

**Smith's Landing First Nation #196  
Consolidated Financial Statements**

**March 31, 2024**

# **Smith's Landing First Nation #196**

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## Smith's Landing First Nation

Thebacha Nare IR # 196

PO Box 1470, Fort Smith, NT, X0E 0P0

Phone: (867) 872-4950 Fax: (867) 872-5154

### 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 it 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, 2024, 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, 2024, 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.

May 22, 2025  
11210 - 107 Avenue NW  
Edmonton, Alberta T5H 0Y1

*Doyle & Company*  
Chartered Professional Accountants

**Smith's Landing First Nation #196**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2024**

	<b>2024</b> \$	<b>2023</b> \$
<b>FINANCIAL ASSETS</b>		
Cash	<b>4,815,561</b>	3,166,928
Restricted cash (Note 3)	<b>945,262</b>	445,097
Accounts receivable (Note 4)	<b>5,250,168</b>	2,177,253
Investment (Note 5)	<b>19,823</b>	19,823
Investment in Nation controlled entities (Note 6)	<b>171,000</b>	171,000
Trust funds held by federal government (Note 7)	<b>16,137</b>	15,012
	<b>11,217,951</b>	5,995,113
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	<b>3,138,002</b>	563,997
Deferred revenue (Note 9)	<b>7,865,986</b>	5,410,186
	<b>11,003,988</b>	5,974,183
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>213,963</b>	20,930
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	<b>5,807,221</b>	4,373,513
Prepaid expenses	<b>-</b>	53,881
Investments (Note 10)	<b>32,157,553</b>	29,732,661
	<b>37,964,774</b>	34,160,055
<b>ACCUMULATED SURPLUS (Schedule 1 and Note 14)</b>	<b>38,178,737</b>	34,180,985

Contingent Liabilities - Note 15

**Approved by the First Nation:**

<i>Original Signed By</i>	Chief	<i>Original Signed By</i>	Councilor
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<i>Original Signed By</i>	Councilor	<i>Original Signed By</i>	Councilor
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<i>Original signed By</i>	Councilor		

# Smith's Landing First Nation #196

## Consolidated Statement of Operations

For the year ended March 31, 2024

	2024 Budget (Note 18)	2024 Actual	2023 Actual
	\$	\$	\$
<b>REVENUE</b>			
Indigenous Services Canada (ISC)	6,353,335	6,353,335	5,273,152
Alberta Government	299,747	279,558	670,371
First Nation Development Fund (FNDF)	445,835	486,888	479,493
Government of Canada	245,000	3,628,439	489,909
Investment income	1,000,000	1,000,000	1,000,000
Other revenue	841,312	1,423,483	1,380,760
Revenue deferred from previous period	-	5,237,690	3,046,552
Revenue deferred to subsequent period	-	(7,693,491)	(5,237,690)
	<b>9,185,229</b>	<b>10,715,902</b>	<b>7,102,547</b>
<b>EXPENDITURES</b>			
Administration	739,641	964,058	920,875
Akaitcho Territory Government - Chipewyan Language program	31,625	31,338	79,305
Alberta Government	442,218	499,816	746,910
Capacity/Innovation	129,610	212,618	6,210
Capital Projects	-	-	334,238
Chief and Council	250,000	173,607	192,229
Climate Change Preparedness North	-	29,335	143,380
Consultation	-	26,830	62,435
COVID-19	-	-	71,811
DFO- Pilot Project	245,000	265,897	288,302
Des Nedhe' Trail Project	-	-	3,046
Economic Development	157,349	172,206	84,567
Education	333,919	459,733	302,397
Family Wellness	-	-	100,222
First Nation Development Fund	445,835	306,336	361,050
FNIHB - Baseline Health Study	-	-	180,851
Government of Northwest Territories	-	186,045	282,439
Health	1,541,455	389,822	140,990
Housing	3,109,888	285,863	55,340
Indigenous Skills & Employment - CRF/EI	155,923	132,119	187,190
Membership	215,950	165,716	212,388
PID Funding	48,950	9,034	-
Pine Point	-	42,198	54,832
Public Works	525,096	445,489	361,225
Social Development	138,498	129,163	151,606
Suncor Base Mine	-	-	2,500
T8 TK Policy	167,780	246,099	43,443
Wood Buffalo National Park	506,492	535,286	524,482
Wood Buffalo Complex Fire	-	3,190,612	-
	<b>9,185,229</b>	<b>8,899,220</b>	<b>5,894,263</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>			
Before Other Expenditures	-	1,816,682	1,208,284
<b>Other Expenditures</b>			
Amortization	-	(244,947)	(189,176)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>			
	<b>-</b>	<b>1,571,735</b>	<b>1,019,108</b>

