

**Cote First Nation
Consolidated Financial Statements
March 31, 2015**

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Consolidated Financial Statements
March 31, 2015

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Cote First Nation
Management's Responsibility for Financial Reporting
March 31, 2015

The financial statements have been prepared by management in accordance with the recommendations of the Public Sector Accounting Board (PSAB) and the reporting requirements of the funding agreement with Aboriginal Affairs and Northern Development Canada. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative methods exist, management has chosen what it deems most appropriate, in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and review the financial statements and the external auditor's report.

Chalupiak & Associates, an independent firm of Chartered Professional Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Signature on file

August 14, 2015

Cote First Nation

Date

Chalupiak & Associates
Chartered Professional Accountants
3261 Saskatchewan Drive, Regina, SK S4T 6S4
Phone (306) 359-3711 Fax (306) 569-3030

Independent Auditors' Report

To the Members of
Cote First Nation

We have audited the accompanying consolidated financial statements of Cote First Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations, accumulated surplus, change 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 consolidated 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 First Nation'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 First Nation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

The investments reported on the consolidated financial statements include the equity of Cote Resources Ltd. (formerly 1684671 Alberta Ltd.) reported on the "modified equity" basis. Audited financial statements were not prepared for the company and we are unable to confirm the reported equity in the amount of \$6,217,568. Refer to Note #9 and Note #10 for further information.

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Cote First Nation as at March 31, 2015 and the results of its operations, accumulated surplus, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Cote First Nation
Consolidated Statement of Financial Position
March 31, 2015

	2015	2014
		Restated
Financial Assets		
Restricted cash - capital projects (Note 3)	\$ 274,838	\$ 614,966
Restricted cash - other (Note 3)	1,533,485	1,619,907
Restricted cash - CMHC (Note 3)	1,048,117	1,154,469
Funds held in trust by federal government (Note 4)	462,706	70,614
Accounts receivable (Note 5)	458,712	458,730
Due from related entities (Note 7)	1,350,892	986,892
Deposit on land (Note 8)	100,000	100,000
<u>Equity in related business entities (Note 9)</u>	<u>6,068,677</u>	<u>7,075,806</u>
	11,297,427	12,081,384

Liabilities

Bank indebtedness (Note 3 and 11)	232,733	338
Accounts payable (Note 12)	1,035,499	1,383,200
Deferred revenue - unexpended funds (Note 14)	8,164	-
Deferred revenue (Note 15)	779,805	1,330,128
Current portion of long-term debt (Note 16)	916,863	523,318
Current portion of CMHC mortgages (Note 17)	523,172	536,813
Long-term debt (Note 16)	6,204,137	4,248,010
<u>CMHC mortgages (Note 17)</u>	<u>5,557,622</u>	<u>6,054,851</u>
	15,257,995	14,076,658

Net debt	(3,960,568)	(1,995,274)
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Non-financial Assets

<u>Capital assets (Note 18)</u>	<u>24,032,499</u>	<u>24,720,540</u>
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Accumulated Surplus (Note 19)	\$ 20,071,931	\$ 22,725,266
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Approved on behalf of the Cote First Nation:

