

**Cowessess First Nation #73
Consolidated Financial Statements**
March 31, 2023

Cowessess First Nation #73
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For the year ended March 31, 2023

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Management's Responsibility

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 fulfills 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 First 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 29, 2024

"Original Signed By Kathy Buckles"

Independent Auditor's Report

To the Members of Cowessess First Nation #73:

Opinion

We have audited the financial statements of Cowessess First Nation #73 (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated operating surplus, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2023, and the results of its operations, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

October 29, 2024

MNP LLP
Chartered Professional Accountants

MNP

Cowessess First Nation #73
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
Financial assets		
Current		
Cash resources	9,688,498	14,621,479
Marketable securities (Note 5)	7,495,386	1,150,930
Accounts receivable (Note 6)	1,597,464	970,605
Inventory for resale (Note 7)	1,126,955	381,175
Advances to related entities (Note 8)	283,523	553,802
Restricted cash (Note 4)	32,780,039	25,030,850
	52,971,865	42,708,841
Investment in Nation business entities (Note 9)	7,687,654	7,368,707
Funds held in trust (Note 10)	1,904,198	1,422,058
Replacement reserve fund bank - CMHC (Note 19)	207,353	201,842
Operating reserve fund bank - CMHC (Note 19)	142,631	138,840
Total financial assets	62,913,701	51,840,288

Cowessess First Nation #73
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
Liabilities		
Current		
Accounts payable and accruals (Note 12)	2,737,729	2,254,599
Deferred revenue (Note 15)	27,436,463	25,197,570
Advances from related Nation entities (Note 13)	20,500	8,000
Short-term debt (Note 14)	849	149,703
Current portion of per capita payable (Note 22)	57,500	51,000
Current portion of long-term debt (Note 16)	442,810	586,291
Current portion of capital lease obligations (Note 17)	178,940	11,012
Current portion of term loans due on demand (Note 16)	25,157	94,580
	30,899,948	28,352,755
Long-term debt (Note 16)	3,043,059	3,210,388
Capital lease obligations (Note 17)	301,652	133,383
Long-term portion of per capita payable (Note 22)	298,000	337,000
Asset retirement obligation (Note 18)	1,180,678	-
Total liabilities	35,723,337	32,033,526
Net financial assets	27,190,364	19,806,762
Contingencies (Note 30)		
Non-financial assets		
Tangible capital assets (Note 20)	60,702,882	52,938,841
Prepaid expenses	213,638	92,284
Total non-financial assets	60,916,520	53,031,125
Accumulated surplus (Note 21)	88,106,884	72,837,887
Approved on behalf of the Council		

"Original Signed By Erica Beaudin" Chief

"Original Signed By Brandon Pelletier" Councillor

Cowessess First Nation #73
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

	<i>Schedules</i>	<i>2023 Budget (Note 26)</i>	<i>2023</i>	<i>2022</i>
Revenue				
Indigenous Services Canada (Note 25)		11,944,354	32,162,175	31,088,108
SIIT		238,000	620,496	619,245
Settlement		-	868,978	391,433
Canada Mortgage and Housing Corporation		285,452	280,734	279,394
Farming income		-	2,795,876	1,951,796
Lease income		1,742,701	2,043,542	1,649,773
Other		2,351,149	1,577,606	1,328,860
First Nations Trust		708,999	1,570,530	776,697
Investment income		158,544	553,780	441,284
Rental income		236,646	515,592	495,340
Golf course sales		481,060	369,881	374,759
Contributions		85,000	819,703	(67,897)
TLE Four Trusts		-	172,900	-
Gain from investment in Nation business entities		-	139,948	3,222,235
Insurance proceeds		-	123,803	49,015
Community Development Corporation		18,500	112,091	153,832
Royalties		-	75,239	20,859
Bingo and fundraising activities		437,709	50,329	230,980
Saskatchewan Ministry of Social Services		-	-	63,700
FSIN (net of deferred revenue of \$1,800,000 (2022 - nil))		-	(412,859)	604,046
Total revenue		18,688,114	44,440,344	43,673,459
Program expenses				
Lands and Memberships	3	529,586	1,824,521	1,122,447
Education	4	5,585,356	4,985,532	4,785,025
Social Development	5	1,716,453	1,788,093	885,371
Health	6	1,309,577	1,896,818	1,152,087
Community Infrastructure	7	2,584,950	3,777,724	3,149,874
Band Government	8	2,477,011	2,338,415	1,689,624
Capital	9	731,575	2,255,511	1,413,296
Other Band Programs	10	3,589,062	13,804,861	9,509,683
Total expenses (Schedule 2)		18,523,570	32,671,475	23,707,407
Surplus before other items		164,544	11,768,869	19,966,052
Other expense				
Gain (loss) on disposal of tangible capital assets		-	4,955	(24,000)
Contribution from (to) TLE		-	3,495,172	(2,686,500)
		-	3,500,127	(2,710,500)
Annual surplus		164,544	15,268,997	17,255,552
Accumulated surplus, beginning of year		72,837,887	72,837,887	55,582,335
Accumulated surplus, end of year (Note 21)		73,002,431	88,106,884	72,837,887

The accompanying notes are an integral part of these financial statements

Cowessess First Nation #73
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2023

	2023 Budget (Note 26)	2023	2022
Annual surplus	164,544	15,268,997	17,255,552
Purchases of tangible capital assets	-	(6,276,524)	(5,905,313)
Land Contribution to Treaty Land Entitlement	-	-	2,686,500
Land Contribution from Treaty Land Entitlement	-	(3,495,173)	-
Amortization of tangible capital assets	-	3,121,190	2,475,132
(Gain) loss on disposal of tangible capital assets	-	(4,955)	24,000
Proceeds of disposal of tangible capital assets	-	37,710	48,000
Transfer of tangible capital assets from 4C Farms Limited Partnership	-	-	(174,883)
	-	(6,617,752)	(846,564)
Acquisition of prepaid expenses	-	(213,638)	(92,284)
Use of prepaid expenses	-	92,284	87,508
Acquisition of prepaid expenses	-	(121,354)	(4,776)
Increase in net financial assets	164,544	8,529,891	16,404,212
Net financial assets, beginning of year	19,806,762	19,806,762	3,402,550
Net financial assets, end of year	19,971,306	28,336,653	19,806,762