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, 2024**

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>1,571,735</b>	1,019,108
Acquisition of tangible capital assets	(1,678,655)	(1,438,665)
Amortization of tangible capital assets	244,947	189,176
	<b>(1,433,708)</b>	(1,249,489)
Acquisition of prepaid assets	-	(53,881)
Increase in investments	1,125	964
Use of prepaid assets	53,881	30,791
	<b>55,006</b>	(22,126)
<b>DECREASE IN NET ASSETS</b>	<b>193,033</b>	(252,507)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>20,930</b>	273,437
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>213,963</b>	20,930

# Smith's Landing First Nation #196

## Consolidated Statement of Cash Flows

For the year ended March 31, 2024

	2024	2023
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from funding agencies and other income	<b>10,099,912</b>	8,503,037
Cash paid to suppliers and employees	(6,271,334)	(5,850,257)
	<b>3,828,578</b>	2,652,780
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase) in investments	(1,125)	(964)
Purchase of tangible capital assets	(1,678,655)	(1,438,665)
	<b>(1,679,780)</b>	(1,439,629)
<b>INCREASE (DECREASE) IN CASH DURING THE YEAR</b>	<b>2,148,798</b>	1,213,151
<b>CASH - Beginning of year</b>	<b>3,612,025</b>	2,398,874
<b>CASH - End of year</b>	<b>5,760,823</b>	3,612,025
 <b>Cash consists of:</b>		
Cash	4,815,561	3,166,928
Restricted cash (Note 3)	945,262	445,097
	<b>5,760,823</b>	3,612,025

**Smith's Landing First Nation #196**  
**Schedule of Changes in Accumulated Surplus - Schedule 1**  
**For the year ended March 31, 2024**

	Unrestricted Surplus \$	Equity in Enterprise Fund \$	Equity in Tangible Capital Assets \$	Equity in Trust Funds \$	Equity in Settlement Capital \$	2024 Total \$	2023 Total \$
<b>Balance, Beginning of Year</b>	<b>(111,201)</b>	<b>171,000</b>	<b>4,373,513</b>	<b>15,012</b>	<b>29,732,661</b>	<b>34,180,985</b>	<b>34,336,894</b>
Excess (Deficiency) of revenue over expenses	1,571,735	-	-	-	-	1,571,735	1,019,108
Net investment income (loss)	-	-	-	1,125	3,424,892	3,426,017	(175,017)
Capital funds used for operation	-	-	-	-	(1,000,000)	(1,000,000)	(1,000,000)
Current years funds used for tangible capital assets	(1,678,655)	-	1,678,655	-	-	-	-
Annual amortization expense	244,947	-	(244,947)	-	-	-	-
<b>Change in accumulated surplus</b>	<b>138,027</b>	<b>-</b>	<b>1,433,708</b>	<b>1,125</b>	<b>2,424,892</b>	<b>3,997,752</b>	<b>(155,909)</b>
<b>Balance, End of Year</b>	<b>26,826</b>	<b>171,000</b>	<b>5,807,221</b>	<b>16,137</b>	<b>32,157,553</b>	<b>38,178,737</b>	<b>34,180,985</b>