Signature on file _____, **Cote First Nation**

Signature on file _____, **Cote First Nation**

Cote First Nation
Consolidated Statement of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Restated
Revenue			
AANDC - grant	\$ 434,189	\$ 434,189	\$ 434,189
AANDC - fixed	3,237,864	3,237,864	3,763,921
AANDC - set	1,481,636	1,788,524	1,676,411
AANDC - flexible	375,259	1,702,275	247,000
AANDC - current year receivable (payable)	-	(35,282)	59,361
Ottawa Trust Funds	-	507,092	225,390
Health Canada	884,347	988,920	733,732
CMHC	-	747,782	795,570
Housing rental income	-	256,724	420,110
First Nations Trust	1,041,373	1,289,429	1,339,340
Yorkton Tribal Council	-	419,351	431,354
Cote Legacy Trust	-	4,916,132	10,534,731
Onakawek Trust annual income	-	517,867	1,432,110
Cote Band Store	-	-	59,543
Painted Hand Development Corporation	-	230,971	35,456
Gain (loss) on investments in businesses	-	(959,898)	1,402,014
Lease revenue - DM Resorts	-	120,000	120,000
Insurance proceeds	-	234,447	90,910
Interest income	500,000	22,527	24,222
Other revenue	19,038	307,802	140,630
Administration fees (Note 2.j)	-	64,458	513,222
Unexpended funds transferred - prior year	-	8,847	20,703
Deferred revenue - prior	-	1,330,128	3,508,699
Deferred revenue - current	-	(779,805)	(1,330,128)
	7,973,706	17,350,344	26,678,490
Expenses			
Claims and Indian Government (Schedule 1)	11,200	2,662,537	7,818,428
Community Development (Schedule 2)	918,559	2,274,674	2,566,191
Economic Development (Schedule 3)	-	1,088,672	1,573,411
Education (Schedule 4)	2,689,017	2,909,936	3,030,907
Indian Government Support (Schedule 5)	2,148,901	1,990,187	2,072,268
Lands Management (Schedule 6)	132,000	138,030	236,111
Social Development (Schedule 7)	1,332,995	1,661,287	1,644,462
Indian Registration (Schedule 8)	43,500	45,266	45,700
Governance and Institutions of Governance (Schedule 9)	25,000	117,468	-
Health Programs (Schedule 10)	900,347	1,292,654	1,043,886
CMHC Housing (Schedule 11)	-	733,684	614,941
Band Programs (Schedule 12)	1,547,081	3,728,189	3,514,568
Amortization (Schedule 13)	-	1,352,932	1,451,487
	9,748,600	19,995,516	25,612,360
Current surplus (deficit) before unexpended funds	(1,774,894)	(2,645,172)	1,066,128

The accompanying notes are an integral part of the financial statements

Cote First Nation
Consolidated Statement of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Unexpended funds			
Unexpended funds transferred to deferred revenue	-	(8,164)	-
Current surplus (deficit)	\$ (1,774,894)	\$ (2,653,336)	\$ 1,066,128

The accompanying notes are an integral part of the financial statements

Cote First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2015

	2015	2014 Restated
Surplus at beginning of year	\$ 22,725,266	\$ 21,659,138
Current surplus (deficit)	(2,653,336)	1,066,128
Surplus at end of year	<u>\$ 20,071,930</u>	<u>\$ 22,725,266</u>

The accompanying notes are an integral part of the financial statements

Cote First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Restated
Current surplus (deficit)	\$ (1,774,894)	\$ (2,653,336)	\$ 1,066,128
Acquisition of tangible capital assets	-	(685,090)	(3,075,950)
Amortization of tangible capital assets	-	1,352,932	1,451,487
Amortization of tangible capital assets - disposals	-	(2,800)	-
Disposal of tangible capital assets	-	23,000	33,076
	-	688,042	(1,591,387)
Use of prepaid asset	-	-	25,459
Use of inventory	-	-	42,299
Decrease in net financial assets	(1,774,894)	(1,965,294)	(457,501)
Net debt at beginning of year	-	(1,995,274)	(1,537,773)
Net debt at end of year	\$ -	\$ (3,960,568)	\$ (1,995,274)