Cowessess First Nation #73
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	15,268,997	17,255,552
Non-cash items		
Amortization	3,121,190	2,475,132
Bad debts	132,898	237,506
(Gain) loss on disposal of tangible capital assets	(4,955)	24,000
Contribution (to) of land to Treaty Land Entitlement	(3,495,172)	2,686,500
Loss from investment in Nation business entities	(139,948)	(2,797,272)
Increase in tangible capital assets due to asset retirement adjustment	(1,146,289)	-
Asset retirement obligation	1,180,678	-
	14,917,399	19,881,418
Changes in working capital accounts		
Accounts receivable	(759,757)	141,007
Inventory	(745,780)	(335,563)
Prepaid expenses	(121,354)	(4,776)
Accounts payable and accruals	483,127	241,138
Deferred revenue	2,238,895	17,275,120
Per capita payable	(32,500)	(29,500)
	15,980,030	37,168,844
Financing activities		
Advances of long-term debt	139,730	885,001
Repayment of long-term debt	(450,540)	(512,306)
Repayment of capital lease obligations	(98,553)	(14,843)
Repayments of short-term debt	(148,854)	-
Repayments of term loan due on demand	(69,423)	-
Advances from related Nation entities	12,500	-
	(615,140)	357,852
Capital activities		
Purchases of tangible capital assets	(5,841,774)	(5,783,313)
Proceeds of disposal of tangible capital assets	37,710	48,000
	(5,804,064)	(5,735,313)
Investing activities		
Purchase of marketable securities	(6,344,456)	(940,930)
Advances to related Nation entities	-	(380,931)
Increase in restricted cash	(7,749,189)	(21,993,880)
Increase in funds held in trust	(482,140)	(17,803)
Contributions to Nation business entities	(178,998)	(378,999)
Increase in replacement reserve cash	(5,511)	(41)
Increase in operating reserve cash	(3,792)	(29)
Repayment of advances to related Nation entities	270,279	-
	(14,493,807)	(23,712,613)
(Decrease) increase in cash resources	(4,932,981)	8,078,770
Cash resources, beginning of year	14,621,479	6,542,709
Cash resources, end of year	9,688,498	14,621,479

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, 2023

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 Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Change in accounting policies

Financial instruments

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

Asset retirement obligations

Effective April 1, 2021, the First Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements.

Previously, the First Nation recorded the provision for site rehabilitation in accordance with PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability*, which requires recognition of a liability for closure and post-closure care as the site capacity is used and is equal to the proportion of the estimated total expenditure required for closure and post-closure care. Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 3.

Pursuant to the recommendations, the change was applied prospectively and prior periods have not been restated. As such, the First Nation recognized asset retirement obligations for those arising on or after date of adoption, April 1, 2021, as well as for those arising prior to date of adoption April 1, 2021 but for which an obligation was not previously recognized. In addition, previously recognized asset retirement obligations have been adjusted to reflect the requirements in this standard.

The cumulative effect in the current year of adopting this new standard is to increase liabilities by \$1,180,678, increase the associated tangible capital assets by \$681,379, increase expenses by \$499,299.

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

3. Significant accounting policies

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

- 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
- Little Child Community Development Board Inc.
- Cowessess Flood Claim Holdings Inc
- 4C Farms Limited Partnership
- Chief Red Bear Children's Lodge

All inter-entity balances have been eliminated on consolidation. Cowessess Mall, Last Oak Golf & Country Club, Crooked Lake Homes Ltd., 4C Farms and Crooked Lake Homes Limited Partnership have a year end of November 30, 2022 which are not co-terminous with the First Nation's year end. Cowessess Development Account has a December 31, 2022 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 Mall, Last Oak Golf & Country Club, Crooked Lake Homes Ltd., Crooked Lake Homes Limited Partnership, Cowessess Development Account, Little Child Community Development Board Inc., 4C Farms Limited Partnership, Chief Red Bear Children's Lodge, and Cowessess Land Holdings Corp. 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:

- Cowessess Ventures Limited Partnership
- Cowessess Ventures Ltd.

Separate audits or reviews are performed on the above entity's financial statements and its related subsidiaries. These entities are related by common membership.

Other economic interests

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.

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

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 trust

Funds are held in trust on behalf of First Nation members by the Government of Canada in the trust fund held in Ottawa. 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.

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

Intangible assets

The First Nation owns land, mineral resources and water resources inherited from the Crown. These items are not recognized in the First Nation's consolidated financial statements in accordance with PS 1200 *Financial Statement Presentation*.

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

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 financial assets

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

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

3. 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.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is deposited into the trust account. The First Nation may have submitted band council resolutions requesting the receipt of trust funds as at March 31, 2023.

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 and the Treaty Land Entitlement Revenue Account 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. Legal contingencies are estimated if the confirming future event is likely and the amount of the liability can be reasonably measured.

A liability for asset retirement obligations reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of the costs for future asset retirement.

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

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

3. Significant accounting policies (Continued from previous page)

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.

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.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gain/losses. Interest income is recognized in the statement of operations. All financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

All financial assets are tested annually for impairment. Management considers recent collection experience for receivables, such as delinquency in payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value.

4. Restricted cash

Included in cash is restricted cash consisting of amounts relating to the CMHC replacement reserve of \$207,353 (2022 - \$201,842) and the CMHC operating reserve of \$142,631 (2022 - \$138,840).

Restricted cash also consists of cash managed by capital project managers who are responsible for payment of expenses relating to capital projects funded by Indigenous Services Canada. At March 31, 2023 this amounted to \$3,923,936 (2022 - \$4,437,628).

