

**Cowessess First Nation #73**  
**Consolidated Financial Statements**  
*March 31, 2016*

# Cowessess First Nation #73

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*For the year ended March 31, 2016*

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## Management's Responsibility

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To the Members of Cowessess First Nation #73:

The accompanying consolidated financial statements of Cowessess First Nation #73 are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Cowessess First Nation #73 Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the consolidated financial statements and report directly to the Members of Cowessess First Nation #73; their report follows. The external auditors have full and free access to, and may meet periodically and separately with, both the Council and management to discuss their audit findings.

October 5, 2016

"Original Signed By"

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Kathy Buckles

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## Independent Auditors' Report

To the Members of Cowessess First Nation #73:

We have audited the accompanying consolidated financial statements of Cowessess First Nation #73, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus, changes in net debt, cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility 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 financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Basis for Qualified Opinion*

The investments reported on the consolidated financial statements include the equity of Little Child Holdings Limited Partnership reported on the "modified equity" basis. Audited financial statements were not prepared for the partnership and we are unable to confirm the reported equity in the amount of \$394,937 and the related effect on earnings.

In addition, the First Nation's statements of operations and changes in net debt do not present a comparison of the results for the accounting period with those originally planned, which constitutes a departure from Canadian public sector accounting standards.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Cowessess First Nation #73 as at March 31, 2016 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan

October 5, 2016

*MNP LLP*

Chartered Professional Accountants

**MNP**

**Cowessess First Nation #73**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2016*

|  | <b>2016</b>      | <b>2015</b> |
|--|------------------|-------------|
| <b>Financial assets</b>                                |                  |             |
| <b>Current</b>   |                  |             |
| Cash resources (Note 3)                                | <b>876,537</b>   | 1,356,900   |
| Accounts receivable (Note 4)                           | <b>4,008,696</b> | 2,546,539   |
| Inventory for resale                                   | <b>360,477</b>   | 360,477     |
| Advances to related Nation entities (Note 5)           | <b>45,466</b>    | 448,321     |
|  | <b>5,291,176</b> | 4,712,237   |
| <b>Investment in Nation business entities (Note 6)</b> | <b>1,147,557</b> | 1,058,210   |
| <b>Funds held in trust (Note 7)</b>                    | <b>1,056,695</b> | 1,867,768   |
| <b>Total financial assets</b>                          | <b>7,495,428</b> | 7,638,215   |

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

**Cowessess First Nation #73**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2016*

|  | 2016               | 2015               |
|--|--------------------|--------------------|
| <b>Liabilities</b>                                     |                    |                    |
| <b>Current</b>   |                    |                    |
| Bank indebtedness (Note 8)                             | 656,737            | 928,708            |
| Accounts payable and accruals                          | 3,991,718          | 3,261,982          |
| Deferred revenue (Note 10)                             | 2,019,482          | 1,573,058          |
| Advances from related Nation entities (Note 9)         | 66,720             | 69,602             |
| Current portion of long-term debt (Note 11)            | 417,360            | 669,306            |
| Current portion of capital lease obligations (Note 12) | 55,551             | -                  |
| Current portion of per capita payable (Note 16)        | 211,800            | 214,300            |
|  | <b>7,419,368</b>   | <b>6,716,956</b>   |
| <b>Long-term debt (Note 11)</b>                        | <b>3,012,008</b>   | <b>3,520,983</b>   |
| <b>Capital lease obligations (Note 12)</b>             | <b>222,511</b>     | <b>-</b>           |
| <b>Per capita payable (Note 16)</b>                    | <b>521,500</b>     | <b>563,000</b>     |
| <b>Total long-term liabilities</b>                     | <b>3,756,019</b>   | <b>4,083,983</b>   |
| <b>Total financial liabilities</b>                     | <b>11,175,387</b>  | <b>10,800,939</b>  |
| <b>Net debt</b>  | <b>(3,679,959)</b> | <b>(3,162,724)</b> |
| <b>Contingencies</b>                                   |                    |                    |
| <b>Non-financial assets</b>                            |                    |                    |
| Tangible capital assets (Note 14)                      | 57,904,315         | 56,296,679         |
| Prepaid expenses                                       | 32,873             | 13,745             |
| <b>Total non-financial assets</b>                      | <b>57,937,188</b>  | <b>56,310,424</b>  |
| <b>Accumulated surplus (Note 15)</b>                   | <b>54,257,229</b>  | <b>53,147,700</b>  |

Approved on behalf of the Council

\_\_\_\_\_  
 "Original Signed By"  
 Cadmus Delorme

Chief

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 "Original Signed By"  
 Jonathan Lerat

Councillor

# Cowessess First Nation #73

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2016*

|  | 2016              | 2015               |
|--|-------------------|--------------------|
| <b>Revenue</b>                                       |                   |                    |
| Indigenous and Northern Affairs Canada (Note 19)     | 6,082,669         | 7,728,227          |
| Health Canada (Note 20)                              | 867,170           | 1,066,388          |
| Canada Mortgage and Housing Corporation              | 344,521           | 350,956            |
| SIIT   | 199,556           | 341,714            |
| Additional government funding                        | 544,742           | 223,095            |
| First Nations Trust                                  | 1,296,262         | 1,486,054          |
| Insurance proceeds                                   | 450,496           | 83,680             |
| Rental income  | 472,258           | 511,301            |
| Contributions  | 471,770           | 375,668            |
| Other  | 380,941           | 134,846            |
| Lease income   | 318,065           | 498,005            |
| Community Development Corporation                    | 155,164           | 155,913            |
| TLE Four Trusts                                      | 146,700           | 147,200            |
| TLE Four Trusts - Deferred, end of year              | (146,700)         | -                  |
| FSIN   | 114,500           | 114,500            |
| Earnings from investment in Nation business entities | 52,957            | 23,111             |
| Interest income                                      | 31,995            | 51,082             |
| Gain (loss) on disposal of tangible capital assets   | 192,296           | (7,839)            |
| Contributions from Treaty Land Entitlement (Note 23) | 3,433,125         | 2,910,988          |
| Recovery of TLE Funds (Note 23)                      | -                 | (3,000,000)        |
| <b>Total revenue</b>                                 | <b>15,408,487</b> | <b>13,194,889</b>  |
| <b>Program expenses</b>                              |                   |                    |
| Lands and Memberships                                | 153,263           | 185,124            |
| Education  | 3,285,657         | 3,139,481          |
| Social Development                                   | 1,017,582         | 780,371            |
| Health   | 585,924           | 644,982            |
| Community Infrastructure                             | 2,256,243         | 2,615,592          |
| Band Government                                      | 2,956,662         | 1,462,211          |
| Capital  | 1,078,251         | 725,005            |
| Other Band Programs                                  | 2,965,376         | 5,379,913          |
| <b>Total expenses</b>                                | <b>14,298,958</b> | <b>14,932,679</b>  |
| <b>Annual surplus (deficit)</b>                      | <b>1,109,529</b>  | <b>(1,737,790)</b> |
| <b>Accumulated surplus, beginning of year</b>        | <b>53,147,700</b> | <b>54,885,490</b>  |
| <b>Accumulated surplus, end of year</b>              | <b>54,257,229</b> | <b>53,147,700</b>  |