The accompanying notes are an integral part of the financial statements

Cote First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014 Restated
Cash flows from Operating activities		
Current surplus (deficit)	\$ (2,653,336)	\$ 1,066,128
Items not affecting cash		
Amortization	1,352,932	1,451,487
Gain on disposal of capital assets	(2,800)	-
	(1,303,204)	2,517,615
Change in non-cash operating working capital		
Accounts receivable	18	232,411
Inventory	-	42,299
Prepaid expenses	-	25,459
Deposit on land	-	(100,000)
Accounts payable	(347,697)	529,545
Deferred revenue - unexpended funds	8,164	(20,703)
Deferred revenue	(550,323)	(2,178,571)
Current portion of CMHC mortgages	(13,641)	35,038
Funds held in trust by federal government	(392,092)	27,609
Equity income in related business entities	959,898	(1,402,014)
Withdrawals from equity investment	47,232	-
	(1,591,645)	(291,312)
Capital activities		
Capital asset purchases	(685,095)	(3,075,949)
Proceeds from disposal of capital asset	23,000	33,076
	(662,095)	(3,042,873)
Financing activities		
Due from/to related entities	(364,000)	(334,112)
Due to Onakawek Trust (30% of annual income)	-	(665,388)
CMHC mortgages	(497,229)	(351,063)
Long term debt - proceeds	7,121,000	5,250,000
Long term debt - repayment	(4,771,328)	(2,320,200)
	1,488,443	1,579,237
Decrease in cash and cash equivalents	(765,297)	(1,754,948)
Cash and cash equivalents, beginning of year	3,389,004	5,143,952
Cash and cash equivalents, end of year	\$ 2,623,707	\$ 3,389,004
Represented by		
Cash	\$ (232,733)	\$ (338)
Restricted cash - capital projects	274,838	614,966
Restricted cash - other	1,533,485	1,619,907
Restricted cash - CMHC	1,048,117	1,154,469
	\$ 2,623,707	\$ 3,389,004

The accompanying notes are an integral part of the financial statements

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

1. General

Cote First Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include Cote First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. They do not however, include the Onakawek and Legacy Trusts which are governed by a trust agreement. Separate financial statements are prepared for the Onakawek Trust and Legacy Trust. These financial statements only report as revenue funds that have flowed from the Trusts to the First Nation.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board.

(a) Reporting entity

The Cote First Nation reporting entity includes the Cote First Nation government and all related entities that are controlled by the First Nation.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Cote First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Cote First Nation.

Organizations accounted for on a modified equity basis include:

Cote Resources Ltd. (formerly 1684671 Alberta Ltd.)
Cote Market Development Inc.
Duck Mountain Resorts LP
Duck Mountain Resorts Inc
PHC Holdings LP
PHC Holdings Ltd.

(c) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible assets, prepaid expenses and inventory of supplies.

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

2. Basis of presentation and significant accounting policies (continued)

(d) Net debt or net financial assets

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial asset is determined by financial assets less liabilities. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(f) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Cote First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	25 years Straight line
Equipment and vehicles	10 years Straight line
Infrastructure	40 years Straight line
Housing	25 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Cote First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

2. Basis of presentation and significant accounting policies (continued)

(g) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts required to remediate the contaminated site 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 March 31, 2015.

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's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(h) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(i) Segments

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

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

(j) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

(k) Revenue recognition

Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

(l) Expense recognition

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

2. Basis of presentation and significant accounting policies (continued)

(m) Comparative figures

Prior year's comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

3. Cash and cash equivalents

(I) The CMHC agreements require that funds to cover future repairs to CMHC houses be maintained in a separate bank account. Under the terms of the agreement with Canada Mortgage and Housing Corporation, Cote First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Subsidy Fund.

(II) Capital projects are managed by a project manager. The bank accounts are maintained by the project manager for use specifically for these projects.

Cash and cash equivalents is comprised of the following:

	2015	2014
Cash		
Operating	\$ (232,733)	\$ (338)
	<hr/>	<hr/>
Restricted cash - capital projects		
Project engineer account	274,838	614,966
	<hr/>	<hr/>
Restricted cash - CMHC		
Replacement reserves	1,048,117	1,154,469
	<hr/>	<hr/>
Restricted cash - other		
GIC - held for security - Cote Market Development Inc.	548,912	602,007
Per capita distribution	209,923	240,500
BMO - debt service reserve	774,650	777,400
	<hr/>	<hr/>
	1,533,485	1,619,907
	<hr/>	<hr/>
Funds held in trust by federal government		
Capital	29,076	29,076
Revenue	433,630	41,538
	<hr/>	<hr/>
	462,706	70,614
	<hr/>	<hr/>
Total cash and cash equivalents	\$ 3,086,413	\$ 3,459,618
	<hr/>	<hr/>