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, 2024**

	Automotive	Buildings & Infrastructure	Equipment	Land	2024	2023
	\$	\$	\$	\$	\$	\$
<b>COST:</b>						
Balance, Beginning of Year	680,144	4,938,516	277,837	391,772	6,288,269	4,849,604
Acquisition of tangible capital assets	74,908	1,574,435	29,312	-	1,678,655	1,438,665
Balance, End of Year	<b>755,052</b>	<b>6,512,951</b>	<b>307,149</b>	<b>391,772</b>	<b>7,966,924</b>	<b>6,288,269</b>
<b>ACCUMULATED AMORTIZATION:</b>						
Balance, Beginning of Year	526,221	1,155,393	233,142	-	1,914,756	1,725,580
Annual amortization	57,412	175,628	11,907	-	244,947	189,176
Balance, End of Year	<b>583,633</b>	<b>1,331,021</b>	<b>245,049</b>	<b>-</b>	<b>2,159,703</b>	<b>1,914,756</b>
<b>NET BOOK VALUE</b>	<b>171,419</b>	<b>5,181,930</b>	<b>62,100</b>	<b>391,772</b>	<b>5,807,221</b>	<b>4,373,513</b>
<b>2023 NET BOOK VALUE</b>	<b>153,923</b>	<b>3,783,123</b>	<b>44,695</b>	<b>391,772</b>	<b>4,373,513</b>	

The accompanying notes form part of these financial statements.

**Smith's Landing First Nation #196**  
**Consolidated Statement of Expenditures by Object - Schedule 3**  
**For the year ended March 31, 2024**

	2024 Budget \$	2024 Actual \$	2023 Actual \$
<b>EXPENDITURES</b>			
Administration	-	<b>88,603</b>	42,303
Bad debts (recovery)	-	-	528
Contract labour	-	<b>7,919</b>	19,459
Donations	<b>2,500</b>	<b>17,851</b>	19,545
Honorarium	<b>89,639</b>	<b>131,858</b>	219,165
Housing	-	<b>5,917</b>	41,413
Insurance	<b>33,000</b>	<b>58,140</b>	52,620
Interest, bank charges and loan payments	<b>4,900</b>	<b>9,543</b>	12,248
Meeting costs	<b>23,000</b>	<b>17,198</b>	54,102
Members needs	<b>603,315</b>	<b>276,189</b>	205,596
Office expenses and utilities	<b>405,694</b>	<b>596,404</b>	674,145
Professional fees	<b>4,103,886</b>	<b>4,235,894</b>	1,534,434
Program expenses	<b>1,174,926</b>	<b>79,053</b>	30,145
Repairs and maintenance	<b>493,496</b>	<b>440,066</b>	327,269
Travel	<b>142,500</b>	<b>93,429</b>	105,649
Tuition, allowances, bursaries and training	<b>428,408</b>	<b>500,437</b>	411,890
Vehicle	<b>183,417</b>	<b>78,712</b>	111,105
Wages and employee benefits	<b>1,496,548</b>	<b>2,262,007</b>	2,032,647
<b>TOTAL EXPENDITURES</b>	<b>9,185,229</b>	<b>8,899,220</b>	5,894,263

# Smith's Landing First Nation #196

## Notes to the Consolidated Financial Statements

March 31, 2024

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### 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, except for the Nation's 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, 2024**

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**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, 2024**

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**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, 2024**

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**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**

	<b>2024</b>	<b>2023</b>
	\$	\$
First Nation Development Fund (FNDF)	<b>945,262</b>	445,097