Restricted cash also consists of cash managed by Chief Red Bear Children's Lodge who are responsible for payment of expenses relating to the organization's purpose of providing family and child services to members of the Nation, funded by the Federal Government of Canada. At March 31, 2023 this amounted to \$18,756,343 (2022 - \$22,630,626).

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

5. Marketable securities

	2023	2022
GIC - Matures February 26, 2024 with a 2.50% interest rate	75,488	75,000
GIC - Matures July 16, 2023 with a 1.35% interest rate	215,708	212,835
GIC - Matures October 21, 2023 with a 4.45% interest rate	742,190	741,095
GIC - Matures September 29, 2026 with a 1.97% interest rate	122,000	122,000
GIC - Matures September 14, 2024 with a 3.00% interest rate	2,000,000	-
GIC - Matures July 4, 2023 with a 4.20% interest rate	2,000,000	-
GIC - Matures July 4, 2023 with a 4.20% interest rate	2,000,000	-
GIC - Matures February 2, 2024 with a 5.05% interest rate	340,000	-
	7,495,386	1,150,930

6. Accounts receivable

	2023	2022
Rent	2,480,387	2,335,063
Other	1,352,376	891,356
Indigenous Services Canada	271,436	180,907
GST	173,293	110,411
	4,277,492	3,517,737
Allowance for doubtful accounts	(2,680,028)	(2,547,132)
	1,597,464	970,605

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

7. Inventory for resale

	2023	2022
Last Oak Golf and Country Club inventory	9,186	8,550
Crooked Lake Homes LP inventory	35,000	35,000
Farming inventory	1,082,769	337,625
	1,126,955	381,175

The cost of inventories recognized as an expense and included in expenses is \$1,119,221 (2022 - \$672,868).

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

8. 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 all entities by common control through the First Nation.

	2023	2022
Cowessess Treaty Land Entitlement Trust	83,005	108,949
Awasis Nehiyawewini Energy Development Limited Partnership	11,600	315,170
Cowessess Ventures Limited Partnership	40,652	40,425
Cowessess Wind Developments Limited Partnership	118,297	80,047
Cowessess Urban Developments Limited Partnership	504	504
Little Child Holdings Limited Partnership	29,465	8,707
	283,523	553,802

Awasis Nehiyawewini Energy Development Limited Partnership, Cowessess Wind Developments Limited Partnership, Cowessess Urban Developments Limited Partnership and Little Child Holdings Limited Partnership are all entities that are under control of Cowessess Ventures Limited Partnership.

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

9. Investments in Nation business entities

Summary financial information for the First Nation's business partnerships, accounted for using the modified equity method, for its respective year end is as follows:

	2022	Net Contributions	Share of earnings	2023
Cowessess Ventures Limited Partnership	7,364,274	178,998	125,777	7,669,049
Cowessess Ventures Ltd.	4,433	-	14,171	18,604
	7,368,707	178,998	139,948	7,687,653

Condensed financial information for each entity for their respective years is as follows:

	Cowessess Ventures Limited Partnership As at November 30, 2022	Cowessess Ventures Ltd. As at November 30, 2022
Assets		
Cash and cash equivalents	1,258,062	2,587
Accounts receivable	1,069,081	-
Inventory	361,089	-
Other current	56,464	-
Investments	4,663,805	2,245
Property, plant and equipment	4,880,366	-
Total assets	12,288,867	4,832
Liabilities		
Accounts payable and accruals	214,950	-
Deferred revenue	62,876	-
Advances from related parties	191,023	3,673
Other current liabilities	105,996	11,463
Long-term	4,013,820	-
Total liabilities	4,588,665	15,136
Net assets (debt)	7,700,202	(10,304)
Total revenue	9,157,100	(3,766)
Total expenses	7,240,061	1,433
Net income (loss)	1,917,039	(5,199)
Other expense	20,000	-
Net income	1,937,039	(5,199)

Within the opening investment balance contains intervening transactions between year end periods of the entity and the nation. Intervening transactions for 2023 were \$1,797,089.

Principal repayments on long-term debt of the First Nation's business entities in each of the next five years, are estimated as follows as at March 31, 2023:

	2024	2025	2026	2027	2028	Thereafter	Total
Long-term debt owed to parties external to the First Nation							
Cowessess Ventures Limited Partnership	72,804	180,817	196,019	211,511	227,437	3,186,723	4,075,311

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

9. Investments in Nation business entities *(Continued from previous page)*

Cowessess Ventures Limited Partnership and Cowessess Ventures Ltd. have a year end of November 30, 2022. 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.

The First Nation has guaranteed the following debt:

Cowessess Ventures Limited Partnership has the following long-term debt which the First Nation has issued a guarantee for repayment:

- Cowessess Ventures Limited Partnership has a term loan due to First Nations Bank of Canada of \$411,048 (2022 – \$437,525), payable in monthly installments of \$3,890 (2022 – \$3,890) at an interest rate of prime plus 0.90% (2022 – Prime plus 0.90%), due for renegotiation March 2024.
- Cowessess Ventures Limited Partnership has a term loan due to First Nations Bank of Canada of \$201,919 (2022 - \$230,353), payable in monthly installments of \$15,781 (2022 - \$3,162), at an interest rate of prime plus 0.75% (2022 - 0.90%), maturity date due March 2025.
- Cowessess Ventures Limited Partnership has a term loan due to First Nations Bank of Canada of \$2,106,344 (2022 - \$2,132,737), payable in monthly installments of \$10,338 (2022 - \$10,338), at an interest rate of 7.45% (2022 - 3.35%), due for renegotiation in March 2027.
- Cowessess Ventures Limited Partnership has a term loan due to Western Economic Diversification Canada of \$1,250,000, payable in annual installments starting at \$85,000 for the first year and increasing by \$10,000 annually for 9 years with a final payment of \$125,000 on December 31, 2032.

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. 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 Services Canada.