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

4. Trust funds held by federal government

	2015 Revenue	2015 Capital	2015 Total	2014 Total
Surplus, beginning of year	\$ 41,538	\$ 29,076	\$ 70,614	\$ 98,223
Withdrawals	(115,000)	-	(115,000)	(253,000)
Interest revenue	13,076	-	13,076	3,712
Lease revenue	494,016	-	494,016	221,679
Surplus, end of year	\$ 433,630	\$ 29,076	\$ 462,706	\$ 70,614

5. Accounts receivable

	2015	2014
Due from others		
Yorkton Tribal Council	\$ 210,859	\$ 36,309
Other receivables	29,436	8,341
Painted Hand CDC	17,674	-
	257,969	44,650
Due from government and other government organizations		
AANDC	129,888	144,488
Health Canada	8,327	163,564
CMHC	62,041	85,161
CRA - GST	487	20,867
	200,743	414,080
Total accounts receivable	\$ 458,712	\$ 458,730

6. AANDC Receivable

	2015	2014
Fire Protection	\$ 50,000	\$ 50,000
Fire Protection	-	24,017
BEB - statutory	-	465
Basic Needs	50,000	70,006
Specific Claims	1,400	-
NCBR	24,250	-
Special Needs (ECIP)	4,238	-
	\$ 129,888	\$ 144,488

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

7. Due from related entities

	2015	2014
Duck Mountain Resorts LP	\$ 1,125,637	\$ 761,637
<u>Cote Market Development Inc.</u>	<u>225,255</u>	<u>225,255</u>
	\$ 1,350,892	\$ 986,892

8. Deposit on Land

In the previous year the First Nation purchased a parcel of land from a band member in the amount of \$100,000. As of March 31, 2015 the land title had not yet transferred to the First Nation. The land title was transferred to the First Nation on August 04, 2015.

9. Equity in related entities

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

	2015	2014
Cote Resources Ltd. (formerly 1684671 Alberta Ltd.) (100%)	\$ 6,217,568	\$ 7,006,141
Cote Market Development Inc. (100%)	478,249	455,851
Duck Mountain Resorts Group (100%)	(1,022,799)	(702,368)
PHC Holdings LP (14%)	390,544	311,065
<u>PHC Holdings Ltd. (14%)</u>	<u>5,115</u>	<u>5,117</u>
	\$ 6,068,677	\$ 7,075,806

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

9. Equity in related entities, continued

	Cote Resources Ltd. March 31, 2015	Cote Market Development March 31, 2015	Mountain Resorts Group December 31, 2014	Duck PHC Holdings LP (14%) December 31, 2014	PHC Holdings Ltd. (14%) December 31, 2014
Cash	\$ 35,549	\$ 3,500	\$ 6,699	\$ 550,758	\$ -
GICs	-	-	-	547,543	-
Accounts receivable	-	90,516	5,628	21,657	-
Inventory	-	174,814	11,918	-	-
Prepaid	727,371	-	-	-	-
GST receivable	80,161	-	-	-	-
Investment related entity	-	-	-	-	40,014
Tangible capital assets	5,410,236	558,974	198,498	9,924,410	-
Other assets	-	-	200	3,335	-
Total assets	\$ 6,253,317	\$ 827,804	\$ 222,943	\$ 11,047,703	\$ 40,014
Bank indebtedness	\$ -	\$ 39,080	\$ -	\$ -	\$ -
Accounts payable	35,749	85,220	120,203	79,149	400
Short-term debt	-	-	5,064	8,194,732	-
Long-term debt	-	-	7,838	-	-
Other liabilities	-	225,255	1,112,637	-	3,478
Total liabilities	35,749	349,555	1,245,742	8,273,881	3,878
Share capital	-	100	-	-	100
Equity	6,217,568	478,149	(1,022,799)	2,773,822	36,436
Total equity	6,217,568	478,249	(1,022,799)	2,773,822	36,536
Total liabilities and equity	\$ 6,253,317	\$ 827,804	\$ 222,943	\$ 11,047,703	\$ 40,414

The financial statements for Cote Resources Ltd. as at March 31, 2015 were prepared by the management of the company and have not been audited.

