

**Cowessess First Nation #73**  
**Consolidated Financial Statements**  
*March 31, 2017*

# Cowessess First Nation #73

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*For the year ended March 31, 2017*

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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.

August 22, 2017

"Original Signed By"

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Kathy Buckles

## 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, 2017, 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 audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Cowessess First Nation #73 as at March 31, 2017 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

August 22, 2017

Chartered Professional Accountants

# Cowessess First Nation #73

## Consolidated Statement of Financial Position

As at March 31, 2017

	2017	2016
<b>Financial assets</b>		
<b>Current</b>		
Cash resources (Note 3)	1,213,264	742,479
Project management cash (Note 3)	42,645	134,059
Accounts receivable (Note 4)	536,493	4,008,696
Inventory for resale	285,000	360,477
Advances to related Nation entities (Note 5)	76,370	45,466
	<b>2,153,772</b>	<b>5,291,177</b>
<b>Investment in Nation business entities (Note 6)</b>	<b>3,776,718</b>	<b>1,147,557</b>
<b>Funds held in trust (Note 7)</b>	<b>324,035</b>	<b>1,056,695</b>
<b>Total financial assets</b>	<b>6,254,525</b>	<b>7,495,429</b>
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 8)	52,340	656,737
Accounts payable and accruals (Note 9)	2,323,043	3,991,714
Deferred revenue (Note 11)	726,154	2,019,482
Advances from related Nation entities (Note 10)	-	66,720
Current portion of long-term debt (Note 12)	477,622	417,360
Current portion of capital lease obligations (Note 13)	61,855	55,551
Current portion of per capita payable (Note 17)	46,000	211,800
	<b>3,687,014</b>	<b>7,419,364</b>
<b>Long-term debt (Note 12)</b>	<b>2,735,520</b>	<b>3,012,008</b>
<b>Capital lease obligations (Note 13)</b>	<b>160,656</b>	<b>222,511</b>
<b>Per capita payable (Note 17)</b>	<b>492,500</b>	<b>521,500</b>
<b>Total financial liabilities</b>	<b>7,075,690</b>	<b>11,175,383</b>
<b>Net debt</b>	<b>(821,165)</b>	<b>(3,679,954)</b>
<b>Contingencies (Note 24)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 15) (Schedule 1)	53,103,382	57,904,315
Prepaid expenses	13,850	32,873
<b>Total non-financial assets</b>	<b>53,117,232</b>	<b>57,937,188</b>
<b>Accumulated surplus (Note 16)</b>	<b>52,296,067</b>	<b>54,257,234</b>

**Approved on behalf of the Council**

"Original Signed By"

Chief Cadmus Delorme

"Original Signed By"

Councillor Lionel Sparvier

The accompanying notes are an integral part of these financial statements

**Cowessess First Nation #73**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2017*

	<b>2017 Budget (Note 25)</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada (Note 20)	6,640,223	7,262,070	6,082,669
Health Canada (Note 21)	1,135,282	1,102,104	867,170
Canada Mortgage and Housing Corporation	-	563,838	344,521
SIIT	365,991	312,644	199,556
Additional government funding	-	-	544,742
First Nations Trust	1,300,000	2,024,262	1,296,262
Lease income	900,000	819,117	318,065
Other	139,960	525,932	480,941
Rental income	-	571,498	472,258
Contributions	-	46,963	77,137
Investment income	-	329,699	326,628
Insurance proceeds	-	154,851	450,496
Community Development Corporation	-	136,710	155,164
Community Development Corporation - Deferred, end of year	-	(48,471)	-
TLE Four Trusts	150,000	134,000	146,700
TLE Four Trusts - Deferred, beginning of year	-	146,700	-
TLE Four Trusts - Deferred, end of year	-	(200,209)	(146,700)
FSIN	114,500	107,500	114,500
Golf Course sales	-	46,854	-
Gain on disposal of tangible capital assets	-	43,695	192,296
Contributions from Treaty Land Entitlement	-	-	3,433,125
(Loss) earnings from investment in Nation business entities	-	(419,403)	52,957
<b>Total revenue</b>	<b>10,745,956</b>	<b>13,660,354</b>	<b>15,408,487</b>
<b>Program expenses</b>			
Lands and Memberships	292,324	351,272	153,263
Education	3,286,785	2,991,490	3,276,957
Social Development	1,296,119	1,247,954	1,066,281
Health	1,095,251	997,561	585,924
Community Infrastructure	1,284,873	2,691,908	2,256,243
Band Government	1,685,405	2,050,559	2,827,813
Capital	921,381	1,370,010	1,207,100
Other Band Programs	1,406,180	3,920,767	2,925,376
<b>Total expenses (Schedule 2)</b>	<b>11,268,318</b>	<b>15,621,521</b>	<b>14,298,957</b>
<b>Annual (deficit) surplus</b>	<b>(502,362)</b>	<b>(1,961,167)</b>	<b>1,109,530</b>
<b>Accumulated surplus, beginning of year</b>	<b>54,257,234</b>	<b>54,257,234</b>	<b>53,147,704</b>
<b>Accumulated surplus, end of year (Note 16)</b>	<b>53,754,872</b>	<b>52,296,067</b>	<b>54,257,234</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, 2017*