	2023	2022
Capital fund		
Balance, beginning of year	159,249	139,241
Royalties	38,218	20,008
Balance, end of year	197,467	159,249
Revenue Trust		
Balance, beginning of year	1,262,809	1,265,014
Interest	76,619	33,480
Land leases	2,117,303	1,707,015
Less: Section 69 Transfers to First Nation	(1,750,000)	(1,742,700)
Balance, end of year	1,706,731	1,262,809
Funds Held in Trust	1,904,198	1,422,058

The FNCR 2022/2023 transfer of funds is recorded in the following segments:

Eagle Woman Tribunal	\$102,683
Core Funding	\$339,911
Urban Programs	\$522,871
Housing	\$185,554
Community Security	\$345,703
Community Buildings	\$253,278
	\$1,750,000

11. Line of credit

At March 31, 2023, the First Nation had a \$425,000 (2022 - \$435,000) short-term bank line of credit of which none has been drawn on (2022 - \$nil). The line of credit bears interest at bank prime rate plus 7.70% and is secured by a Band Council Resolution redirecting future ISC funding.

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

12. Accounts payable and accruals

	2023	2022
Trade payables	1,317,488	755,005
TLE Payable	480,000	570,000
Wages payable	914,712	689,839
FNIHB / ISC payable	-	168,713
Government remittances payable	4,144	15,592
GST and PST payable	21,385	55,450
	2,737,729	2,254,599

Chief and Council signed an agreement with Treaty Land Entitlement in relation to the \$480,000 (2022 - \$570,000). Monthly payments of \$10,000 are being made by the First Nation to reduce this balance owing. The payable is non-interest bearing.

13. 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, which is the amount established and agreed to by the transacting parties. Cowessess Flood Claim Trust is owned by the First Nation, but is not controlled by the First Nation. Cowessess Ventures Limited Partnership is related by common control through the First Nation.

	2023	2022
Cowessess Flood Claim Trust	20,500	8,000

14. Short-term debt

	2023	2022
FCC line of credit with no set amount owing for principal repayments, an annual interest rate of 5.4% with the available credit limit of \$150,000.	849	149,703

15. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of April 1, 2022</i>	<i>Contributions received</i>	<i>Recognized as revenue</i>	<i>Balance, end of March 31, 2023</i>
Indigenous Services Canada	12,609,227	16,039,720	15,089,694	13,559,253
Painted Hand	25,000	89,091	114,091	-
Federation of Saskatchewan Indian Nations	-	1,909,218	191,176	1,718,042
Other	12,563,343	10,424,112	10,828,287	12,159,168
	25,197,570	28,462,141	26,223,248	27,436,463

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

16. 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>	2023	2022
14	753	0.65%	Apr. 1, 2025	18,702	27,590
15	1,128	2.22%	Jun. 1, 2026	42,434	54,934
16	1,956	0.68%	Mar. 1, 2030	160,429	182,731
17	2,886	1.22%	Apr. 1, 2026	104,771	137,914
18	11,026	3.29%	Sept. 1, 2027	552,934	667,489
19	3,752	2.27%	Apr. 1, 2032	369,397	405,764
20	1,435	0.80%	May. 1, 2045	349,603	363,963

			1,598,270	1,840,385
FCC loan payable in annual installments of \$57,845, including interest at 5.50%. Matures February, 2026.			290,777	242,187
Indigenous Claims Loan, interest-free until maturity due on the earlier of March 31, 2026 or the date on which the claim is settled, no monthly repayment, secured by a promissory note made by the First Nation payable to the Receiver General of Canada.			446,490	446,490
Indigenous Claims Loan, interest-free until maturity due on the earlier of March 31, 2026 or the date on which the claim is settled, no monthly repayment, secured by a promissory note made by the First Nation payable to the Receiver General of Canada.			455,948	364,808
CMHC Phase 21 term loan - construction is still in progress. Terms to be determined at the interest adjustment date.			183,416	183,416
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 \$nil, matured August 2018.			61,324	77,575
Royal Bank of Canada, interest at 3.30% per annum, principal and interest payments of \$3,861 monthly, secured by a water truck with the net book value of \$157,626 (2022 - \$157,626), matures January 2026.			121,655	163,039
First Nations Bank, interest at 3.714% per annum, principal and interest payments of \$2,091 monthly, secured by a solar panels with the net book value of \$859,585 (2022 - \$895,585), matures December 2030.			167,578	185,466
CMHC Phase 22 term loan - construction is still in progress. Terms to be determined at the interest adjustment date.			110,824	110,824
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 \$57,306, matured November 2018.			22,428	37,175
FCC loan payable in annual installments of \$5,950, including interest at 5.25%. Matured February, 2023.			-	16,128
FCC loan payable in annual installments of \$3,781, including interest at 5.35%. Matured February, 2023.			-	10,230

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Affinity Credit Union, interest at 3.7% per annum, principal and interest payments of \$3,873 monthly, secured by a Micro Bird bus and two Vison buses with a net book value of \$28,250 (2022 - \$28,250), matured April 2022.	-	4,091
SIEF Covid 19 loan payable in monthly zero interest bearing installments of \$1,000. Matured July, 2023.	-	25,000
BMO loan, interest at 7.25% per annum, principle and interest payments of \$4,597 monthly, secured by a 2017 Case 885B Motor Grader with a net book value of \$201,477 (2022 - \$201,477), matures March 2024.	27,159	89,865
Affinity Credit Union, interest at 2.95% per annum, principle and interest payments of \$6,050 monthly secured by two Blue Bird ussess with a net book value of \$153,423 (2022 - \$153,423), matures August 2023	25,157	94,580
	3,511,026	3,891,259
Less: term loan due on demand	25,157	94,580
Less: current portion	442,810	586,291
	3,043,059	3,210,388

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:

	Payments
2024	442,810
2025	397,054
2026	1,216,366
2027	304,273
2028	164,669

The terms of the \$4,091 loan with Affinity Credit Union require that certain measurable covenants be met. As at March 31, 2023, the First Nation was in compliance with the covenants.