The accompanying notes are an integral part of these financial statements

**Cowessess First Nation #73**  
**Consolidated Statement of Changes in Net Debt**  
*For the year ended March 31, 2016*

|  | 2016               | 2015               |
|--|--------------------|--------------------|
| <b>Annual surplus (deficit)</b>                          | <b>1,109,529</b>   | <b>(1,737,790)</b> |
| Purchases of tangible capital assets                     | <b>(100,625)</b>   | (974,030)          |
| Land Contribution from Treaty Land Entitlement           | <b>(3,433,125)</b> | -                  |
| Amortization of tangible capital assets                  | <b>2,277,915</b>   | 2,332,078          |
| Purchases of tangible capital assets under capital lease | <b>(385,001)</b>   | -                  |
| (Gain) loss on disposal of tangible capital assets       | <b>(192,296)</b>   | 7,839              |
| Proceeds on disposal of tangible capital assets          | <b>225,496</b>     | 7,776              |
|  | <b>(1,607,636)</b> | 1,373,663          |
| Acquisition of prepaid expenses                          | <b>(32,873)</b>    | (13,745)           |
| Use of prepaid expenses                                  | <b>13,745</b>      | 912,595            |
|  | <b>(19,128)</b>    | 898,850            |
| <b>(Increase) decrease in net debt</b>                   | <b>(517,235)</b>   | 534,723            |
| <b>Net debt, beginning of year</b>                       | <b>(3,162,724)</b> | <b>(3,697,447)</b> |
| <b>Net debt, end of year</b>                             | <b>(3,679,959)</b> | <b>(3,162,724)</b> |

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



**Cowessess First Nation #73**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2016*

|   | 2016        | 2015        |
|---|-------------|-------------|
| <b>Cash provided by (used for) the following activities</b> |             |             |
| <b>Operating activities</b>                                 |             |             |
| Annual surplus (deficit)                                    | 1,109,529   | (1,737,790) |
| Non-cash items  |             |             |
| Amortization  | 2,277,915   | 2,332,078   |
| (Gain) loss on disposal of tangible capital assets          | (192,296)   | 7,839       |
| Deferred revenue - current year                             | 2,019,482   | 1,573,058   |
| Deferred revenue - prior year                               | (1,573,058) | (4,409,732) |
| Earnings from investment in business entities               | (52,957)    | (23,111)    |
| Impairment on inventory for resale                          | -           | 150,359     |
| Contribution from Treaty Land Entitlement                   | (3,433,125) | -           |
|   | 155,490     | (2,107,299) |
| Changes in working capital accounts                         |             |             |
| Accounts receivable   | (1,462,157) | (49,866)    |
| Prepaid expenses  | (19,128)    | 898,850     |
| Accounts payable and accruals                               | 729,734     | 1,773,599   |
| Per capita payable  | (44,000)    | (39,500)    |
|   | (640,061)   | 475,784     |
| <b>Financing activities</b>                                 |             |             |
| Advances of long-term debt                                  | -           | 443,581     |
| Repayment of long-term debt                                 | (760,921)   | (810,516)   |
| Net (Repayment) advances of bank indebtedness               | (271,971)   | 928,708     |
| Repayment of capital lease obligations                      | (106,938)   | (12,460)    |
|   | (1,139,830) | 549,313     |
| <b>Capital activities</b>                                   |             |             |
| Purchases of tangible capital assets                        | (100,625)   | (974,030)   |
| Proceeds on disposal of tangible capital assets             | 225,496     | 7,776       |
|   | 124,871     | (966,254)   |
| <b>Investing activities</b>                                 |             |             |
| Net repayment of (advances) to related Nation entities      | 399,974     | (439,520)   |
| Decrease (increase) in funds held in trust                  | 811,073     | (542,024)   |
| Contribution of net assets to Nation business entities      | (36,390)    | (7,342)     |
|   | 1,174,657   | (988,886)   |
| <b>Decrease in cash resources</b>                           | (480,363)   | (930,043)   |
| <b>Cash resources, beginning of year</b>                    | 1,356,900   | 2,286,943   |
| <b>Cash resources, end of year</b>                          | 876,537     | 1,356,900   |

The accompanying notes are an integral part of these financial statements

# Cowessess First Nation #73

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2016*

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### 1. Operations

The Cowessess First Nation #73 (the "First Nation") is located in the province of Saskatchewan, and provides various services to its members. Cowessess First Nation #73 includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

### 2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

#### ***Reporting entity***

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Cowessess First Nation #73
- Cowessess First Nation #73 CMHC Housing Projects
- Last Oak Golf & Country Club
- Cowessess Mall
- Crooked Lake Homes Ltd.
- Crooked Lake Homes Limited Partnership
- Cowessess Development Account

All inter-entity balances have been eliminated on consolidation. Cowessess Mall, Last Oak Golf & Country Club, Crooked Lake Homes Ltd. and Crooked Lake Homes Limited Partnership have a year end of November 30, 2015 which are not co-terminous with the Nation's year end. There were no significant events for the inter-entity balances which would have affected the statement of financial position and statement of operations in the intervening period to the First Nation's year end date. Cowessess Development account has a December 31, 2015 year end. There were no significant events which would have affected the statement of financial position and statement of operations in the intervening period to the First Nation's year end date. Cowessess Mall, Last Oak Golf & Country Club, Crooked Lake Homes Ltd., Crooked Lake Homes Limited Partnership and Cowessess Development Account do not meet the definition of a government business enterprise and as such, have been consolidated.

Cowessess First Nation #73 business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the 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 First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- 4C Farms Limited Partnership (Agriculture industry)
- Little Child Holdings Limited Partnership (Retail industry)
- Awasis Nehiyawewini Energy Development Limited Partnership (Energy industry)

Separate audits are performed on the above entities' financial statements.

These entities are related by common membership.

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**2. Significant accounting policies** *(Continued from previous page)*

***Other economic interests***

Cowessess First Nation #73 is a member of the Yorkton Tribal Council Child and Family Services Incorporated. The Yorkton Tribal Council Child and Family Services Incorporated is an organization of thirteen member First Nations, whose purpose is to provide Child and Family Services to the thirteen member Nations.

The First Nation does not have a share in the profit or loss of the above entity. As a result, the financial statements of Yorkton Tribal Council Child and Family Services Incorporated have not been consolidated with the financial statements of the First Nation.

The financial statement of Cowessess Treaty Land Entitlement Trust, Cowessess First Nation Band Development, Culture and Recreation, Education and Agriculture Trust and Cowessess First Nation Flood Claim Trust is not included in the consolidated financial statements of Cowessess First Nation as the entity is administered and controlled by Trustees of the Trusts.

***Basis of presentation***

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenditures 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.

***Cash resources***

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Restricted cash is disclosed in Note 3.

***Inventory***

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in-first-out method. Net realizable value is estimates by the selling price in the ordinary course of business, less estimated costs of completion and selling costs.

***Funds held in Ottawa Trust Fund***

Funds are held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenues from trust fund moneys are recognized when measurable, earned and collection is reasonable assured. These moneys are reported on by the Government of Canada.

**2. Significant accounting policies** *(Continued from previous page)*

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

**Capital lease**

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

**Amortization**

Tangible capital assets are amortized annually using the straight-line method at the following rates intended to amortize the cost of the assets over their estimated useful lives. In the year of acquisition, amortization is taken at 1/2 of the annual amount.

|                               |               |
|-------------------------------|---------------|
| Buildings                     | 25 - 40 years |
| Equipment                     | 5 - 25 years  |
| Land and land improvements    | 5 - 40 years  |
| Utility systems               | 20 years      |
| Gasification                  | 25 years      |
| Vehicles                      | 5 years       |
| Housing                       | 25 years      |
| Equipment under capital lease | 5 years       |
| Roads                         | 15 years      |
| Wind turbine                  | 20 years      |

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in surplus for the year ended. Prices for similar items are used to measure fair value of long-lived assets.

***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 and prepaid expenses.

***Net debt***

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

**2. Significant accounting policies** *(Continued from previous page)*

**Revenue recognition**

**Non-government 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 statement of financial position in the year of receipt.

**Government transfers**

The First 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 First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

**Other revenue**

Rental revenue is recognized over the rental term. Investment income is recognized as it is earned. Other revenues are earned from services provided by the First Nation and are recognized when the services has been provided, amount is measurable and collectability is reasonably assured.