	<b>2017 Budget (Note 25)</b>	<b>2017</b>	<b>2016</b>
<b>Annual surplus (deficit)</b>	<b>(502,362)</b>	<b>(1,961,167)</b>	1,109,530
Purchases of tangible capital assets	-	<b>(332,832)</b>	(100,625)
Land Contribution from Treaty Land Entitlement	-	-	(3,433,125)
Amortization of tangible capital assets	-	<b>1,966,493</b>	2,277,915
Purchases of tangible capital assets under capital lease	-	-	(385,001)
Gain on disposal of tangible capital assets	-	<b>(43,695)</b>	(192,296)
Proceeds on disposal of tangible capital assets	-	<b>78,426</b>	225,496
Transfer of tangible capital assets to Cowessess Wind Developments Limited Partnership	-	<b>3,208,018</b>	-
Transfer of inventory for resale to tangible capital assets	-	<b>(75,477)</b>	-
Acquisition of prepaid expenses	-	<b>(13,850)</b>	(32,873)
Use of prepaid expenses	-	<b>32,873</b>	13,745
	-	<b>4,819,956</b>	(1,626,764)
<b>Decrease (increase) in net debt</b>	<b>(502,362)</b>	<b>2,858,789</b>	(517,234)
<b>Net debt, beginning of year</b>	<b>(3,679,954)</b>	<b>(3,679,954)</b>	(3,162,720)
<b>Net debt, end of year</b>	<b>(4,182,316)</b>	<b>(821,165)</b>	(3,679,954)

*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, 2017*

	2017	2016
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual (deficit) surplus	(1,961,167)	1,109,530
Non-cash items		
Amortization	1,966,493	2,277,915
Gain on disposal of tangible capital assets	(43,695)	(192,296)
Bad debts	193,638	294,832
Deferred revenue - current year	726,154	2,019,482
Deferred revenue - prior year	(2,019,482)	(1,573,058)
Loss (earnings) from investment in business entities	419,403	(52,957)
Contribution from Treaty Land Entitlement	-	(3,433,125)
	(718,656)	450,323
Changes in working capital accounts		
Accounts receivable	2,889,162	(1,756,989)
Prepaid expenses	19,023	(19,128)
Accounts payable and accruals	(1,322,966)	729,735
Per capita payable	(194,800)	(44,000)
	671,763	(640,059)
<b>Financing activities</b>		
Advances of long-term debt	211,875	-
Repayment of long-term debt	(428,101)	(760,921)
Net (repayment) advances of bank indebtedness	(604,397)	(271,971)
Repayment of capital lease obligations	(55,551)	(106,938)
	(876,174)	(1,139,830)
<b>Capital activities</b>		
Purchases of tangible capital assets	(332,832)	(100,625)
Proceeds on disposal of tangible capital assets	78,426	225,496
	(254,406)	124,871
<b>Investing activities</b>		
Net repayment of (advances) to related Nation entities	(97,624)	399,974
Decrease (increase) in project management cash	91,414	(111,018)
Decrease in funds held in trust	732,660	811,073
Withdrawals (contributions) of net assets from (to) Nation business entities	203,152	(36,390)
	929,602	1,063,639
<b>Increase (decrease) in cash resources</b>	470,785	(591,379)
<b>Cash resources, beginning of year</b>	742,479	1,333,858
<b>Cash resources, end of year</b>	1,213,264	742,479

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, 2017*

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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 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, 2016 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, 2016 year end. In the intervening period, the 2016 annual payment of \$316,273 was received from the Cowessess Flood Claim Trust. This transaction was adjusted in consolidated statement of financial position for the year ended March 31, 2017. 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 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 and in the following industries include :

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

Separate audits or reviews are performed on the above entities' financial statements. These entities are related by common membership.

Effective April 1, 2016 Cowessess Wind Developments Limited Partnership qualified as a government business enterprise. As a result of this change, cash decreased \$42,994, accounts receivable decreased \$383,544, accounts payable decreased \$345,705, tangible capital assets decreased \$3,208,018 and investments in Nation business entities increased \$3,288,851.

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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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.

***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.

**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. Land is not amortized.

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

***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 revenue 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, 2017.

**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.

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

**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.

**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, 2017*

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**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 \$38,002 (2016 - \$1,921) and the CMHC operating reserve of \$3,921 (2016 - \$3,913).

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, 2017 this amounted to \$42,645 (2016 - \$134,059).

**4. Accounts receivable**

	<b>2017</b>	<b>2016</b>
Rent	<b>1,748,900</b>	1,614,724
Health and Welfare Canada	<b>387,339</b>	732,751
Other	<b>255,043</b>	1,241,992
Indigenous and Northern Affairs Canada	<b>202,449</b>	2,221,072
Other government agencies	<b>12,939</b>	74,696
	<b>2,606,670</b>	5,885,235
Allowance for doubtful accounts	<b>(2,070,177)</b>	(1,876,539)
	<b>536,493</b>	4,008,696

Rent receivable from members are non-interest bearing with no set terms of repayment and are unsecured.

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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**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.