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

17. Capital lease obligations

	2023	2022
Affinity Credit Union capital lease payable in equal monthly installments of \$2,189 including interest at 2.95%, maturing January 2027, with 2014 Case 590SN Loader Backhoe, having a net book value of \$122,000 (2022 - \$122,000, pledged as collateral).	97,539	118,169
Brandt capital lease payable in equal installments of \$13,069, including interest of 5%, maturing November 2025 with a gravel screener, having a net book value of \$391,275 pledged as collateral.	367,840	-
<u>CWB lease payable in semi-annual installments of \$6,325 including interest at 6.99%</u>	15,213	26,226
	480,592	144,395
<u>Less: current portion</u>	178,940	11,012
	301,652	133,383
Minimum lease payments related to the obligations under capital lease are as follows:		
2024	194,904	
2025	190,801	
2026	101,094	
<u>2027</u>	<u>21,929</u>	
	508,728	
Less: imputed interest	28,136	
<u>Less: current portion</u>	<u>178,940</u>	
	<u>301,652</u>	

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

18. Asset retirement obligations

With regard to the landfill owned by the First Nation, it is required to comply with legal requirements regarding decommissioning which is estimated to be in two years. The First Nation recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the landfill. The asset retirement cost is amortized on a straight line basis over the remaining years until remediation.

The First Nation estimated the amount of the liability using the discounted cash flow method. The significant assumptions used to determine the best estimate of the liability include;

- Estimate of two years until remediation.
- Estimated inflation rate of 3% (risk free rate estimated to approximate inflation)

	2023	2022
Liabilities incurred	290,000	-
Accretion	8,700	-
Balance, end of year	298,700	-

For the landfill, the First Nation is required to comply with legal requirements regarding decommissioning during post-closure which is estimated to last for 25 years once the landfill is closed. The First Nation recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the landfill. The retirement cost is amortized on a straight-line basis over the remaining years until remediation.

The First Nation estimated the amount of the liability using the discounted cash flow method. The significant assumptions used to determine the best estimate of a liability include;

- Estimated of 2 years until remediation begins
- Remediation to last 25 years
- Estimated inflation rate of 3% (risk free rate estimated to approximate inflation)

	2023	2022
Liabilities incurred	585,704	-
Accretion	17,571	-
Balance, end of year	603,275	-

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

18. Asset retirement obligations *(Continued from previous page)*

The First Nation owns buildings which contain asbestos, and is required to comply with legal requirements regarding disposal which is estimated to be in 10 years. The First Nation recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of housing and buildings. The asset retirement cost is amortized on a straight-line basis over the remaining years until remediation.

The First Nation estimated the amount of the liability using the discounted cash flow method. The significant assumptions used to determine the best estimate of the liability include:

- Estimate of 10 years until remediation
- Estimated inflation rate of 3% (risk free rate estimated to approximate inflation).

	2023	2022
Liabilities incurred	270,585	-
Accretion	8,118	-
Balance, end of year	278,703	-
Decommissioning liability	\$298,700	
Post-closure liability	\$603,275	
Asbestos disposal liability	\$278,703	
Total asset retirement obligation	\$1,180,678	

19. 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 phase 9, \$82.30 for phase 14, \$100 for phase 15, 16 and 17, \$92.26 for phase 18 and \$100 for phases 19 and 20. Any applicable expenditures are charged against the reserve.

At March 31, 2023 the replacement reserve fund is under-funded by \$186,324 (2022 – under funded by \$309,343) and the operating reserve fund is under-funded by \$428,649 (2022 – under funded by \$481,583).

20. 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 \$556,750 (2022 - \$122,000), and accumulated amortization of \$77,475 (2022 - \$6,100).

Land and land improvements includes land with a carrying value of \$34,161,485 (2022 - \$30,623,481). No amortization is recorded on land.

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

21. Accumulated surplus

Accumulated surplus consists of the following:

	2023	2022
Equity in funds held in trust	1,904,198	1,422,058
Equity in CMHC operating reserve	571,280	620,424
Equity in CMHC replacement reserve	393,677	511,185
Equity in tangible capital assets	57,249,373	49,981,664
Equity in controlled business entities	7,687,654	7,368,707
Unrestricted surplus	20,300,702	12,933,849
	88,106,884	72,837,887

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

22. 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, \$48,777 (2022 - \$nil) 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, 2022, the First Nation has paid \$1,446,000 (December 31, 2021 - \$1,426,000) to members in relation to the per capita distribution. An additional amount of \$355,500 (December 31, 2021 - \$388,000) remains to be paid to the members plus interest accrued of which \$57,500 (December 31, 2021 - \$51,000) is due in the next year. There have been 454 members that have had their per capita distribution payments expire amounting to \$227,000 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. There is 711 member payments outstanding from the 4,057 member estimate made by Chief and Council of the First Nation.

The First Nation also received \$284,975 (December 31, 2021 - \$347,357) from the Trust relating to the annual payment.

During the year, there was \$210,8859 withdrawn (December 31, 2021 - \$227,628) from the Community Development Account for community development.

23. Economic dependence

Cowessess First Nation #73 receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of Treaties entered into with the Government of Canada. These treaties are administered by ISC 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, 2023

24. 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, 2023

25. Reconciliation of funding from Indigenous Services Canada

	2023	2022
ISC funding per confirmation	19,830,285	35,999,065
Chief Red Bear Federal funding	13,299,201	-
	33,129,486	35,999,065
Less: recoveries		
Health Recoveries	-	(81,724)
Adult institutional care	(17,283)	-
	(17,283)	(81,724)
Deferred revenue - prior year (Note 14)	12,609,224	7,779,991
Deferred revenue - current year (Note 14)	(13,559,252)	(12,609,224)
	(950,028)	(4,829,233)
Funding total per financial statements	32,162,175	31,088,108

26. Comparative figures

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

27. 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 March 31, 2022.

28. Issuance of financial statements after July 31, 2023

The First Nation is required to post its consolidated financial statements on a website and submit the consolidated financial statements to ISC by July 31, 2023. 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.