Revenue related to the receipt of funds held in the Cowessess First Nation Flood Claim Trust are recognized when it is received or when a band council resolution requesting funds has been approved by the Trustee.

**Measurement uncertainty**

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 revenue and expenses during the reporting period.

Accounts receivable, and amounts due from related First Nation entities, 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 tangible capital assets. Management has estimated the value of the inventory based upon their assessment of the realizable amount less selling costs. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for. Legal contingencies are estimated if the confirming future event is likely and the amount of the liability can be reasonably measured.

These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in periods in which they become known.

**Liability for contaminated sites**

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites 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 year end.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. No liability for remediation of contaminated sites exists at March 31, 2016.

**2. Significant accounting policies** *(Continued from previous page)*

**Segments**

The First Nation conducts its business through 8 reportable segments as identified in the attached schedules. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, to assess operational performance and as a part of its funding requirements.

For each reported segment, revenue and expenses represent both amounts that are directly attributable 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 and are apportioned based on a percentage of budgeted revenue, where permitted by funding agencies.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

**Recent accounting pronouncements**

**Financial Instruments**

In June 2011, the Public Sector Accounting Board (PSAB) issued *PS 3450 Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2019.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The First Nation has not yet determined the effect of these new standards on its financial statements.

**2. Significant accounting policies** *(Continued from previous page)*

**Related Party Disclosures and Inter-Entity Transactions**

In March 2015, the Public Sector Accounting Board (PSAB) issued *PS 2200 Related Party Disclosures* and *PS 3420 Inter-Entity Transactions*. These new Sections define related parties and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

These standards are effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted. The First Nation has not yet determined the effect of these new standards on its financial statements.

**Assets**

In June 2015, the PSAB issued *PS 3210 Assets*. The new Section provides guidance for applying the definition of assets set out in *PS 1000 Financial Statement Concepts*. Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The First Nation has not yet determined the effect of these new standards on its financial statements.

**Contractual Rights**

In June 2015, the PSAB issued *PS 3380 Contractual Rights*. Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Until a transaction or events occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right. Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent and timing. The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The First Nation has not yet determined the effect of these new standards on its financial statements.

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**2. Significant accounting policies** (Continued from previous page)

**Contingent Assets**

In June 2015, the PSAB issued *PS 3320 Contingent Assets*. Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset. Disclosures should include existence, nature and extent of contingent assets, as well as the reasons for any non-disclosure of extent and the bases for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such disclosure would have an adverse impact on the outcome. The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The First Nation has not yet determined the effect of these new standards on its financial statements.

**3. Cash resources**

Included in cash is restricted cash consisting of amounts relating to the CMHC replacement reserve of \$1,921 (2015 - \$410,537) and the CMHC operating reserve of \$3,913 (2015 - \$3,904).

Restricted cash also consists of cash managed by capital project managers who are responsible for payment of expenses relating to capital projects funded by INAC. At March 31, 2016 this amounted to \$129,850 (2015 - \$23,041).

**4. Accounts receivable**

|  | 2016        | 2015        |
|--|-------------|-------------|
| Rent                                   | 1,614,724   | 1,422,592   |
| Health and Welfare Canada              | 732,751     | 381,102     |
| Other                                  | 1,241,992   | 460,499     |
| Indigenous and Northern Affairs Canada | 2,221,072   | 1,716,047   |
| Other government agencies              | 74,696      | 74,696      |
| CMHC mortgage subsidy                  | -           | 73,309      |
|  | 5,885,235   | 4,128,245   |
| Allowance for doubtful accounts        | (1,876,539) | (1,581,706) |
|  | 4,008,696   | 2,546,539   |

**5. Advances to related Nation entities**

Advances to related Nation entities are unsecured, non-interest bearing and without fixed terms of repayment. All transactions with related parties are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The First Nation is related to Cowessess Treaty Land Entitlement Trust and Cowessess Flood Claim Trust by common membership.

|   | 2016   | 2015    |
|---|--------|---------|
| Cowessess Treaty Land Entitlement Trust | 11,272 | 115,788 |
| Cowessess Flood Claim Trust             | 22,204 | 332,533 |
| 4 C Farms Limited Partnership           | 11,990 | -       |
|   | 45,466 | 448,321 |



**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**6. Investments in First Nation partnerships and business entities**

The First Nation has investments in the following entities:

|             | 2015             | Contributions | Share of earnings | 2016             |
|-------------|------------------|---------------|-------------------|------------------|
| Agriculture | 628,752          | 36,390        | 52,957            | 718,099          |
| Retail      | 393,343          | -             | -                 | 393,343          |
| Energy      | 36,115           | -             | -                 | 36,115           |
|             | <b>1,058,210</b> | <b>36,390</b> | <b>52,957</b>     | <b>1,147,557</b> |

Condensed financial information for each industry is as follows:

|                               | Agriculture<br>As at November<br>30, 2015 | Retail<br>As at November<br>30, 2014 | Energy<br>As at November<br>30, 2015 |
|-------------------------------|---|--------------------------------------|--------------------------------------|
| <b>Assets</b>                 |   |                                      |                                      |
| Current                       | 724,649                                   | 504,738                              | 36,115                               |
| Property, plant and equipment | -   | 481,754                              | -                                    |
| <b>Total assets</b>           | <b>724,649</b>                            | <b>986,492</b>                       | <b>36,115</b>                        |
| <b>Liabilities</b>            |   |                                      |                                      |
| Current                       | 6,550                                     | 453,429                              | -                                    |
| Long-term                     | -   | 139,720                              | -                                    |
| <b>Total liabilities</b>      | <b>6,550</b>                              | <b>593,149</b>                       | <b>-</b>                             |
| <b>Net assets</b>             | <b>718,099</b>                            | <b>393,343</b>                       | <b>36,115</b>                        |
| <b>Total revenue</b>          | <b>195,512</b>                            | <b>5,641,111</b>                     | <b>-</b>                             |
| <b>Total expenses</b>         | <b>142,555</b>                            | <b>5,867,254</b>                     | <b>-</b>                             |
| <b>Net income (loss)</b>      | <b>52,957</b>                             | <b>(226,143)</b>                     | <b>-</b>                             |

The First Nation's investees have a different year-end than March 31, 2016. The First Nation uses the investees' year-end financial statements to account for its investment in these investees.

Information for Little Child Holdings Limited Partnership was not available for the year ended November 30, 2015. As such, the auditors' report has been qualified in regard to this and the above information is as of November 30, 2014.

| <i>Name of investee</i> | <i>Year-end</i>   | <i>Significant events and transactions</i> |
|-------------------------|-------------------|--|
| Agriculture             | November 30, 2015 | Agriculture sales                          |
| Retail                  | November 30, 2015 | Retail sales                               |
| Energy                  | November 30, 2015 | Inactive                                   |

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**7. Funds held in Trust**

Capital and revenue trust moneys are transferred to the First Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the First Nation's Council.

|  | 2016             | 2015      |
|--|------------------|-----------|
| <b>Capital Trust</b>                       |                  |           |
| Balance, beginning and end of year         | <b>39,368</b>    | 39,368    |
| <b>Revenue Trust</b>                       |                  |           |
| Balance, beginning of year                 | <b>1,828,400</b> | 1,286,376 |
| Interest                                   | <b>30,862</b>    | 44,019    |
| Land leases                                | <b>318,065</b>   | 498,005   |
|  | <b>2,177,327</b> | 1,828,400 |
| Less: Section 69 Transfers to First Nation | <b>1,160,000</b> | -         |
| Balance, end of year                       | <b>1,017,327</b> | 1,828,400 |
| <b>Total funds held in trust</b>           | <b>1,056,695</b> | 1,867,768 |

During the year, \$646,368 of funds transferred in previous years and in the current year was expended as follows:

|               |  |
|---------------|--|
| BCR 2009/2010 | \$10,000 (Urban Programs)                    |
| BCR 2012/2013 | \$12,320 (Community Security)                |
| BCR 2012/2013 | \$2,680 (Band Government - Administration)   |
| BCR 2014/2015 | \$120,000 (Band Government - Administration) |
| BCR 2014/2015 | \$137,932 (Renovations)                      |
| BCR 2014/2015 | \$43,723 (Community Security)                |
| BCR 2014/2015 | \$31,022 (Justice)                           |
| BCR 2014/2015 | \$135,271 (Urban Programs)                   |
| BCR 2014/2015 | \$1,320 (CCEC)                               |
| BCR 2014/2015 | \$150,000 (Band Government - Administration) |
| BCR 2014/2015 | \$2,100 (Social Programs)                    |

Unexpended funds relating to transfers in previous years and the current year are \$332,366 and \$538,632, respectively.