	<b>2017</b>	<b>2016</b>
Cowessess Treaty Land Entitlement Trust	<b>7,607</b>	11,272
Little Child Holdings Limited Partnership	<b>10,546</b>	-
Cowessess Flood Claim Trust	-	22,204
4 C Farms Limited Partnership	<b>44,655</b>	11,990
Cowessess Wind Developments Limited Partnership	<b>13,562</b>	-
	<b>76,370</b>	45,466

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**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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

The First Nation has investments in the following industries:

	2016	Contributions (withdrawals)	Share of earnings	2017
Agriculture	718,099	(100,000)	(155,450)	462,649
Retail	393,343	-	(297,531)	95,812
Energy	36,115	3,148,564	33,578	3,218,257
	<b>1,147,557</b>	<b>3,048,564</b>	<b>(419,403)</b>	<b>3,776,718</b>

Condensed financial information for each industry is as follows:

	<i>Agriculture As at November 30, 2016</i>	<i>Retail As at November 30, 2016</i>	<i>Energy As at November 30, 2016</i>
<b>Assets</b>			
Current	8,974	102,716	93,218
Accounts receivable	2,872	120,450	327,006
Inventory	412,202	171,755	-
Other current	71,982	10,533	6,042
Property, plant and equipment	9,025	405,573	3,178,898
<b>Total assets</b>	<b>505,055</b>	<b>811,027</b>	<b>3,605,164</b>
<b>Liabilities</b>			
Accounts payable and accruals	6,900	576,417	324,271
Deferred revenue	-	118,761	-
Advances from related parties	35,506	20,037	62,636
<b>Total liabilities</b>	<b>42,406</b>	<b>715,215</b>	<b>386,907</b>
<b>Net assets</b>	<b>462,649</b>	<b>95,812</b>	<b>3,218,257</b>
<b>Total revenue</b>	<b>146,301</b>	<b>5,037,581</b>	<b>229,684</b>
<b>Total expenses</b>	<b>301,751</b>	<b>5,335,112</b>	<b>196,106</b>
<b>Net (loss) income</b>	<b>(155,450)</b>	<b>(297,531)</b>	<b>33,578</b>

The First Nation's investees have a different year-end than March 31, 2017. The First Nation uses the investees' year-end financial statements to account for its investment in these investees. The investment balance has been adjusted for any inter-organizational gains and losses and for the First Nation's portion of ownership interest.

<i>Name of investee</i>	<i>Year-end</i>	<i>Significant events and transactions</i>
Agriculture	November 30, 2016	Agriculture sales
Retail	November 30, 2016	Retail sales
Energy	November 30, 2016	Energy sales

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**7. Funds held in Trust**

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

	2017	2016
<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>1,017,327</b>	1,828,400
Interest	<b>13,223</b>	30,862
Land leases	<b>819,117</b>	318,065
	<b>1,849,667</b>	2,177,327
Less: Section 69 Transfers to First Nation	<b>1,565,000</b>	1,160,000
Balance, end of year	<b>284,667</b>	1,017,327
Total funds held in trust	<b>324,035</b>	1,056,695

During the year, \$1,978,374 of funds transferred in previous years and in the current year was expended as follows:

BCR 2008/2009	\$27,050 (Band Government - Administration)
BCR 2008/2009	\$11,861 (Urban Programs)
BCR 2008/2009	\$13,482 (Urban Programs)
BCR 2012/2013	\$100,000 (Band Government - Administration)
BCR 2012/2013	\$21,800 (Band Government - Administration)
BCR 2012/2013	\$40,000 (Urban Programs)
BCR 2012/2013	\$60,000 (Band Government - Administration)
BCR 2012/2013	\$10,000 (Urban Programs)
BCR 2012/2013	\$30,000 (Bussing)
BCR 2014/2015	\$52,058 (Renovations)
BCR 2014/2015	\$70,000 (Renovations)
BCR 2014/2015	\$85,255 (Community Security)
BCR 2014/2015	\$36,869 (Band Government - Administration)
BCR 2014/2015	\$100,000 (Renovations)
BCR 2014/2015	\$4,450 (Urban Programs)
BCR 2014/2015	\$10,000 (Urban Programs)
BCR 2014/2015	\$180,000 (Bussing)
BCR 2015/2016	\$150,000 (Capital Renovations)
BCR 2015/2016	\$145,000 (Community Security)
BCR 2015/2016	\$17,538 (Wakes and Funerals)
BCR 2015/2016	\$60,000 (Urban Programs)
BCR 2015/2016	\$32,873 (Election)
BCR 2015/2016	\$5,138 (Band Government - Administration)
BCR 2015/2016	\$60,000 (Recreation)
BCR 2016/2017	\$50,000 (Urban Programs)
BCR 2016/2017	\$100,000 (Education)
BCR 2016/2017	\$100,000 (Capital Renovations)
BCR 2016/2017	\$130,000 (Band Government - Administration)
BCR 2016/2017	\$275,000 (Band Government - Administration)

Unexpended funds relating to transfers in previous years and the current year are \$18,173 and \$439,451, respectively.