29. Commitments

The First Nation has entered into a contractual agreement for technology support with minimum monthly payments of \$12,940 (2022 - \$12,940), totaling \$155,280 (2022 - \$155,280) per year until the contract expires on March 31, 2024.

Cowessess First Nation #73
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

30. 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, 2023. If any liability results from these claims, 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.

1907 Land Surrender Claim

The First Nation has initiated a land surrender claim against the Government of Canada. The First Nation has obtained loans to finance the costs of negotiating the settlements. The settlement amount cannot be reasonably estimated at this time.

Cowessess First Nation #73
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Buildings</i>	<i>Asset retirement obligation</i>	<i>Equipment</i>	<i>Roads</i>	<i>Utility systems</i>	<i>Land and land improvements</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	23,999,066	-	3,037,469	8,441,638	927,873	30,623,480	67,029,526
Acquisition of tangible capital assets	1,025,441	1,146,289	822,440	-	-	3,538,005	6,532,175
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	25,024,507	1,146,289	3,859,909	8,441,638	927,873	34,161,485	73,561,701
Accumulated amortization							
Balance, beginning of year	17,531,419	-	1,384,055	5,627,759	669,283	425,576	25,638,092
Annual amortization	872,853	464,910	337,127	562,776	20,614	36,270	2,294,550
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	18,404,272	464,910	1,721,182	6,190,535	689,897	461,846	27,932,642
Net book value of tangible capital assets	6,620,235	681,379	2,138,727	2,251,103	237,976	33,699,639	45,629,059
Net book value of tangible capital assets	6,467,647	-	1,653,414	2,813,879	258,590	30,197,904	41,391,434
	2022						

Cowessess First Nation #73
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Subtotal</i>	<i>Gasification</i>	<i>Vehicles</i>	<i>Housing</i>	<i>Assets under construction</i>	<i>2023</i>	<i>2022</i>
Cost							
Balance, beginning of year	67,029,526	1,267,808	2,451,556	19,077,031	7,713,093	97,539,014	94,305,318
Acquisition of tangible capital assets	6,532,175	-	689,514	-	3,719,813	10,941,502	1,846,555
Construction-in-progress	-	-	-	-	-	-	4,233,641
Disposal of tangible capital assets	-	-	(35,734)	-	(42,833)	(78,567)	(2,846,500)
Balance, end of year	73,561,701	1,267,808	3,105,336	19,077,031	11,390,073	108,401,949	97,539,014
Accumulated amortization							
Balance, beginning of year	25,638,092	1,217,096	1,755,685	15,989,300	-	44,600,173	42,213,041
Annual amortization	2,294,550	50,712	447,968	327,959	-	3,121,189	2,475,132
Accumulated amortization on disposals	-	-	(22,295)	-	-	(22,295)	(88,000)
Balance, end of year	27,932,642	1,267,808	2,181,358	16,317,259	-	47,699,067	44,600,173
Net book value of tangible capital assets	45,629,059	-	923,978	2,759,772	11,390,073	60,702,882	52,938,841
Net book value of tangible capital assets	41,391,434	50,712	695,871	3,087,731	7,713,093	52,938,841	2022

Cowessess First Nation #73
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2023

	2023 <i>Budget</i> <i>(Note 26)</i>	2023	2022
Salaries and benefits	8,488,638	11,097,793	8,987,117
Program expense	1,068,820	3,842,111	1,165,979
Amortization	-	3,121,190	2,475,132
Repairs and maintenance	1,457,878	2,646,160	1,162,568
Contracted services	574,598	2,057,033	1,319,563
Materials and supplies	413,845	1,735,271	1,258,760
Professional fees	456,835	1,380,799	1,350,264
Travel and workshops	410,874	1,283,493	431,549
Student expenses	806,098	974,450	756,633
Insurance	241,200	605,266	553,941
Social assistance	775,149	585,495	371,714
Senior subsidy	-	527,473	509,530
COVID-19	-	500,248	1,059,925
Tuition	467,620	446,361	708,848
Community donations and events	292,311	416,951	308,261
Utilities	440,326	384,412	275,942
Rent and lease	166,996	300,275	256,325
Telephone	228,425	143,906	178,124
Food and beverage - cost of sales	105,200	138,077	115,028
Bad debts	-	132,898	237,506
Bank charges and interest	41,300	95,449	60,376
Interest on long-term debt	-	70,254	48,376
Property tax	18,000	67,748	65,444
Bingo and game payouts	229,530	36,898	159,295
Accretion	-	34,389	-
Advertising	9,000	32,627	3,545
Election	-	12,723	-
Elders fees	-	1,725	6,450
Meeting	60,640	-	-
Miscellaneous	484,501	-	-
Office equipment lease	10,000	-	-
Administration (recovery)	1,390	-	-
Renovations	25,000	-	-
Administration	800,179	-	-
Contributions	82,017	-	(118,788)
Impairment loss	367,200	-	-
	18,523,570	32,671,475	23,707,407

Cowessess First Nation #73
Lands and Memberships
Schedule 3 - Consolidated Schedule of Revenue and Expenses - Unaudited
For the year ended March 31, 2023

	2023	2023	2022
Revenue			
Indigenous Services Canada	348,886	876,035	590,219
Other	52,500	75,516	303,701
Contributions (expense)	-	-	(200,000)
	401,386	951,551	693,920
Expenses			
Amortization	-	480,408	39,172
Program expense	25,000	413,152	-
Professional fees	53,500	332,843	419,917
Salaries and benefits	318,426	276,251	321,485
Repairs and maintenance	11,000	134,811	117,606
Administration	34,800	38,948	61,604
Property tax	18,000	35,862	17,269
Accretion	-	34,389	-
Contracted services	5,000	19,841	38,601
Rent and lease	32,700	17,002	41,600
Travel and workshops	8,000	16,863	4,737
Insurance	12,000	12,410	14,627
Materials and supplies	6,000	6,289	43,139
Utilities	2,500	1,946	737
Elders fees	-	1,725	750
Telephone	2,160	1,200	1,200
Bank charges and interest	-	581	3
Postage	500	-	-
	529,586	1,824,521	1,122,447
Deficit before other items	(128,200)	(872,970)	(428,527)
Other income (expense)			
Contribution to TLE	-	3,495,172	(2,686,500)
Surplus (deficit) before transfers	(128,200)	2,622,202	(3,115,027)
Transfers between programs	128,201	140,787	39,300
Surplus (deficit)	1	2,762,989	(3,075,727)