**8. Bank indebtedness**

At March 31, 2016, the First Nation had a \$550,000 (2015 - \$550,000) short-term bank line of credit of which none was drawn (2015 - \$488,389). \$656,737 in bank indebtedness relates to outstanding cheque's of \$663,534 (2015 - \$440,319). The line of credit bears interest at bank prime rate plus 1% and is secured by a Band Council Resolution redirecting future INAC funding.

**9. Advances from related Nation entities**

Advances from related Nation entities are unsecured, non-interest bearing and without fixed terms of repayment. All transactions with related parties are measured at the exchange amount.

|   | 2016          | 2015   |
|---|---------------|--------|
| 4 C Farms Limited Partnership             | -             | 999    |
| Little Child Holdings Limited Partnership | <b>66,720</b> | 68,603 |
|   | <b>66,720</b> | 69,602 |

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**10. Deferred revenue**

|                          |  | 2016             | 2015             |
|--------------------------|--|------------------|------------------|
| Health                   | Health Canada - \$111,247 (2015 - \$nil) | 111,247          | -                |
| Education                | INAC - \$82,519 (2015 - \$nil)           | 82,519           | -                |
| Social development       | INAC - \$116,344 (2015 - \$nil)          | 73,203           | -                |
| Community Infrastructure | INAC - \$nil (2015 - \$nil)              | -                | 341,264          |
| Band Government          | INAC - \$52,640 (2015 - \$nil)           | 52,640           | -                |
| Capital                  | INAC - \$611,562 (2015 - \$428,392)      | 611,562          | 428,392          |
| Other Band programs      | INAC - \$249,000 (2015 - \$249,000)      | 1,088,311        | 803,402          |
|                          |  | <b>2,019,482</b> | <b>1,573,058</b> |

The following table represents changes in the deferred revenue balances:

|   | Balance, beginning<br>of year | Funds<br>received | Recognized<br>as revenue<br>(net of<br>recoveries) | Balance, end<br>of year |
|---|-------------------------------|-------------------|--|-------------------------|
| Health - Canada Prenatal Nutrition Program      | -                             | 16,962            | 9,365  | 7,597                   |
| Health - Children's Oral Health Initiative      | -                             | 4,550             | 2,357  | 2,193                   |
| Health - Medical Transportation                 | -                             | 49,600            | 32,922   | 16,678                  |
| Health - Service Delivery                       | -                             | 151,284           | 109,646  | 41,638                  |
| Education - Provincial School - Direct Services | -                             | 18,360            | 6,480  | 11,880                  |
| Education - School Evaluation                   | -                             | 9,660             | -  | 9,660                   |
| Education - Special Education - Direct          | -                             | 208,563           | 163,404  | 45,159                  |
| Education - Special Education - Indirect        | -                             | 15,820            | -  | 15,820                  |
| Social Development - Home and Community Care    | -                             | 52,150            | 9,009  | 43,141                  |
| Social Development - NCB                        | -                             | 154,618           | 115,368  | 39,250                  |
| Social Development - Adult Institutional Care   | -                             | 45,593            | 27,592   | 18,001                  |
| Social Development - Special Needs              | -                             | 69,700            | 53,748   | 15,952                  |
| Community Infrastructure - Disaster Relief      | 341,264                       | -                 | 341,264  | -                       |
| Band Government - Band Employee Benefit - Stat  | -                             | 139,638           | 86,998   | 52,640                  |
| Capital - Roads                                 | 170,731                       | 2,310             | -  | 173,041                 |
| Capital - Low Pressure Water                    | 257,661                       | -                 | -  | 257,661                 |
| Capital - Fire Protection                       | -                             | 8,194             | -  | 8,194                   |
| Capital - Emergency Road Repair                 | -                             | 200,000           | 27,334   | 172,666                 |
| Other Band Programs - First Nations Trust       | 554,402                       | 1,434,471         | 1,296,262  | 692,611                 |
| Other Band Programs - Social Programs           | -                             | 146,700           | -  | 146,700                 |
| Other Band Programs - Economic Development      | 249,000                       | -                 | -  | 249,000                 |
|   | 1,573,058                     | 2,728,173         | 2,281,749  | 2,019,482               |

During the current year, due to an administrative error, the First Nations Trust funds were utilized to pay for christmas cheques to the members of Cowessess First Nation rather than funds received from TLE. Governance and management are working on rectifying the situation. The adjustments, if any required, will be recorded once known.

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**11. Long-term debt**

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

| <u>CMHC Phase</u>  | <u>Monthly Payment<br/>Including Interest</u> | <u>Interest rate</u> | <u>Maturity Date</u> | <b>2016</b>      | <b>2015</b> |
|--|---|----------------------|----------------------|------------------|-------------|
| VII  | 2,480   | 3.00%                | Apr. 1, 2018         | <b>60,090</b>    | 87,573      |
| IX   | 1,268   | 6.75%                | Jun. 1, 2021         | <b>76,408</b>    | 86,252      |
| X  | 1,279   | 3.44%                | Mar. 1, 2018         | <b>28,458</b>    | 42,570      |
| XI   | 592   | 3.99%                | Mar. 1, 2017         | <b>6,956</b>     | 13,644      |
| XII  | 2,959   | 3.57%                | May 1, 2019          | <b>109,437</b>   | 140,461     |
| XIII   | 1,525   | 0.99%                | Apr. 1, 2020         | <b>73,203</b>    | 90,246      |
| XIV  | 760   | 1.04%                | Apr. 1, 2025         | <b>79,031</b>    | 86,069      |
| XV   | 1,169   | 2.26%                | Jun. 1, 2026         | <b>128,280</b>   | 139,277     |
| XVI  | 1,991   | 1.05%                | Mar. 1, 2030         | <b>311,008</b>   | 331,288     |
| XVII   | 3,092   | 2.65%                | Apr. 1, 2026         | <b>328,253</b>   | 356,282     |
| XVIII  | 10,574  | 1.71%                | Sept. 1, 2027        | <b>1,324,210</b> | 1,427,521   |
| XIX  | 3,763   | 1.92%                | Apr. 1, 2037         | <b>619,884</b>   | 653,220     |
|  |   |                      |                      | <b>3,145,218</b> | 3,454,403   |
| Affinity Credit Union term loan, interest at prime plus 1.00%, principal and interest payments of \$83,463 quarterly, secured by Band Council Resolution and redirection of INAC, SIGA and First Nations Trust funds, matured March 2016.  |   |                      |                      | -                | 246,395     |
| De Lage Landen Financial Services loan, interest of 7.89%, principal and interest payments of \$5,777 monthly, secured by a 2013 Volvo G960B Grader with a net book value of \$200,200, matures August 2018.   |   |                      |                      | <b>149,362</b>   | 201,925     |
| Affinity Credit Union term loan, interest of prime plus 1.00%, repayable in semi-annual installments of \$10,100 plus interest, secured by a general security agreement, specific security agreement on inventory with a net realizable value of \$360,477, called in February 2016. |   |                      |                      | -                | 111,350     |
| Valiant Financial Services Inc. loan, interest at 12.00%, principal and interest payments of \$2,585 monthly, secured by a 2011 Mack GU713 Truck and 2015 Neustar EDG28-2 End Dump Trailer with a net book value of \$91,690, matures November 2018.                                 |   |                      |                      | <b>71,647</b>    | 92,685      |
| Ford Credit loan, interest at 6.08%, principal and interest payments at \$460 monthly, secured by a 2013 Ford Explorer with a net book value of \$16,390, matures July 2018.   |   |                      |                      | <b>11,971</b>    | 16,609      |
| Ford Credit loan, interest at 3.48%, principal and interest payments of \$452 monthly, secured by a 2014 Ford F150 with a net book value of \$21,127, matures April 2018.  |   |                      |                      | <b>10,874</b>    | 15,822      |
| Valiant Financial Services Inc. loan, interest at 11.99%, principal and interest payments of \$1,367 monthly, secured by a 2008 Mack CHU 613 Tank Truck with a net book value of \$35,880, matures February 2019.  |   |                      |                      | <b>40,296</b>    | 51,100      |
|  |   |                      |                      | <b>3,429,368</b> | 4,190,289   |
| Less: current portion  |   |                      |                      | <b>417,360</b>   | 669,306     |
|  |   |                      |                      | <b>3,012,008</b> | 3,520,983   |