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**8. Bank indebtedness**

At March 31, 2017, the First Nation had a \$430,000 (2016 - \$550,000) short-term bank line of credit of which none was drawn (2016 - \$nil). \$52,340 in bank indebtedness relates to outstanding cheques (2016 - \$663,534). 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. Accounts Payable**

	<b>2017</b>	<b>2016</b>
Trade payables	<b>606,885</b>	2,663,244
Wages payable	<b>185,201</b>	173,972
TLE Payable	<b>1,000,000</b>	1,000,000
Government remittances payable	<b>34,694</b>	154,498
INAC	<b>364,430</b>	-
Health Canada	<b>131,833</b>	-
	<b>2,323,043</b>	3,991,714

**10. 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.

	<b>2017</b>	<b>2016</b>
Little Child Holdings Limited Partnership	-	66,720

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**11. Deferred revenue**

		<b>2017</b>	<b>2016</b>
Health		-	111,247
Education		-	82,519
Social development		-	73,203
Band Government		-	52,640
Capital		<b>402,474</b>	611,562
Other Band programs	INAC - \$nil (2016 - \$249,000)	<b>323,680</b>	1,088,311
		<b>726,154</b>	2,019,482

The following table represents changes in the deferred revenue balances:

	<b>Balance, beginning of year</b>	<b>Funds received</b>	<b>Recognized as revenue (net of recoveries)</b>	<b>Balance, end of year</b>
Health - Canada Prenatal Nutrition Program	7,597	-	7,597	-
Health - Children's Oral Health Initiative	2,193	-	2,193	-
Health - Medical Transportation	16,678	-	16,678	-
Health - Service Delivery	41,638	-	41,638	-
Education - Provincial School - Direct Services	11,880	-	11,880	-
Education - School Evaluation	9,660	-	9,660	-
Education - Special Education - Direct	45,159	-	45,159	-
Education - Special Education - Indirect	15,820	-	15,820	-
Social Development - Home and Community Care	43,141	-	43,141	-
Social Development - NCBR	39,250	-	39,250	-
Social Development - Adult Institutional Care	18,001	-	18,001	-
Social Development - Special Needs	15,952	-	15,952	-
Band Government - Band Employee Benefit - Stat	52,640	-	52,640	-
Capital - Roads	173,041	-	173,041	-
Capital - Low Pressure Water	257,661	-	-	<b>257,661</b>
Capital - Fire Protection	8,194	-	8,194	-
Capital - Emergency Road Repair	172,666	390,000	417,852	<b>144,814</b>
Other Band Programs - Painted Hand CDC	-	149,100	100,630	<b>48,470</b>
Other Band Programs - Pow Wow	-	75,000	-	<b>75,000</b>
Other Band Programs - First Nations Trust	692,611	1,331,652	2,024,263	-
Other Band Programs - Social Programs	146,700	134,000	80,491	<b>200,209</b>
Other Band Programs - Economic Development	249,000	-	249,000	-
	<b>2,019,482</b>	<b>2,079,752</b>	<b>3,373,080</b>	<b>726,154</b>

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**12. 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 Including Interest</u>	<u>Interest rate</u>	<u>Maturity Date</u>	<b>2017</b>	<b>2016</b>
VII	2,480	3.00%	Apr. 1, 2018	<b>31,735</b>	60,090
IX	1,246	4.75%	Jun. 1, 2021	<b>65,222</b>	76,408
X	1,279	3.44%	Mar. 1, 2018	<b>13,857</b>	28,458
XI	592	3.99%	-	-	6,956
XII	2,959	3.57%	May 1, 2019	<b>77,279</b>	109,437
XIII	1,525	0.99%	Apr. 1, 2020	<b>55,546</b>	73,203
XIV	760	1.04%	Apr. 1, 2025	<b>70,689</b>	79,031
XV	1,103	1.03%	Jun. 1, 2026	<b>116,743</b>	128,280
XVI	1,991	1.05%	Mar. 1, 2030	<b>290,267</b>	331,008
XVII	2,886	1.21%	Apr. 1, 2026	<b>297,777</b>	328,253
XVIII	10,574	1.71%	Sept. 1, 2027	<b>1,219,023</b>	1,324,210
XIX	3,763	1.43%	Apr. 1, 2032	<b>586,264</b>	619,884
				<b>2,824,402</b>	3,145,218
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 \$171,700, matures August 2018.				<b>91,634</b>	149,362
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 \$80,228, matures November 2018.				<b>47,940</b>	71,647
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 \$8,195, matures July 2018.				<b>7,044</b>	11,971
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 \$14,084, matures April 2018.				<b>5,750</b>	10,874

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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

Affinity Credit Union, interest at 3.7%, principal and interest payments at \$3,873 monthly, secured by a Micro Bird bus and two Vison busses with a net book value of \$282,500, matures March 2022.	<b>208,315</b>	-
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 \$23,920, matures February 2019.	<b>28,057</b>	40,296
	<b>3,213,142</b>	3,429,368
Less: current portion	<b>477,622</b>	417,360
	<b>2,735,520</b>	3,012,008

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:

2018	477,622
2019	394,908
2020	306,586
2021	285,531
2022	241,801
Thereafter	1,029,072

Interest on long-term debt amounted to \$102,846 (2016 - \$135,659)

The terms of the \$208,315 loan with Affinity Credit Union require that certain measurable covenants be met. As at March 31, 2017, the First Nation was in violation of certain covenants.

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**13. Capital lease obligations**

	2017	2016
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 \$191,250, pledged as collateral.	<b>129,179</b>	161,512
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 \$136,000, pledged as collateral.	<b>93,332</b>	116,550
	<b>222,511</b>	278,062
Less: current portion	<b>61,855</b>	55,551
	<b>160,656</b>	222,511

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

2018	82,881
2019	82,881
2020	82,881
2021	15,313
	263,956
Less: imputed interest	41,445
	222,511
Balance of obligation	222,511
Less: current portion	61,855
	160,656

**14. 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, 2017 the replacement reserve fund is under-funded by \$443,960 (2016 – under funded by \$709,292) and the operating reserve fund is under-funded by \$726,210 (2016 – under funded by \$810,161).