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

**4. ACCOUNTS RECEIVABLE**

	<b>2024</b>	<b>2023</b>
	\$	\$
Alberta Government	177,181	345,034
Environment and Parks	556,682	599,075
Indigenous Services Canada (ISC)	3,315,816	148,204
Government of Canada	356,000	390,000
Members	244,440	239,786
Goods and Services Tax (GST)	141,110	100,751
Government of Northwest Territories	86,806	113,460
<u>Other</u>	<u>506,576</u>	<u>418,907</u>
	<b>5,384,611</b>	2,355,217
Less: Allowance for doubtful accounts	<b>(134,443)</b>	(177,964)
	<b>5,250,168</b>	2,177,253

**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.

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**6. INVESTMENT IN FIRST NATION CONTROLLED ENTITY**

	<b>2024</b>	<b>2023</b>
	\$	\$
Smith's Landing Development Corporation		
Shares	10	10
Advances	189,847	189,847
Accumulated deficit in earnings	(18,857)	(18,857)
	<b>171,000</b>	171,000

Unaudited financial information for the above entity for its respective March 31, 2024 year ended is as follows:

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

**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.

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Revenue Trust</b>		
Balance, beginning of year	15,012	14,048
Earnings	1,125	964
Balance, end of year	<b>16,137</b>	15,012

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**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2024</b>	<b>2023</b>
	\$	\$
Trade	<b>3,075,078</b>	501,073
Wages and Vacation	<b>62,924</b>	62,924
	<b>3,138,002</b>	563,997

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**9. DEFERRED REVENUE**

	<b>2024</b>	<b>2023</b>
	\$	\$
Alberta Government Grants	<b>208,133</b>	230,987
ISC - Capacity/Innovation		
Capacity/Innovation/enhancement (Q3AD-001, Q3XM-001)	<b>13,782</b>	96,790
Consultation	-	26,830
COVID-19		
Covid-19 OSR Community service (Q3TO-001)	<b>2,362</b>	2,362
ICSF3 Envelope 2 (Q3T4-002)	<b>370,427</b>	370,427
DFO - Pilot Project	-	22,501
Economic Development		
CED - Non block/core allocation (Q3W8-001)	<b>11,597</b>	6,755
Centre for Northern Conservation	-	17,101
Education		
Post secondary student supp prog (Q29A-001 & 002)	<b>5,684</b>	-
Family Wellness		
Community Based Initiatives Current (Q3KQ-001)	<b>75,258</b>	75,258
Community Based Initiatives Retro (Q3KR-001, 002)	<b>637,898</b>	637,898
FN Representative service (Q2C7-001)	<b>45,563</b>	45,563
First Nation Development Fund	<b>311,589</b>	310,244
GNWT - Environment and Natural Resources	<b>61,283</b>	49,309
Health		
Mental wellness program (Q21G-001 & 002)	<b>91,193</b>	8,513
Maternal child health (Q22I-001)	<b>200,000</b>	100,000
HCC service delivery (Q22U-001)	<b>184,074</b>	92,037
Health planning management -gov (Q30P-001)	<b>44,704</b>	56,865
CFS Prevention (Q2C3-001 & 002)	<b>711,994</b>	224,702
CFS Operations (Q2C0-001, 004, 005 & 006)	<b>51,207</b>	-
FN Representative service (Q2C7-001 & 002)	<b>55,162</b>	-
CFS Emergency (Q2PK-001 & 002)	<b>9,311</b>	-
CFS Poverty (Q2PP-001 & 002)	<b>4,143</b>	-
Capital Investments - (Q300-001 & 002)	<b>271,215</b>	-
MT-client services (Q010-001,002,003)	<b>10,609</b>	-
Housing		
Construction (Q3XJ-001)	<b>1,321,869</b>	846,339
Housing subdivisions (QA1F-001)	<b>759,394</b>	363,457
Lot servicing (Q3XL-001)	-	3,133
Renovation (QA1B-002)	-	117,705
Planning design & construction (Q38L-001)	<b>56,968</b>	15,907
Planning design & construction (Q38L-002)	<b>800,000</b>	800,000
FNCFS Renovation (QA1U-001)	<b>610,400</b>	-