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

10. Investment in Cote Resources Ltd. (formerly 1684671 Alberta Ltd.)

Cote First Nation's investments include the equity of \$6,217,568 reported on the unaudited financial statements of Cote Resources Ltd. (referred to as CRL). CRL purchased several assets (oil leases and oil reserves) and entered into an agreement with Quattro Exploration and Production (Quattro) to act as operator of these assets; Quattro failed to do so resulting in litigation procedures in 2013. On March 19, 2015, Cote First Nation and Quattro signed a settlement agreement. Both parties agreed to transfer and convey their respective interests in certain assets to the other party. In 2014 CRL assembled a management, technical and operations team to operate and capitalize the drilling programs for these assets and are currently negotiating a partnership agreement with another First Nation to provide capital for the drilling program. Management anticipates that drilling will commence sometime in 2015.

The financial statements for CRL were prepared without audit. The assets held by CRL did not generate any revenue in 2014 or 2015, however management, based on outside appraisals, believes that once drilling commences there will be sufficient revenue to provide a reasonable return on investment.

11. Bank indebtedness

As of March 31, 2015, the First Nation had overdraft protection of \$300,000 at Peace Hills Trust. The overdraft interest rate is 24%.

There is no approved overdraft with the TD Bank; on March 31, 2015 the balance in the bank was \$50,343 and there were cheques written in excess of deposits of \$244,151.

12. Accounts payable

	2015	2014
Due to others		
Group insurance	\$ -	\$ 4,858
Pension plan	2,989	20,319
General suppliers	798,670	1,032,134
Wages and benefits	184,881	170,955
	<hr/> 986,540	<hr/> 1,228,266
Due to government and other government organizations		
AANDC	35,282	11,110
Health Canada	-	109,900
CRA - source deductions	13,677	33,924
	<hr/> 48,959	<hr/> 154,934
Total accounts payable	\$ 1,035,499	\$ 1,383,200

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

13. AANDC payable

	2015	2014
Special Needs	\$ 7,368	\$ 933
Child Tax Benefit (NCB)	- -	10,177
Band Employee Benefits	4,472	-
Basic Needs	1,347	-
Home Care	9	-
<u>Institutional Care</u>	<u>22,086</u>	<u>-</u>
	<hr/>	<hr/>
	\$ 35,282	\$ 11,110

14. Deferred revenue - unexpended funds

AANDC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to AANDC, deferred to the following year, or transferred to another AANDC program upon approval from AANDC. All excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds" on the financial statements.

The 2014 AANDC review letter indicated unexpended funds of \$8,847 that were not recognized in the 2014 audited financial statements. These amounts have been adjusted for in the current year by recording the unexpended funds in the applicable programs with an offsetting expense in the "Other Programs - Schedule 12". The amounts included in the 2014 column of this note are for information purposes only.

	2015	2014
Summer Work Experience	\$ -	\$ 683
<u>Employee Benefits</u>	<u>8,164</u>	<u>8,164</u>
<u>Total</u>	<u>\$ 8,164</u>	<u>\$ 8,847</u>

15. Deferred revenue

	March 31, 2014	Funding received, 2015	Revenue recognized, 2015	March 31, 2015
Federal government				
Water Recharge	\$ 262,333	\$ -	\$ (11,825)	\$ 250,508
Fire protection - capital	50,000	50,000	(4,105)	95,895
Low Pressure Water	552,633	1,277,016	(1,817,745)	11,904
<u>Health capital project</u>	<u>-</u>	<u>120,573</u>	<u>(112,100)</u>	<u>8,473</u>
	864,966	1,447,589	(1,945,775)	366,780
Other				
Subdivision Expansion	127,099	-	(33,614)	93,485
<u>Per capita payout</u>	<u>338,063</u>	<u>1,248,233</u>	<u>(1,266,756)</u>	<u>319,540</u>
	465,162	1,248,233	(1,300,370)	413,025
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,330,128	\$ 2,695,822	\$ (3,246,145)	\$ 779,805