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**15. Tangible capital assets**

The tangible capital assets reconciliation is included in Schedule 1.

Tangible capital assets include assets under capital lease with a gross cost of \$385,000 (2016 - \$385,000), and accumulated amortization of \$57,750 (2016 - \$19,250).

Land and land improvements includes Treaty entitlement land with a carrying value of \$33,357,401 (2016 - \$33,357,401). No amortization is recorded on land.

**16. Accumulated surplus**

Accumulated surplus consists of the following:

	2017	2016
Equity in Ottawa Trust Funds	324,035	1,056,696
Equity in CMHC operating reserve	730,131	814,074
Equity in CMHC replacement reserve	481,962	711,213
Equity in tangible capital assets	49,667,729	54,196,886
Unrestricted deficit	(2,684,508)	(3,669,197)
Equity in controlled business entities	3,776,718	1,147,562
	<b>52,296,067</b>	<b>54,257,234</b>

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

**17. 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, \$46,963 (2016 - \$40,747) 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, 2016, the First Nation has paid \$1,308,500 (December 31, 2015 - \$1,277,000) to members in relation to the per capita distribution. An additional amount of \$538,500 (December 31, 2015 - \$733,300) remains to be paid to the members plus interest accrued. There have been 363 members that have had their per capita distribution payments expire amounting to \$181,500 repayable back to the Trust. 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 \$316,273 (2016 - \$294,633 ) from the Trust relating to the annual payment.

During the year there were no amounts withdrawn (2016 - \$nil) from the trust for community development.

**18. Economic dependence**

Cowessess First Nation #73 receives a significant portion of its revenue 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.



**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

**19. 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.

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

	2017	2016
INAC funding per confirmation	7,264,014	6,517,343
<b>Less: recoveries</b>		
Provincial school - direct services	(11,880)	-
Special education	(50,148)	-
Special education - indirect services	(10,607)	-
Band operated schools - school evaluation	(9,660)	-
Basic needs	(93,352)	-
Special needs	(12,387)	-
National Child Benefit Reinvestment	(48,616)	-
Adult institutional care	(11,796)	-
Band employee benefits - stat	(98,660)	-
	<b>(347,106)</b>	<b>-</b>
Deferred revenue - prior year	1,112,066	677,392
Deferred revenue - current year	(985,919)	(1,112,066)
	<b>126,147</b>	<b>(434,674)</b>
Funding total per financial statements	<b>7,043,055</b>	<b>6,082,669</b>

**Cowessess First Nation #73**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2017*

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

	2017	2016
Funding per Health Canada confirmation	1,170,642	935,276
<b>Less: recoveries and payables</b>		
Medical transportation	(32,047)	-
Home and community care	(41,638)	-
Child oral health initiative	(4,019)	-
Canada prenatal nutrition program	(10,840)	-
Aboriginal diabetes initiative	(48,100)	-
	(136,644)	-
Deferred revenue, beginning of year	68,106	-
Deferred revenue - end of year	-	(68,106)
	68,106	(68,106)
Funding total per financial statements	1,102,104	867,170

**22. Comparative figures**

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

**23. Issuance of financial statements after July 29, 2017**

The First Nation is required to post its consolidated financial statements on a website and submit the consolidated financial statements to INAC by July 29, 2017. 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.

**24. 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, 2017. 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, 2017. 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, 2017; however, \$99,659 has been paid to Court of Queen's Bench to be held in trust as at March 31, 2017 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, 2017. 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 may be subject to repayment upon final review by the relevant funding authority. 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 2015 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.

**25. Budget information**

The disclosed budget information has been approved by the Chief and Council of the Cowessess First Nation #73 at the Chief and Council meeting held on October 28, 2016.

**Cowessess First Nation #73**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

	<i>Buildings</i>	<i>Equipment under capital lease</i>	<i>Equipment</i>	<i>Roads</i>	<i>Utility systems</i>	<i>Land and land improvements</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	21,270,944	385,000	1,385,326	8,441,638	861,366	34,589,656	66,933,930
Acquisition of tangible capital assets	-	-	40,500	-	-	-	40,500
Disposal of tangible capital assets	-	-	(7,313)	-	-	-	(7,313)
Transfer to Cowessess Wind Developments Limited Partnership	(46,000)	-	-	-	-	-	(46,000)
Balance, end of year	21,224,944	385,000	1,418,513	8,441,638	861,366	34,589,656	66,921,117
<b>Accumulated amortization</b>							
Balance, beginning of year	13,212,618	19,250	846,221	2,251,105	462,667	244,996	17,036,857
Annual amortization	751,850	19,250	106,831	562,776	41,637	27,013	1,509,357
Accumulated amortization on disposals	-	-	(7,313)	-	-	-	(7,313)
Transfer to Cowessess Wind Developments Limited Partnership	-	-	-	-	-	-	-
Balance, end of year	13,964,468	38,500	945,739	2,813,881	504,304	272,009	18,538,901
<b>Net book value of tangible capital assets</b>	<b>7,260,476</b>	<b>346,500</b>	<b>472,774</b>	<b>5,627,757</b>	<b>357,062</b>	<b>34,317,647</b>	<b>48,382,216</b>
2016 Net book value of tangible capital assets	8,058,326	365,750	539,105	6,190,533	398,699	34,344,660	49,897,073