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**Smith's Landing First Nation #196**  
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**9. DEFERRED REVENUE - continued**

	<b>2024</b>	<b>2023</b>
	\$	\$
Indigenous Skills & Employment Training (ISET)		
CRF funding	11,782	-
EI funding	13,322	-
PID Funding		
Leadership gov cap dev (Q32F-001)	39,916	-
Pine Point		
North participant funding (QZP0-001)	35,090	77,288
Public Works		
Municipal services - (Q3BJ-001)	10,564	-
Community buildings - (Q3BK-001)	9,220	-
Maintenance management - (Q3BO-001)	7,619	-
Preparedness/mitigation (Q3Z9-001)	75,000	-
O&M community assets (Q3WI-001)	-	30,000
Operations & maintenance (Q3OG-001)	100,000	100,000
Regional Municipality of Wood Buffalo	-	8,216
FES2020-Co dev infra plan (Q3UZ-001)	-	15,000
Social Development		
Basic needs (Q29W-002 & 003)	11,980	-
Community based initiative current (Q2KQ-001)	177,798	177,798
Social assistance employment & training (Q2AO-001)	20,000	-
Service delivery (Q2AF-001 & 002)	94,754	122,640
T8 TK Policy		
Discussion tables (QZP0-001)	153,847	186,064
Wood Buffalo National Park		
Projects and capacity (QZJ0-001)	6,778	-
Land Acquisition	<u>172,497</u>	172,497
	<b>7,865,986</b>	5,410,186

**10. INVESTMENTS**

	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	Market	Cost	Market	Cost
	\$	\$	\$	\$
CIBC Wood Gundy				
Cash and cash equivalents	2,822,884	2,822,884	3,071,350	3,071,350
Fixed income	9,082,610	9,082,610	8,833,997	9,339,803
Equities	20,252,059	12,985,516	17,827,314	12,430,987
	<b>32,157,553</b>	<b>24,891,010</b>	29,732,661	24,842,140

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 \$7,266,543 (2023 - \$4,890,521).

The change between the opening and closing unrealized gain (loss) is \$2,870,363 (2023 - (\$1,250,852) and has been recorded to the equity in settlement capital funds.

**Smith's Landing First Nation #196**  
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**11. EQUITY IN TANGIBLE CAPITAL ASSETS**

	<b>2024</b>	<b>2023</b>
	\$	\$
Tangible capital assets (Schedule 2)	7,966,924	6,288,269
Accumulated amortization (Schedule 2)	(2,159,703)	(1,914,756)
	<b>5,807,221</b>	<b>4,373,513</b>

**12. EQUITY IN ENTERPRISE FUND**

	<b>2024</b>	<b>2023</b>
	\$	\$
Balance, beginning of year	171,000	171,000
Advances to (from) controlled entity	-	-
Earnings (loss) from controlled entity	-	-
	<b>171,000</b>	<b>171,000</b>

**13. EQUITY IN SETTLEMENT CAPITAL FUND**

	<b>2024</b>	<b>2023</b>
	\$	\$
Balance, beginning of year	29,732,661	30,908,642
Dividends and interest	846,136	1,359,366
Change in opening and ending unrealized balance	2,870,363	(1,250,852)
Management fees	(291,607)	(284,495)
Transfer to general funds - operating revenue	(1,000,000)	(1,000,000)
	<b>32,157,553</b>	<b>29,732,661</b>

**14. ACCUMULATED SURPLUS**

	<b>2024</b>	<b>2023</b>
	\$	\$
Unrestricted surplus	26,826	(111,201)
Equity in tangible capital assets	5,807,221	4,373,513
Equity in enterprise fund	171,000	171,000
Equity in trust funds	16,137	15,012
Equity in settlement capital fund	32,157,553	29,732,661
	<b>38,178,737</b>	<b>34,180,985</b>

**Smith's Landing First Nation #196**  
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**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.