Cowessess First Nation #73
Education
Schedule 4 - Consolidated Schedule of Revenue and Expenses - Unaudited
For the year ended March 31, 2023

	2023	2023	2022
Revenue			
Indigenous Services Canada	5,561,281	5,276,956	6,108,167
Other	768,972	76,529	78,856
	6,330,253	5,353,485	6,187,023
Expenses			
Salaries and benefits	3,228,925	2,569,187	2,270,651
Student expenses	631,080	836,333	666,722
Tuition	467,620	443,638	502,087
Administration	414,197	363,155	515,286
Contracted services	53,763	265,526	195,702
Repairs and maintenance	130,000	113,947	45,374
Amortization	-	111,385	139,635
Program expense	52,000	92,429	31,522
Materials and supplies	58,500	82,002	45,581
Travel and workshops	144,873	32,305	13,362
COVID-19	-	30,532	320,269
Utilities	5,000	25,396	8,031
Insurance	5,000	13,420	4,350
Telephone	39,480	2,772	12,420
Interest on long-term debt	-	2,507	5,008
Professional fees	25,887	998	3,325
Community donations and events	292,311	-	-
Rent and lease	36,720	-	-
Elders fees	-	-	5,700
	5,585,356	4,985,532	4,785,025
Surplus before transfers	744,897	367,953	1,401,998
Transfers between programs	(586,364)	(248,027)	(287,399)
Surplus	158,533	119,926	1,114,599

Cowessess First Nation #73
Social Development
Schedule 5 - Consolidated Schedule of Revenue and Expenses - Unaudited
For the year ended March 31, 2023

	2023	2023	2022
Revenue			
Indigenous Services Canada	1,392,670	1,737,491	923,518
Other	221,100	4,275	-
	1,613,770	1,741,766	923,518
Expenses			
Social assistance	775,149	581,372	371,034
Program expense	344,074	378,469	52,139
Contracted services	1,000	374,465	30,796
Salaries and benefits	450,298	259,863	221,343
COVID-19	-	68,942	92,186
Travel and workshops	23,750	41,816	40,418
Administration	19,202	25,633	27,788
Professional fees	25,000	16,068	4,130
Repairs and maintenance	36,585	15,673	1,991
Utilities	6,000	12,608	-
Materials and supplies	25,650	3,903	40,065
Amortization	-	3,155	-
Tuition	-	2,722	1,536
Advertising	3,000	2,614	-
Telephone	6,745	790	1,945
	1,716,453	1,788,093	885,371
Surplus (deficit) before transfers	(102,683)	(46,327)	38,147
Transfers between programs	102,683	102,683	40,136
Surplus	-	56,356	78,283

Cowessess First Nation #73
Health
Schedule 6 - Consolidated Schedule of Revenue and Expenses - Unaudited
For the year ended March 31, 2023

	2023	2023	2022
Revenue			
Indigenous Services Canada	1,211,987	2,048,517	1,034,172
Other	25,000	58,572	-
	1,236,987	2,107,089	1,034,172
Expenses			
Salaries and benefits	820,838	786,851	512,667
Program expense	163,288	659,836	326,379
Contracted services	84,211	178,850	74,635
Amortization	-	104,514	50,380
Administration	118,918	73,698	79,359
Travel and workshops	29,909	41,431	29,869
Telephone	17,880	23,259	16,281
Materials and supplies	6,233	11,974	48,294
Repairs and maintenance	3,000	10,247	9,667
Insurance	6,500	3,985	2,084
Professional fees	-	1,973	2,470
Community donations and events	-	200	-
Meeting	58,800	-	-
Bank charges and interest	-	-	2
	1,309,577	1,896,818	1,152,087
Surplus (deficit)	(72,590)	210,271	(117,915)

Cowessess First Nation #73
Community Infrastructure
Schedule 7 - Consolidated Schedule of Revenue and Expenses - Unaudited
For the year ended March 31, 2023

	2023	2023	2022
Revenue			
Indigenous Services Canada	2,297,871	1,954,468	2,032,394
Other	46,000	321,636	86,679
Contributions	-	7,444	-
Rental income	(8,454)	-	-
	2,335,417	2,283,548	2,119,073
Expenses			
Amortization	-	1,493,198	1,536,020
Salaries and benefits	895,532	816,512	768,883
Repairs and maintenance	1,101,342	537,564	248,119
Utilities	151,530	218,871	174,437
Administration	122,995	190,590	234,918
Program expense	2,750	106,722	2,054
Materials and supplies	66,500	100,934	118,844
Insurance	61,500	100,201	12,894
Professional fees	11,148	71,742	19,880
Contracted services	78,131	59,309	31,886
Travel and workshops	20,022	39,556	9,608
Telephone	51,000	22,111	26,433
Interest on long-term debt	-	19,548	17,042
Bank charges and interest	22,500	866	201
Contributions	-	-	(51,345)
	2,584,950	3,777,724	3,149,874
Deficit before other items	(249,533)	(1,494,176)	(1,030,801)
Other income (expense)			
Loss on disposal of tangible capital assets	-	-	(24,000)
Deficit before transfers	(249,533)	(1,494,176)	(1,054,801)
Transfers between programs	327,280	578,622	378,853
Deficit	77,747	(915,554)	(675,948)

Cowessess First Nation #73
Band Government
Schedule 8 - Consolidated Schedule of Revenue and Expenses - Unaudited
For the year ended March 31, 2023