**Cowessess First Nation #73**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

	<i>Subtotal</i>	<i>Gasification</i>	<i>Vehicles</i>	<i>Housing</i>	<i>Wind turbine</i>	<i>2017</i>	<i>2016</i>
<hr/>							
<b>Cost</b>							
Balance, beginning of year	66,933,930	1,267,808	1,300,606	18,317,463	4,225,447	92,045,254	88,491,467
Acquisition of tangible capital assets	40,500	-	282,500	86,809	-	409,809	3,918,751
Disposal of tangible capital assets	(7,313)	-	-	(34,730)	-	(42,043)	(364,964)
Transfer to Cowessess Wind Developments Limited Partnership	(46,000)	-	-	-	(4,225,447)	(4,271,447)	-
<hr/>							
Balance, end of year	66,921,117	1,267,808	1,583,106	18,369,542	-	88,141,573	92,045,254
<hr/>							
<b>Accumulated amortization</b>							
Balance, beginning of year	17,036,857	912,821	1,192,147	13,937,186	1,061,928	34,140,939	32,194,788
Annual amortization	1,509,357	50,712	40,869	365,555	-	1,966,493	2,277,915
Accumulated amortization on disposals	(7,313)	-	-	-	-	(7,313)	(331,764)
Transfer to Cowessess Wind Developments Limited Partnership	-	-	-	-	(1,061,928)	(1,061,928)	-
<hr/>							
Balance, end of year	18,538,901	963,533	1,233,016	14,302,741	-	35,038,191	34,140,939
<hr/>							
<b>Net book value of tangible capital assets</b>	<b>48,382,216</b>	<b>304,275</b>	<b>350,090</b>	<b>4,066,801</b>	<b>-</b>	<b>53,103,382</b>	<b>57,904,315</b>
<hr/>							
2016 Net book value of tangible capital assets	49,897,073	354,987	108,459	4,380,277	3,163,519	57,904,315	
<hr/>							

**Cowessess First Nation #73**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2017*

	<b>2017 Budget (Note 25)</b>	<b>2017</b>	<b>2016</b>
Salaries and benefits	4,356,163	3,935,112	3,735,095
Amortization	-	1,966,493	2,277,915
Repairs and maintenance	829,648	1,716,694	893,258
Contracted services	512,681	1,208,889	593,812
Program expense	781,554	1,072,894	477,864
Social assistance	1,001,576	893,528	882,422
Professional fees	613,500	862,628	766,253
Student expenses	887,563	775,966	844,703
Tuition	731,760	774,831	1,072,405
Insurance	332,440	433,609	349,162
Senior subsidy	-	382,556	350,594
Materials and supplies	461,153	302,845	221,116
Travel and workshops	443,346	290,261	651,514
Utilities	144,700	243,414	256,625
Bad debts	-	193,638	294,832
Community donations and events	233,500	188,417	233,806
Telephone	104,460	130,462	124,626
Interest on long-term debt	26,000	102,846	135,659
Rent and lease	71,710	76,576	36,963
Bank charges and interest	28,500	55,736	73,187
Election	-	32,873	8,364
Property tax	7,500	18,819	18,782
Miscellaneous	-	2,064	-
Advertising	4,500	2,712	-
Administration (recovery)	(303,936)	(42,342)	-
	<b>11,268,318</b>	<b>15,621,521</b>	<b>14,298,957</b>

**Cowessess First Nation #73**  
**Lands and Memberships**  
**Schedule 3 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<i><b>2017 Budget (Note 25)</b></i>	<i><b>2017 Actual</b></i>	<i><b>2016 Actual</b></i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	313,610	350,782	313,276
Insurance proceeds	-	23,600	-
Other	9,000	8,453	5,844
Rental income	-	-	4,700
	<b>322,610</b>	<b>382,835</b>	<b>323,820</b>
<b>Expenses</b>			
Salaries and benefits	142,062	142,861	100,839
Contracted services	18,500	76,192	14,332
Administration	31,362	31,362	-
Rent and lease	22,000	26,000	-
Repairs and maintenance	22,000	21,956	4,074
Property tax	7,500	12,743	18,432
Professional fees	7,500	12,039	-
Utilities	6,000	6,901	2,531
Materials and supplies	8,400	6,482	96
Insurance	7,500	5,834	4,142
Travel and workshops	14,000	5,543	6,729
Amortization	-	2,192	592
Telephone	5,500	1,167	1,496
	<b>292,324</b>	<b>351,272</b>	<b>153,263</b>
<b>Surplus</b>	<b>30,286</b>	<b>31,563</b>	<b>170,557</b>

