning of year	30,908,642	29,963,704
Dividends and interest	1,359,366	1,797,922
Change in opening and ending unrealized balance	(1,250,852)	458,360
Management fees	(284,495)	(311,344)
Transfer to general funds - operating revenue	(1,000,000)	(1,000,000)
Balance, end of year	29,732,661	30,908,642

14. ACCUMULATED SURPLUS

	2023 \$	2022 \$
Unrestricted surplus	(111,201)	119,180
Equity in tangible capital assets	4,373,513	3,124,024
Equity in enterprise fund	171,000	171,000
Equity in trust funds	15,012	14,048
Equity in settlement capital fund	29,732,661	30,908,642
	34,180,985	34,336,894

Smith's Landing First Nation #196
Notes to the Consolidated Financial Statements
March 31, 2023

15. CONTINGENT LIABILITIES

- a) A claim has been filed against the Nation by a member for salary owed between April 17, 2018 and October 11, 2018 that was not paid plus legal fees. The court has heard the judicial reviews and judgment was reserved and is still pending. Should a liability result from an unfavourable judgment, the amount will be recognized as an expenditure in the year the liability is determined.
- b) A member has filed a counter claim against the Nation for general damages and aggravated and/or punitive damages. Should a liability result from an unfavourable judgment, the amount will be recognized as an expenditure in the year the liability is determined.

16. FINANCIAL INSTRUMENTS AND CONCENTRATION OF RISK

The Nation's financial instruments consist of cash, restricted cash, accounts receivable, investments, trust funds held by federal government, accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Credit Risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Nation by failing to discharge an obligation. The Nation's credit risk is mainly related to accounts receivable. The Nation provides credit to its clients in the normal course of its operations and assesses on a continuous basis the accounts receivable and records any amounts that are not collectible in the allowance for doubtful accounts.

Market Risk

Market risk is the risk that the fair value or future cash flows of the Nation's financial instrument will fluctuate because of changes in market prices. Some of the Nation's financial instruments expose it to this risk which comprises currency risk, interest rate risk, and other price risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Nation may purchase services and goods from outside of Canada and incurs expenditures in foreign currency. Also some of the investments are in foreign currency.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. The Nation is exposed to interest rate risk on its bank account balances and any of its fixed and/or floating interest rate financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Nation will encounter difficulty in meeting its obligations associated with financial liabilities. The Nation manages its liquidity risk by monitoring its operating requirements and cash forecasts to ensure it has sufficient funds to fulfil its financial obligations.

17. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with current year's presentation.

18. BUDGET FIGURES

The budget figures are presented for information purposes only and have not been audited.