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

16. Long-term debt

	2015	2014
BMO - Consolidation loan		
Term loan - bearing interest at prime plus 2% monthly payments, principle & interest of \$62,500, general security agreement secured by Cote Onakawek Trust and lease revenue from One Earth Farms, maturing June 2020, secured by BCR.	\$ -	\$ 4,771,328
BMO - Consolidation loan		
Demand loan - bearing interest at prime plus 2% monthly payments, principle & interest of \$104,340.90, general security agreement secured by Cote Onakawek Trust and lease revenue from One Earth Farms, No maturity date, secured by BCR.	<u>7,121,000</u>	-
Current portion	7,121,000	4,771,328
	916,863	523,318
	<u>\$ 6,204,137</u>	<u>\$ 4,248,010</u>

Principal portion of long-term debt due within the next five years:

2016	\$ 916,863
2017	963,771
2018	1,013,080
2019	1,064,911
2020 and thereafter	3,162,375
	<u>\$ 7,121,000</u>

	2015	2014
Interest expense for the year on long-term debt	<u>\$ 292,199</u>	<u>\$ 222,455</u>

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

17. CMHC mortgages

The mortgages on CMHC Section 95 houses are secured by government guarantees and are repayable with accrued interest as follows:

	Phase number	Maturity date	Interest rate	Monthly payment	2015	2014 Restated
CMHC	1	01/07/2015	11.75%	\$ 3,913	\$ 15,484	\$ 58,421
CMHC	2	01/07/2016	13.00%	2,588	38,349	66,976
CMHC	3	01/06/2016	14.00%	802	11,139	20,000
CMHC	4	01/02/2017	21.50%	10,593	203,312	277,407
PHT	7	01/08/2015	5.79%	3,387	16,871	55,527
PHT	11	01/02/2017	5.14%	1,250	27,541	40,836
CMHC	12	01/12/2019	1.83%	2,057	217,190	237,284
CMHC	13	01/08/2015	2.69%	1,708	181,381	196,856
CMHC	14	01/09/2017	1.71%	1,437	194,282	208,116
CMHC	15	01/09/2019	1.82%	648	98,700	104,522
CMHC	16	01/04/2019	1.92%	2,084	305,900	324,896
CMHC	17	01/06/2017	1.65%	2,124	281,239	301,957
PHT	18	01/08/2018	2.99%	11,246	1,916,987	1,994,029
CMHC	19	01/12/2015	2.56%	8,302	1,289,276	1,355,408
CMHC	20	01/12/2015	2.56%	8,302	1,283,143	1,349,429
					6,080,794	6,591,664
<u>Current portion</u>					523,172	536,813
					\$ 5,557,622	\$ 6,054,851

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

18. Tangible capital assets

	Cost	Additions	Disposals	Accumulated amortization	2015 Net book value
Land	\$ 2,309,713	\$ -	\$ -	\$ -	\$ 2,309,713
Buildings	9,369,315	-	-	4,978,517	4,390,798
Equipment and vehicles	3,156,839	94,819	23,000	2,233,498	995,160
Infrastructure	9,257,673	590,273	-	1,485,658	8,362,288
Band houses	4,062,955	-	-	3,321,023	741,932
CMHC housing	14,515,678	-	-	7,283,070	7,232,608
Total	\$ 42,672,173	\$ 685,092	\$ 23,000	\$ 19,301,766	\$ 24,032,499