# Cowessess First Nation #73

## Education

### Schedule 4 - Schedule of Revenue and Expenses

For the year ended March 31, 2017

	2017 Budget (Note 25)	2017 Actual	2016 Actual
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	3,283,122	3,200,003	2,839,845
Other	-	-	64,099
	3,283,122	3,200,003	2,903,944
<b>Expenses</b>			
Salaries and benefits	1,388,208	1,174,052	1,238,213
Tuition	731,760	774,831	1,072,405
Student expenses	743,783	695,749	805,351
Administration	106,875	105,909	-
Materials and supplies	105,390	64,698	6,074
Contracted services	84,468	59,096	13,253
Repairs and maintenance	54,000	57,546	33,764
Utilities	2,000	17,059	4,707
Travel and workshops	54,897	12,301	68,846
Telephone	3,200	8,634	2,576
Professional fees	-	8,325	-
Insurance	8,504	7,023	5,177
Program expense	1,200	4,976	-
Bank charges and interest	2,500	817	1,357
Interest on long-term debt	-	474	-
Amortization	-	-	22,546
Rent and lease	-	-	2,688
	3,286,785	2,991,490	3,276,957
<b>Surplus (deficit) before transfers</b>	<b>(3,663)</b>	<b>208,513</b>	<b>(373,013)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>310,000</b>	<b>1,310</b>
<b>Surplus (deficit)</b>	<b>(3,663)</b>	<b>518,513</b>	<b>(371,703)</b>



**Cowessess First Nation #73**  
**Social Development**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<i>2017 Budget (Note 25)</i>	<i>2017 Actual</i>	<i>2016 Actual</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	1,123,725	1,023,905	1,079,082
FSIN	25,000	25,000	25,000
	<b>1,148,725</b>	<b>1,048,905</b>	<b>1,104,082</b>
<b>Expenses</b>			
Social assistance	1,001,576	892,972	882,422
Program expense	145,925	173,817	72,934
Salaries and benefits	95,720	101,745	38,411
Administration	41,705	39,708	23,193
Materials and supplies	4,037	23,273	-
Repairs and maintenance	-	10,462	328
Travel and workshops	6,720	5,420	40,869
Professional fees	-	557	-
Bank charges and interest	-	-	6,803
Insurance	436	-	1,321
	<b>1,296,119</b>	<b>1,247,954</b>	<b>1,066,281</b>
<b>(Deficit) surplus before transfers</b>	<b>(147,394)</b>	<b>(199,049)</b>	<b>37,801</b>
<b>Transfers between programs</b>	<b>-</b>	<b>12,283</b>	<b>-</b>
<b>(Deficit) surplus</b>	<b>(147,394)</b>	<b>(186,766)</b>	<b>37,801</b>

# Cowessess First Nation #73

## Health

### Schedule 6 - Schedule of Revenue and Expenses

For the year ended March 31, 2017

	2017 Budget (Note 25)	2017 Actual	2016 Actual
<b>Revenue</b>			
Health Canada	1,135,282	1,102,104	867,170
Other	-	4,634	27
	1,135,282	1,106,738	867,197
<b>Expenses</b>			
Salaries and benefits	427,832	403,310	389,867
Program expense	365,729	237,196	62,126
Contracted services	97,412	142,298	13,445
Repairs and maintenance	22,500	67,336	16,588
Travel and workshops	53,879	38,560	18,706
Professional fees	20,000	24,782	557
Materials and supplies	46,876	20,907	1,295
Insurance	14,500	16,121	-
Telephone	12,300	14,410	10,440
Administration	2,223	14,382	59,304
Amortization	-	7,042	10,042
Community donations and events	23,500	5,000	-
Utilities	4,000	3,468	2,200
Advertising	4,500	2,452	-
Interest on long-term debt	-	297	1,354
	1,095,251	997,561	585,924
<b>Surplus</b>	40,031	109,177	281,273

**Cowessess First Nation #73**  
**Community Infrastructure**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<i>2017 Budget (Note 25)</i>	<i>2017 Actual</i>	<i>2016 Actual</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	796,666	898,250	973,888
Insurance proceeds	-	-	341,264
Other	17,130	39,209	34,083
Rental income	-	-	10,020
Gain on disposal of tangible capital assets	-	-	31,796
	<b>813,796</b>	<b>937,459</b>	1,391,051
<b>Expenses</b>			
Amortization	-	1,378,290	1,362,952
Salaries and benefits	575,339	534,140	424,953
Repairs and maintenance	290,355	259,343	54,778
Utilities	76,336	173,281	91,733
Administration (recovery)	123,633	98,730	-
Insurance	10,500	65,859	12,486
Interest on long-term debt	-	50,343	59,497
Travel and workshops	28,000	43,981	20,287
Materials and supplies	121,050	37,759	132,449
Contracted services	31,600	27,765	87,941
Telephone	24,460	17,432	9,032
Program expense	3,600	4,663	-
Bank charges and interest	-	322	135
	<b>1,284,873</b>	<b>2,691,908</b>	2,256,243
<b>Deficit before transfers</b>	<b>(471,077)</b>	<b>(1,754,449)</b>	(865,192)
<b>Transfers between programs</b>	<b>-</b>	<b>377,231</b>	(541,264)
<b>Deficit</b>	<b>(471,077)</b>	<b>(1,377,218)</b>	(1,406,456)