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**11. Long-term debt** *(Continued from previous page)*

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

|            |           |
|------------|-----------|
| 2017       | 417,360   |
| 2018       | 431,213   |
| 2019       | 348,243   |
| 2020       | 259,684   |
| 2021       | 235,400   |
| Thereafter | 1,737,468 |

Interest on long-term debt amounted to \$135,659 (2015 - \$168,318)

**12. Capital lease obligations**

|   | <b>2016</b>    | <b>2015</b> |
|---|----------------|-------------|
| Major equipment under capital lease payable in equal monthly installments of \$4,008 including interest at 10.72%, due June 2020, with 2014 Case 721 Wheel Loader, having a net book value of \$213,750, pledged as collateral.     | <b>161,512</b> | -           |
| Major equipment under capital lease payable in equal monthly installments of \$2,899 including interest at 10.90%, due June 2020, with 2014 Case 590SN Loader Backhoe, having a net book value of \$152,000, pledged as collateral. | <b>116,550</b> | -           |
|   | <b>278,062</b> | -           |
| Less: current portion   | <b>55,551</b>  | -           |
|   | <b>222,511</b> | -           |

Minimum lease payments related to the obligations under capital lease are as follows:

|                        |                |
|------------------------|----------------|
| 2017                   | 82,881         |
| 2018                   | 82,881         |
| 2019                   | 82,881         |
| 2020                   | 82,881         |
| 2021                   | 15,313         |
|                        | <u>346,837</u> |
| Less: imputed interest | 68,775         |
|                        | <u>278,062</u> |
| Balance of obligation  | 278,062        |
| Less: current portion  | 55,551         |
|                        | <u>222,511</u> |

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**13. CMHC Reserves**

Operating reserve

The First Nation's CMHC Housing Program receives funding pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this program.

Replacement reserve

A replacement reserve fund has been established for replacement of capital equipment and for major repairs to the houses. Pursuant to CMHC agreements, operating provisions of \$40 per unit per month are made for phases VI through XII, \$61.25 for phase XIII, \$82.30 for phase XIV, \$100 for phase XV, XVI and XVII and \$92.26 for phase XVIII and \$100 for phase XIX. Any applicable expenditures are charged against the reserve.

At March 31, 2016 the replacement reserve fund is under-funded by \$709,292 (2015 – under funded by \$244,433) and the operating reserve fund is under-funded by \$810,161 (2015 – under funded by \$687,071).

**14. Tangible capital assets**

The tangible capital assets reconciliation is included in Schedule 1.

Land and land improvements includes Treaty entitlement land with a carrying value of \$33,357,401 (2015 - \$29,924,276). No amortization is recorded on land.

**15. Accumulated surplus**

Accumulated surplus consists of the following:

|  | 2016              | 2015              |
|--|-------------------|-------------------|
| Equity in Ottawa Trust Funds           | 1,056,696         | 1,867,768         |
| Equity in CMHC operating reserve       | 814,074           | 690,975           |
| Equity in CMHC replacement reserve     | 711,213           | 654,970           |
| Equity in tangible capital assets      | 54,196,886        | 52,464,137        |
| Unrestricted deficit                   | (3,669,197)       | (3,588,360)       |
| Equity in controlled business entities | 1,147,557         | 1,058,210         |
|  | <b>54,257,229</b> | <b>53,147,700</b> |

Cowessess First Nation #73 does not maintain a moveable asset reserve.

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

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**16. Flood Claim Settlement**

In 2013, Cowessess First Nation #73 and the Government of Canada came to an agreement on the historic Cowessess Flood Claim originally submitted in 1986. The settlement agreement provided compensation to Cowessess First Nation in the form of a one-time cash payment of \$12,181,421, net of loan forgiveness in the amount of \$2,496,644 which was received following execution of the agreement. The settlement agreement was ratified by a Band membership vote prior to March 31, 2013 and the funds were deposited into the Cowessess First Nation Flood Claim Trust account on May 16, 2013.

During the year, \$40,747 (2015 - \$26,680) was received by the First Nation to pay for a per capita distribution pursuant to the trust agreement. Per capita payments are paid to the First Nation from the Trust once the members reach the age of majority. As at December 31, 2015, the First Nation has paid \$1,277,000 (2014 - \$1,242,000) to members in relation to the per capita distribution. An additional amount of \$733,300 (2014 - \$777,300) remains to be paid to the members plus interest accrued. There have been 36 (\$18,000) members that have had their per capita distribution payments expire. The remaining funds required to pay the per capita payments will be received from the Trust account by the First Nation when the members reach the age of majority and will be recorded when received.

The First Nation also received \$294,633 (2015 - \$341,646) from the Trust relating to the annual payment.

During the year there were no amounts withdrawn (2015 - \$225,000) from the trust for community development.

**17. Economic dependence**

Cowessess First Nation #73 receives substantially all of its revenues from Indigenous and Northern Affairs Canada (INAC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

**18. Segments**

The First Nation has 8 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segment are as follows:

**Lands and Membership** - includes activities for the development of the First Nation's land and administration of membership.

**Education** - includes the operations of education programs.

**Social Development** - activities include delivering social and Health Canada programs.

**Health** - includes the operations of health care programs.

**Community Infrastructure** - includes activities for the maintenance of the community and its infrastructure.

**Band Government** - includes administration and governance activities.

**Capital** - reports on capital projects.

**Other Band Programs** - other band programs which do not meet the criteria for other segments.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2016*

**19. Reconciliation of funding from Indigenous and Northern Affairs Canada**

|  | <b>2016</b>        | <b>2015</b> |
|--|--------------------|-------------|
| INAC funding per confirmation                | <b>6,517,343</b>   | 7,606,981   |
| ECIP recovery                                | -                  | (2,283)     |
| Special education recovery                   | -                  | (18,360)    |
| Adult institutional care recovery            | -                  | (926)       |
| FNOGMMA implementation recovery              | -                  | (15,200)    |
| Financial capacity development recovery      | -                  | (1,015)     |
| Human resource capacity development recovery | -                  | (15,000)    |
|  | -                  | (52,784)    |
| Deferred revenue - prior year                | <b>677,392</b>     | 851,422     |
| Deferred revenue - current year              | <b>(1,112,066)</b> | (677,392)   |
|  | <b>(434,674)</b>   | 174,030     |
| Funding total per financial statements       | <b>6,082,669</b>   | 7,728,227   |

**20. Reconciliation of funding from Health Canada**

|  | <b>2016</b>     | <b>2015</b> |
|--|-----------------|-------------|
| Funding per Health Canada confirmation | <b>935,276</b>  | 1,121,760   |
| <b>Less: recoveries</b>                |                 |             |
| Drinking water                         | -               | (50)        |
| Home and community care                | -               | (17,597)    |
| Non-insured - administration           | -               | (9,987)     |
| Non-insured - medical transportation   | -               | (27,738)    |
|  | -               | (55,372)    |
| Deferred revenue - current year        | <b>(68,106)</b> | -           |
| Funding total per financial statements | <b>867,170</b>  | 1,066,388   |

**21. Comparative figures**

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

**22. Issuance of financial statements after July 29, 2016**

The First Nation is required to post it's consolidated financial statements on a website and submit the consolidated financial statements to INAC by July 29, 2016. As the audit report is dated after this date, the First Nation is in violation of this requirement. The possible effect of this violation has not yet been determined.