	2023	2023	2022
Revenue			
Indigenous Services Canada	653,448	947,229	754,812
Settlement	-	500,000	391,433
Investment income	-	185,599	5,486
Other	984,878	152,138	250,859
Lease income	1,742,701	-	-
	3,381,027	1,784,966	1,402,590
Expenses			
Salaries and benefits	1,424,471	1,723,679	1,530,509
Professional fees	210,000	360,671	480,738
Travel and workshops	118,000	236,060	52,276
Contracted services	154,500	193,879	309,566
Program expense	269,540	181,333	122,541
Materials and supplies	121,580	162,311	160,767
Community donations and events	-	122,261	26,766
Telephone	76,120	63,374	82,922
Rent and lease	57,400	48,894	57,478
Amortization	-	47,569	43,450
Bank charges and interest	16,800	41,735	25,677
Insurance	22,500	23,821	7,685
Election	-	12,726	-
Repairs and maintenance	6,100	10,186	7,458
Utilities	-	83	-
Bad debts (recovery)	-	(12,426)	19,643
Administration (recovery)	-	(877,741)	(1,237,852)
	2,477,011	2,338,415	1,689,624
Deficit before transfers	904,016	(553,449)	(287,034)
Transfers between programs	(903,532)	1,224,384	992,318
Surplus	484	670,935	705,284

Cowessess First Nation #73
Capital
Schedule 9 - Consolidated Schedule of Revenue and Expenses - Unaudited
For the year ended March 31, 2023

	2023	2023	2022
Revenue			
Indigenous Services Canada	416,710	4,863,085	4,104,118
Canada Mortgage and Housing Corporation	-	-	1,875
Rental income	-	130,512	126,112
Insurance proceeds	-	109,887	29,106
Other	66,000	37,146	18,326
Investment income	-	-	46,240
	482,710	5,140,630	4,325,777
Expenses			
Repairs and maintenance	32,351	1,298,871	370,167
Insurance	1,400	277,906	370,011
Amortization	-	256,453	96,783
Salaries and benefits	381,482	195,514	238,057
Contracted services	-	178,513	98,205
Bad debts	-	44,056	195,327
Telephone	10,320	15,684	7,069
Materials and supplies	2,500	15,093	22,847
Travel and workshops	7,620	11,722	2,248
Utilities	249,126	9,402	10,005
Bank charges and interest (recovery)	-	1,210	581
Contributions	-	-	6,712
Professional fees	9,600	-	-
Program expense	1,169	-	-
Administration (recovery)	36,007	(48,913)	(4,716)
	731,575	2,255,511	1,413,296
Surplus before transfers	(248,865)	2,885,119	2,912,481
Transfers between programs	248,867	706,411	560,542
Surplus	2	3,591,530	3,473,023

Cowessess First Nation #73

Other Band Programs

Schedule 10 - Consolidated Schedule of Revenue and Expenses - Unaudited

For the year ended March 31, 2023

	2023	2023	2022
Revenue			
Indigenous Services Canada	61,500	14,458,395	15,540,705
Other revenue	-	368,978	-
Canada Mortgage and Housing Corporation	285,452	280,734	277,519
SIIT	238,000	620,496	619,245
Farming income	-	2,795,876	1,951,796
Lease income	-	2,043,542	1,649,773
First Nations Trust	708,999	1,570,530	776,697
Other	186,699	851,795	590,438
Contributions	85,000	636,243	257,603
Rental income	245,100	385,080	369,228
Golf Course sales	481,060	369,881	374,759
Investment income	158,544	368,181	389,559
TLE Four Trusts	-	172,900	-
Income (loss) from investment in Nation business entities	-	139,948	3,222,235
Community Development Corporation	18,500	112,091	153,832
Royalties	-	75,239	20,859
Bingo and fundraising activities	437,709	50,329	230,980
Insurance proceeds	-	13,916	19,909
Prevention	-	-	63,700
FSIN (net of deferred revenue of \$1,800,000 (2022 - nil))	-	(412,859)	604,046
	2,906,563	24,901,295	27,112,883

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Cowessess First Nation #73

Other Band Programs

Schedule 10 - Consolidated Schedule of Revenue and Expenses - Unaudited

For the year ended March 31, 2023

	2023	2023	2022
Expenses			
Salaries and benefits	968,665	4,469,936	3,123,523
Program expense	210,999	2,010,170	631,346
Materials and supplies	126,882	1,352,765	779,221
Travel and workshops	58,700	863,738	279,031
Contracted services	197,993	786,650	540,173
Amortization	-	624,508	569,691
Professional fees	121,700	596,504	419,804
Senior subsidy	-	527,473	509,530
Repairs and maintenance	137,500	524,861	362,187
COVID-19	-	400,773	647,470
Community donations and events	-	294,489	281,495
Administration	54,060	234,630	323,613
Rent and lease	40,176	234,379	157,247
Insurance	132,300	173,523	142,290
Student expenses	175,018	138,117	89,910
Food and beverage - cost of sales	105,200	138,077	115,028
Utilities	26,170	116,106	82,731
Bad debts	-	101,268	22,536
Bank charges and interest	2,000	51,058	33,912
Interest on long-term debt	-	48,200	26,327
Bingo and game payouts	229,530	36,898	159,294
Property tax	-	31,886	48,175
Advertising	6,000	30,014	3,545
Telephone	24,720	14,716	29,854
Social assistance	-	4,123	680
Contributions	82,017	-	(74,155)
Renovations	25,000	-	-
Tuition	-	-	205,225
Office equipment lease	10,000	-	-
Meeting	1,840	-	-
Postage	890	-	-
Impairment loss	367,200	-	-
Miscellaneous	484,502	(1)	-
	3,589,062	13,804,861	9,509,683
Surplus before other items	(682,499)	11,096,434	17,603,200
Other income (expense)			
Gain on disposal of capital assets	-	4,955	-
Surplus before transfers	(682,499)	11,101,389	17,603,200
Transfers between programs	682,864	(2,504,859)	(1,723,751)
Surplus	365	8,596,530	15,879,449