**Cowessess First Nation #73**  
**Band Government**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<i>2017 Budget (Note 25)</i>	<i>2017 Actual</i>	<i>2016 Actual</i>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	507,727	626,756	589,635
Other	8,000	434,346	31,485
Investment income	-	114	659
	<b>515,727</b>	<b>1,061,216</b>	<b>621,779</b>
<b>Expenses</b>			
Salaries and benefits	1,060,622	919,428	1,087,886
Professional fees	580,000	763,592	725,265
Travel and workshops	228,125	140,512	400,291
Contracted services	95,000	129,970	74,210
Bad debts	-	90,930	102,700
Materials and supplies	133,500	87,369	47,476
Telephone	47,440	75,073	96,300
Insurance	103,300	71,757	142,731
Amortization	-	47,885	47,885
Bank charges and interest	26,000	38,475	48,437
Election	-	32,873	8,366
Rent and lease	28,000	27,148	23,074
Program expense	5,000	19,458	1,523
Repairs and maintenance	29,000	15,822	13,325
Community donations and events	-	10,000	150
Utilities	-	5,644	134,461
Interest on long-term debt	26,000	600	4,730
Administration (recovery)	(676,582)	(425,977)	(130,997)
	<b>1,685,405</b>	<b>2,050,559</b>	<b>2,827,813</b>
<b>Deficit before transfers</b>	<b>(1,169,678)</b>	<b>(989,343)</b>	<b>(2,206,034)</b>
<b>Transfers between programs</b>	<b>900,000</b>	<b>963,370</b>	<b>1,409,686</b>
<b>Deficit</b>	<b>(1,169,678)</b>	<b>(25,973)</b>	<b>(796,348)</b>

# Cowessess First Nation #73

## Capital

### Schedule 9 - Schedule of Revenue and Expenses

For the year ended March 31, 2017

	2017 Budget (Note 25)	2017 Actual	2016 Actual
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	553,873	851,874	225,444
Insurance proceeds	-	63,875	32,870
Gain on disposal of tangible capital assets	-	43,695	160,500
Other	-	25,147	38
Rental income	-	11,130	15,010
	<b>553,873</b>	<b>995,721</b>	<b>433,862</b>
<b>Expenses</b>			
Contracted services	182,501	727,142	368,871
Repairs and maintenance	341,793	367,629	644,368
Insurance	180,000	147,828	96,041
Salaries and benefits	129,000	90,753	67,180
Materials and supplies	5,500	25,412	14,800
Amortization	-	12,380	37,227
Travel and workshops	14,700	10,893	1,368
Utilities	50,664	3,885	5,391
Telephone	3,500	2,335	178
Professional fees	5,000	289	-
Bank charges and interest	-	70	-
Rent and lease (recovery)	-	-	(7,519)
Administration (recovery)	8,723	(18,606)	(20,805)
	<b>921,381</b>	<b>1,370,010</b>	<b>1,207,100</b>
<b>Deficit before transfers</b>	<b>(367,508)</b>	<b>(374,289)</b>	<b>(773,238)</b>
<b>Transfers between programs</b>	<b>-</b>	<b>472,058</b>	<b>679,206</b>
<b>Surplus (deficit)</b>	<b>(367,508)</b>	<b>97,769</b>	<b>(94,032)</b>

**Cowessess First Nation #73**  
**Other Band Programs**  
**Schedule 10 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2017*

	<b>2017 Budget (Note 25)</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	61,500	310,500	61,500
Canada Mortgage and Housing Corporation	-	563,838	344,521
SIIT	365,991	312,644	199,556
Additional government funding	-	-	544,742
First Nations Trust	1,300,000	2,024,262	1,296,262
Lease income	-	819,117	318,065
Rental income	-	560,368	442,528
Contributions	-	46,963	77,137
Investment income	-	329,585	325,968
Community Development Corporation	-	136,710	155,164
Community Development Corporation - Deferred revenue, end of year	-	(48,471)	-
TLE Four Trusts	150,000	134,000	146,700
TLE Four Trusts - Deferred revenue, beginning of year	-	146,700	-
TLE Four Trusts - Deferred revenue, end of year	-	(200,209)	(146,700)
Other	105,830	14,143	345,367
FSIN	89,500	82,500	89,500
Insurance proceeds	-	67,376	76,361
Golf Course sales	-	46,854	-
Contributions from Treaty Land Entitlement	-	-	3,433,125
(Loss) earnings from investment in Nation business entities	-	(419,403)	52,957
	<b>2,072,821</b>	<b>4,927,477</b>	<b>7,762,753</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, 2017*

	<b>2017 Budget (Note 25)</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
<i>(Continued from previous page)</i>	2,072,821	4,927,477	7,762,753
<b>Expenses</b>			
Repairs and maintenance	70,000	916,601	126,033
Program expense	260,100	632,785	341,281
Salaries and benefits	537,380	568,824	387,747
Amortization	-	518,704	796,670
Senior subsidy	-	382,556	350,594
Community donations and events	210,000	173,417	233,656
Insurance	7,700	119,187	87,264
Administration	58,125	112,150	69,305
Bad debts	-	102,708	192,132
Student expenses	143,780	80,218	39,352
Professional fees	1,000	53,045	40,431
Interest on long-term debt	-	51,131	70,077
Contracted services	3,200	46,426	21,761
Materials and supplies	36,400	36,945	18,925
Utilities	5,700	33,177	15,603
Travel and workshops	43,025	33,050	94,418
Rent and lease	21,710	23,428	18,720
Bank charges and interest	-	16,052	16,454
Telephone	8,060	11,410	4,603
Miscellaneous	-	2,061	-
Property tax	-	6,076	350
Social assistance	-	556	-
Advertising	-	260	-
	1,406,180	3,920,767	2,925,376
<b>Surplus before transfers</b>	666,641	1,006,710	4,837,377
<b>Transfers between programs</b>	20,000	(2,134,942)	(1,548,938)
<b>(Deficit) surplus</b>	686,641	(1,128,232)	3,288,439