**23. Contingencies**

Labour Disputes

There are legal claims relating to labour disputes. The likelihood of loss and estimated liability for these claims is not determinable at March 31, 2016. If any liability results from these claims, it will be accounted for as an expenditure in the year the amount, if any, is determinable.

Multiplex Facility

A counterclaim has been filed against the First Nation seeking lost profits in relation to the cancellation of the multiplex facility agreement. The likelihood of loss and estimated liability for these claims is not determinable at March 31, 2016. If any liability results from this claim, it will be accounted for as an expenditure in the year the amount, if any, is determinable.

Legal Fees

A claim has been filed against the First Nation seeking compensation for legal services provided relating to various ongoing lawsuits of the First Nation. The likelihood of loss and estimated liability for these claims is not determinable at March 31, 2016; however, \$99,659 has been accrued as a liability as at March 31, 2016 relating to this lawsuit. If any additional liability results from this claim, it will be accounted for as an expenditure in the year the amount, if any, is determinable.

Provincial Disaster Assistance Program

There are claims against the First Nation that payments made under this program are not eligible. The likelihood of loss and estimated liability for this claim is not determinable at March 31, 2016. If any liability results from this claim, it will be accounted for as an expenditure in the year the amount, if any, is determinable.

Funding

The First 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. This amount cannot be reasonably estimated at this point in time.

TLE Repayment

There was a claim against the First Nation for \$3,000,000 in relation to the Urban Office Project that has not proceeded. There was \$2,000,000 of funds returned during the prior year with the remaining \$1,000,000 to be returned in the future. There is no settled timing of repayment at this time. An investigation in regards to the \$1,000,000 is currently occurring to determine where the funds were expended.

**Cowessess First Nation #73**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2016*

|  | <i>Buildings</i> | <i>Equipment<br/>under capital<br/>lease</i> | <i>Equipment</i> | <i>Roads</i>     | <i>Utility systems</i> | <i>Land and land<br/>improvements</i> | <i>Subtotal</i>   |
|--|------------------|--|------------------|------------------|------------------------|---------------------------------------|-------------------|
| <b>Cost</b>                                      |                  |  |                  |                  |                        |                                       |                   |
| Balance, beginning of year                       | 21,205,049       | -  | 1,618,326        | 8,441,638        | 861,366                | 31,156,531                            | 63,282,910        |
| Acquisition of tangible capital assets           | 65,895           | 385,000                                      | -                | -                | -                      | 3,433,125                             | 3,884,020         |
| Disposal of tangible capital assets              | -                | -  | (233,000)        | -                | -                      | -                                     | (233,000)         |
| Balance, end of year                             | 21,270,944       | 385,000                                      | 1,385,326        | 8,441,638        | 861,366                | 34,589,656                            | 66,933,930        |
| <b>Accumulated amortization</b>                  |                  |  |                  |                  |                        |                                       |                   |
| Balance, beginning of year                       | 12,453,516       | -  | 963,187          | 1,688,329        | 421,029                | 217,983                               | 15,744,044        |
| Annual amortization                              | 759,102          | 19,250                                       | 82,834           | 562,776          | 41,638                 | 27,013                                | 1,492,613         |
| Accumulated amortization on disposals            | -                | -  | (199,800)        | -                | -                      | -                                     | (199,800)         |
| Balance, end of year                             | 13,212,618       | 19,250                                       | 846,221          | 2,251,105        | 462,667                | 244,996                               | 17,036,857        |
| <b>Net book value of tangible capital assets</b> | <b>8,058,326</b> | <b>365,750</b>                               | <b>539,105</b>   | <b>6,190,533</b> | <b>398,699</b>         | <b>34,344,660</b>                     | <b>49,897,073</b> |
| 2015 Net book value of tangible capital assets   | 8,751,533        | -  | 655,139          | 6,753,309        | 440,337                | 30,938,548                            | 47,538,866        |

**Cowessess First Nation #73**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2016*

|  | <i>Subtotal</i>   | <i>Gasification</i> | <i>Vehicles</i> | <i>Housing</i>   | <i>Wind turbine</i> | <i>2016</i>       | <i>2015</i>       |
|--|-------------------|---------------------|-----------------|------------------|---------------------|-------------------|-------------------|
|  |                   |                     |                 |                  |                     | <i>2015</i>       | <i>2014</i>       |
| <b>Cost</b>                                      |                   |                     |                 |                  |                     |                   |                   |
| Balance, beginning of year                       | 63,282,910        | 1,267,808           | 1,341,116       | 18,374,186       | 4,225,447           | 88,491,467        | 87,692,417        |
| Acquisition of tangible capital assets           | 3,884,020         | -                   | -               | 34,731           | -                   | 3,918,751         | 974,030           |
| Disposal of tangible capital assets              | (233,000)         | -                   | (40,510)        | (91,454)         | -                   | (364,964)         | (174,980)         |
| Balance, end of year                             | 66,933,930        | 1,267,808           | 1,300,606       | 18,317,463       | 4,225,447           | 92,045,254        | 88,491,467        |
| <b>Accumulated amortization</b>                  |                   |                     |                 |                  |                     |                   |                   |
| Balance, beginning of year                       | 15,744,044        | 862,109             | 1,164,742       | 13,638,237       | 785,656             | 32,194,788        | 30,022,075        |
| Annual amortization                              | 1,492,613         | 50,712              | 67,915          | 390,403          | 276,272             | 2,277,915         | 2,332,077         |
| Accumulated amortization on disposals            | (199,800)         | -                   | (40,510)        | (91,454)         | -                   | (331,764)         | (159,364)         |
| Balance, end of year                             | 17,036,857        | 912,821             | 1,192,147       | 13,937,186       | 1,061,928           | 34,140,939        | 32,194,788        |
| <b>Net book value of tangible capital assets</b> | <b>49,897,073</b> | <b>354,987</b>      | <b>108,459</b>  | <b>4,380,277</b> | <b>3,163,519</b>    | <b>57,904,315</b> | <b>56,296,679</b> |
| 2015 Net book value of tangible capital assets   | 47,538,866        | 405,699             | 176,374         | 4,735,949        | 3,439,791           | 56,296,679        |                   |

**Cowessess First Nation #73**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2016*

|                                | <b>2016</b>       | <b>2015</b>       |
|--------------------------------|-------------------|-------------------|
| Salaries and benefits          | <b>3,735,095</b>  | 3,832,066         |
| Amortization                   | <b>2,277,915</b>  | 2,332,078         |
| Tuition                        | <b>1,088,475</b>  | 821,112           |
| Repairs and maintenance        | <b>893,258</b>    | 411,626           |
| Social assistance              | <b>882,422</b>    | 724,103           |
| Student expenses               | <b>828,632</b>    | 976,832           |
| Professional fees              | <b>766,253</b>    | 344,021           |
| Travel and workshops           | <b>651,514</b>    | 589,346           |
| Contracted services            | <b>593,812</b>    | 1,662,572         |
| Program expense                | <b>420,089</b>    | 633,321           |
| Senior subsidy                 | <b>350,594</b>    | 478,850           |
| Insurance                      | <b>349,162</b>    | 288,016           |
| Bad debts                      | <b>294,832</b>    | 265,942           |
| Utilities                      | <b>256,625</b>    | 296,898           |
| Community donations and events | <b>233,806</b>    | 133,625           |
| Materials and supplies         | <b>221,116</b>    | 494,237           |
| Interest on long-term debt     | <b>135,659</b>    | 168,318           |
| Telephone                      | <b>124,626</b>    | 73,190            |
| Bank charges and interest      | <b>73,187</b>     | 58,794            |
| Special projects               | <b>57,775</b>     | 66,618            |
| Rent and lease                 | <b>31,673</b>     | 74,724            |
| Property tax                   | <b>18,782</b>     | 18,172            |
| Election                       | <b>8,366</b>      | 552               |
| Photocopier                    | <b>5,290</b>      | 10,429            |
| Contributions                  | -                 | 23,947            |
| Construction                   | -                 | 2,617             |
| Impairment loss                | -                 | 150,359           |
| Advertising                    | -                 | 314               |
|                                | <b>14,298,958</b> | <b>14,932,679</b> |

**Cowessess First Nation #73**  
**Lands and Memberships**  
**Schedule 3 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2016*

|  | 2016           | 2015           |
|--|----------------|----------------|
| <b>Revenue</b>                         |                |                |
| Indigenous and Northern Affairs Canada | 313,276        | 270,095        |
| Other                                  | 5,844          | 5,114          |
| Rental income                          | 4,700          | -              |
|  | <b>323,820</b> | <b>275,209</b> |
| <b>Expenses</b>                        |                |                |
| Salaries and benefits                  | 100,839        | 149,970        |
| Property tax                           | 18,432         | 12,258         |
| Contracted services (recovery)         | 14,332         | (13,441)       |
| Travel and workshops                   | 6,729          | 6,230          |
| Insurance                              | 4,142          | 1,291          |
| Repairs and maintenance                | 4,074          | 950            |
| Utilities                              | 2,531          | 3,554          |
| Telephone                              | 1,496          | 1,080          |
| Amortization                           | 592            | 592            |
| Materials and supplies                 | 96             | 3,974          |
| Bank charges and interest              | -              | 144            |
| Rent and lease                         | -              | 18,522         |
|  | <b>153,263</b> | <b>185,124</b> |
| <b>Surplus</b>                         | <b>170,557</b> | <b>90,085</b>  |

**Cowessess First Nation #73**  
**Education**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2016*

|   | 2016             | 2015             |
|---|------------------|------------------|
| <b>Revenue</b>                            |                  |                  |
| Indigenous and Northern Affairs Canada    | 2,839,845        | 3,459,460        |
| Other                                     | 64,099           | 10,508           |
|   | <b>2,903,944</b> | <b>3,469,968</b> |
| <b>Expenses</b>                           |                  |                  |
| Salaries and benefits                     | 1,238,213        | 1,170,064        |
| Tuition                                   | 1,072,405        | 815,807          |
| Student expenses                          | 805,351          | 924,267          |
| Travel and workshops                      | 68,846           | 23,054           |
| Repairs and maintenance                   | 33,764           | 49,976           |
| Amortization                              | 22,546           | 30,506           |
| Contracted services                       | 13,253           | 39,530           |
| Materials and supplies                    | 6,074            | 63,591           |
| Insurance                                 | 5,177            | 8,955            |
| Utilities                                 | 4,707            | 2,764            |
| Program expense                           | -                | 600              |
| Photocopier                               | 2,688            | 2,786            |
| Telephone                                 | 2,576            | 5,218            |
| Bank charges and interest                 | 1,357            | 2,363            |
|   | <b>3,276,957</b> | <b>3,139,481</b> |
| <b>(Deficit) surplus before transfers</b> | <b>(373,013)</b> | <b>330,487</b>   |
| <b>Transfers between programs</b>         | <b>1,310</b>     | <b>-</b>         |
| <b>(Deficit) surplus</b>                  | <b>(371,703)</b> | <b>330,487</b>   |

**Cowessess First Nation #73**  
**Social Development**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2016*

|  | 2016             | 2015             |
|--|------------------|------------------|
| <b>Revenue</b>                         |                  |                  |
| Indigenous and Northern Affairs Canada | 1,079,082        | 1,074,299        |
| FSIN                                   | 25,000           | -                |
| Other                                  | -                | 450              |
|  | <b>1,104,082</b> | <b>1,074,749</b> |
| <b>Expenses</b>                        |                  |                  |
| Social assistance                      | 882,422          | 724,103          |
| Salaries and benefits                  | 38,411           | -                |
| Program expense                        | 36,643           | 18,200           |
| Special projects                       | 36,292           | 23,305           |
| Administration                         | 23,193           | -                |
| Bank charges and interest              | 6,803            | 1,869            |
| Insurance                              | 1,321            | -                |
| Travel and workshops                   | 40,869           | 1,829            |
| Repairs and maintenance                | 328              | -                |
| Materials and supplies                 | -                | 333              |
| Telephone                              | -                | 10,732           |
|  | <b>1,066,282</b> | <b>780,371</b>   |
| <b>Surplus</b>                         | <b>37,800</b>    | <b>294,378</b>   |

**Cowessess First Nation #73****Health****Schedule 6 - Schedule of Revenue and Expenses***For the year ended March 31, 2016*

|                            | <b>2016</b>    | <b>2015</b> |
|----------------------------|----------------|-------------|
| <b>Revenue</b>             |                |             |
| Health Canada              | <b>867,170</b> | 1,177,132   |
| Other                      | <b>27</b>      | (1,132)     |
| FSIN                       | <b>-</b>       | 25,000      |
|                            | <b>867,197</b> | 1,201,000   |
| <b>Expenses</b>            |                |             |
| Salaries and benefits      | <b>389,867</b> | 509,801     |
| Program expense            | <b>62,126</b>  | 48,823      |
| Administration             | <b>59,304</b>  | -           |
| Travel and workshops       | <b>18,706</b>  | 27,621      |
| Repairs and maintenance    | <b>16,588</b>  | 9,519       |
| Contracted services        | <b>13,445</b>  | 13,796      |
| Telephone                  | <b>10,440</b>  | 2,887       |
| Amortization               | <b>10,042</b>  | 27,411      |
| Utilities                  | <b>2,200</b>   | 722         |
| Interest on long-term debt | <b>1,354</b>   | 581         |
| Materials and supplies     | <b>1,295</b>   | 450         |
| Professional fees          | <b>557</b>     | -           |
| Insurance                  | <b>-</b>       | 3,059       |
| Advertising                | <b>-</b>       | 312         |
|                            | <b>585,924</b> | 644,982     |
| <b>Surplus</b>             | <b>281,273</b> | 556,018     |



**Cowessess First Nation #73**  
**Community Infrastructure**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2016*

|   | 2016               | 2015               |
|---|--------------------|--------------------|
| <b>Revenue</b>                              |                    |                    |
| Indigenous and Northern Affairs Canada      | 973,888            | 1,143,595          |
| Insurance proceeds                          | 341,264            | 81,507             |
| Other                                       | 34,083             | 8,774              |
| Rental income                               | 10,020             | -                  |
| Gain on disposal of tangible capital assets | 31,796             | 2,000              |
|   | <b>1,391,051</b>   | <b>1,235,876</b>   |
| <b>Expenses</b>                             |                    |                    |
| Amortization                                | 1,362,952          | 1,405,964          |
| Salaries and benefits                       | 424,953            | 581,120            |
| Materials and supplies                      | 132,449            | 188,043            |
| Utilities                                   | 91,733             | 166,737            |
| Contracted services                         | 87,941             | 179,558            |
| Interest on long-term debt                  | 59,497             | 39,877             |
| Repairs and maintenance                     | 54,778             | 74,716             |
| Travel and workshops                        | 20,287             | 16,166             |
| Insurance                                   | 12,486             | 9,505              |
| Telephone                                   | 9,032              | 4,596              |
| Bank charges and interest                   | 135                | 3,415              |
| Administration (recovery)                   | -                  | (54,105)           |
|   | <b>2,256,243</b>   | <b>2,615,592</b>   |
| <b>Deficit before transfers</b>             | <b>(865,192)</b>   | <b>(1,379,716)</b> |
| <b>Transfers between programs</b>           | <b>(541,264)</b>   | <b>-</b>           |
| <b>Deficit</b>                              | <b>(1,406,456)</b> | <b>(1,379,716)</b> |

**Cowessess First Nation #73**  
**Band Government**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2016*

|  | 2016               | 2015             |
|--|--------------------|------------------|
| <b>Revenue</b>                         |                    |                  |
| Indigenous and Northern Affairs Canada | 589,635            | 852,863          |
| Other                                  | 31,485             | 30,813           |
| Interest income                        | 659                | 1,780            |
|  | <b>621,779</b>     | <b>885,456</b>   |
| <b>Expenses</b>                        |                    |                  |
| Salaries and benefits                  | 1,087,886          | 606,274          |
| Professional fees                      | 725,265            | 258,382          |
| Travel and workshops                   | 400,291            | 67,798           |
| Insurance                              | 142,731            | 120,347          |
| Utilities                              | 134,461            | 83,038           |
| Bad debts                              | 102,700            | -                |
| Telephone                              | 96,300             | 41,138           |
| Contracted services                    | 74,210             | 67,092           |
| Bank charges and interest              | 48,437             | 39,851           |
| Amortization                           | 47,885             | 30,517           |
| Materials and supplies                 | 47,476             | 45,317           |
| Rent and lease                         | 20,472             | 14,330           |
| Repairs and maintenance                | 13,325             | 5,497            |
| Election                               | 8,366              | 552              |
| Interest on long-term debt             | 4,730              | 33,523           |
| Photocopier                            | 2,602              | 7,643            |
| Program expense                        | 1,523              | 16,815           |
| Community donations and events         | 150                | 150              |
| Contributions                          | -                  | 23,947           |
| Administration (recovery)              | (130,997)          | -                |
|  | <b>2,827,813</b>   | <b>1,462,211</b> |
| <b>Deficit before transfers</b>        | <b>(2,206,034)</b> | <b>(576,755)</b> |
| <b>Transfers between programs</b>      | <b>1,409,686</b>   | <b>-</b>         |
| <b>Deficit</b>                         | <b>(796,348)</b>   | <b>(576,755)</b> |

**Cowessess First Nation #73**  
**Capital**  
**Schedule 9 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2016*

|   | 2016             | 2015           |
|---|------------------|----------------|
| <b>Revenue</b>                              |                  |                |
| Indigenous and Northern Affairs Canada      | 225,444          | 697,796        |
| Gain on disposal of tangible capital assets | 160,500          | -              |
| Insurance proceeds                          | 32,870           | -              |
| Rental income                               | 15,010           | 8,127          |
| Other                                       | 38               | 9,429          |
|   | <b>433,862</b>   | <b>715,352</b> |
| <b>Expenses</b>                             |                  |                |
| Repairs and maintenance                     | 644,368          | 106,519        |
| Contracted services                         | 368,871          | 420,329        |
| Salaries and benefits                       | 67,180           | -              |
| Amortization                                | 37,227           | 37,227         |
| Materials and supplies                      | 14,800           | 132,427        |
| Utilities                                   | 5,391            | 6,522          |
| Travel and workshops                        | 1,368            | 255            |
| Insurance                                   | 96,041           | 442            |
| Telephone                                   | 178              | 360            |
| Interest on long-term debt                  | -                | 139            |
| Bank charges and interest                   | -                | 127            |
| Rent and lease (recovery)                   | (7,519)          | 20,658         |
| Administration (recovery)                   | (20,805)         | -              |
|   | <b>1,207,100</b> | <b>725,005</b> |
| <b>Deficit before transfers</b>             | <b>(773,238)</b> | <b>(9,653)</b> |
| <b>Transfers between programs</b>           | <b>679,206</b>   | <b>205,000</b> |
| <b>Surplus (deficit)</b>                    | <b>(94,032)</b>  | <b>195,347</b> |

**Cowessess First Nation #73**  
**Other Band Programs**  
**Schedule 10 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2016*

|  | 2016             | 2015             |
|--|------------------|------------------|
| <b>Revenue</b>                                       |                  |                  |
| Indigenous and Northern Affairs Canada               | 61,500           | 230,119          |
| Canada Mortgage and Housing Corporation              | 344,521          | 350,956          |
| SIIT   | 199,556          | 341,714          |
| Additional government funding                        | 544,742          | 223,095          |
| First Nations Trust                                  | 1,296,262        | 1,486,054        |
| Contributions  | 471,770          | 375,668          |
| Rental income  | 442,528          | 503,175          |
| Lease income   | 318,065          | 498,005          |
| Other  | 245,367          | 70,891           |
| Community Development Corporation                    | 155,164          | 155,913          |
| TLE Four Trusts                                      | 146,700          | 147,200          |
| TLE Four Trusts - Deferred, end of year              | (146,700)        | -                |
| FSIN   | 89,500           | 89,500           |
| Insurance proceeds                                   | 76,361           | 2,173            |
| Earnings from investment in Nation business entities | 52,957           | 23,111           |
| Interest income                                      | 31,335           | 49,302           |
| Contributions from Treaty Land Entitlement (Note 23) | 3,433,125        | 2,910,988        |
| Recovery of TLE Funds (Note 23)                      | -                | (3,000,000)      |
| Loss on disposal of tangible capital assets          | -                | (9,839)          |
|  | <b>7,762,753</b> | <b>4,448,025</b> |

*Continued on next page*

**Cowessess First Nation #73**  
**Other Band Programs**  
**Schedule 10 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2016*

|   | 2016               | 2015               |
|---|--------------------|--------------------|
| <b>Expenses</b>                           |                    |                    |
| Amortization                              | 796,670            | 799,861            |
| Salaries and benefits                     | 387,747            | 814,837            |
| Program expense                           | 319,797            | 548,883            |
| Senior subsidy                            | 350,594            | 478,850            |
| Community donations and events            | 233,656            | 133,476            |
| Bad debts                                 | 192,132            | 265,942            |
| Repairs and maintenance                   | 126,033            | 164,450            |
| Travel and workshops                      | 94,418             | 446,393            |
| Insurance                                 | 87,264             | 144,418            |
| Interest on long-term debt                | 70,077             | 94,198             |
| Administration                            | 69,305             | 54,105             |
| Professional fees                         | 40,431             | 85,639             |
| Contracted services                       | 21,761             | 955,708            |
| Special projects                          | 21,484             | 43,314             |
| Materials and supplies                    | 18,925             | 60,102             |
| Rent and lease                            | 18,720             | 21,214             |
| Bank charges and interest                 | 16,454             | 11,024             |
| Tuition                                   | 16,070             | 5,305              |
| Utilities                                 | 15,603             | 33,560             |
| Student expenses                          | 23,281             | 52,565             |
| Telephone                                 | 4,603              | 7,179              |
| Property tax                              | 350                | 5,913              |
| Impairment loss                           | -                  | 150,359            |
|   | <b>2,925,375</b>   | <b>5,377,295</b>   |
| <b>Surplus (deficit) before transfers</b> | <b>4,837,378</b>   | <b>(929,270)</b>   |
| <b>Transfers between programs</b>         | <b>(1,548,938)</b> | <b>(205,000)</b>   |
| <b>Surplus (deficit)</b>                  | <b>3,288,440</b>   | <b>(1,134,270)</b> |