	Cost	Additions	Disposals	Accumulated amortization	2014 Net book value
Land	\$ 2,093,963	\$ 215,750	\$ -	\$ -	\$ 2,309,713
Buildings	9,369,315	-	-	4,617,632	4,751,683
Equipment and vehicles	3,192,480	143,411	179,052	1,994,363	1,162,476
Infrastructure	6,696,394	2,561,279	-	1,313,404	7,944,269
Band houses	4,062,955	-	-	3,251,133	811,822
CMHC housing	14,360,169	155,509	-	6,775,101	7,740,576
Total	\$ 39,775,276	\$ 3,075,949	\$ 179,052	\$ 17,951,633	\$ 24,720,539

19. Accumulated surplus

	2015	2014 Restated
Restricted		
Capital assets	\$ 17,951,705	\$ 18,128,876
CMHC reserves	1,295,494	1,214,533
Funds held in trust by federal government	462,706	70,614
Equity in related entities	6,068,677	7,075,706
Unrestricted		
Operating deficit	(5,706,651)	(3,764,463)
	<hr/>	<hr/>
	\$ 20,071,931	\$ 22,725,266

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

20. Prior period restatement

In 2009 Canada Mortgage and Housing Corporation made an error in calculating the mortgage balance of phase 4. A prior period adjustment has been made to the 2013 and 2014 mortgage balances and accumulated surplus.

This restatement has resulted in the following adjustments:

2013 Phase 4 mortgage balance increased by \$253,332
 2013 Accumulated surplus decreased by \$253,332

2014 Phase 4 mortgage balance increased by \$238,540
 2014 Accumulated surplus decreased by \$238,540
 2014 Current surplus increased by \$14,792
 2014 Interest expense decreased by \$14,792

21. Current year summary of surplus (deficit) by segment

	Revenue	Expenditures	Transfers	Surplus (deficit)
Claims and Indian Government	\$ 4,959,864	\$ 2,662,538	\$ (2,269,872)	\$ 27,454
Community Development	3,090,545	2,274,674	(1,707,791)	(891,920)
Economic Development	(666,291)	1,088,672	1,053,643	(701,320)
Education	2,689,091	2,909,936	-	(220,845)
Indian Government Support	1,252,258	1,990,187	693,825	(44,104)
Lands Management	92,665	138,030	-	(45,365)
Social Development	1,571,470	1,661,286	-	(89,816)
Indian Registration	26,484	45,266	-	(18,782)
Governance and Institutions of Governance	25,000	117,468	-	(92,468)
Health Programs	1,038,078	1,292,653	-	(254,575)
CMHC Housing	935,807	733,684	(507,968)	(305,845)
Band Programs	2,327,209	3,728,187	1,385,231	(15,747)
Amortization	-	1,352,932	1,352,932	-
	<hr/> <u>\$ 17,342,180</u>	<hr/> <u>\$ 19,995,513</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ (2,653,333)</u>

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

22. AANDC reconciliation

The following is a reconciliation of the funds received from AANDC:

	2015	2014
Balance per AANDC confirmation	\$ 7,163,317	\$ 6,121,521
Payable (receivable) - previous year		
Band Employee Benefits	(465)	-
Receivable (payable) - current year		
Band Employee Benefits	(4,472)	465
Basic Needs	(1,347)	70,006
Special Needs	(7,368)	(933)
Institutional Care	(22,086)	(10,177)
Home Care	(9)	-
Balance per financial statements	\$ 7,127,570	\$ 6,180,882

23. Government Transfers

	2015		
	Operating	Capital	Total
Federal government transfers			
Aboriginal Affairs and Northern Development Canada	\$ 5,425,295	\$ 1,702,275	\$ 7,127,570
Health Canada	868,347	120,573	988,920
Canada Mortgage and Housing Corporation	747,782	-	747,782
Total	7,041,424	1,822,848	8,864,272
Provincial government transfers			
	\$ 7,041,424	\$ 1,822,848	\$ 8,864,272

	2014		
	Operating	Capital	Total
Federal government transfers			
Aboriginal Affairs and Northern Development Canada	\$ 5,933,882	\$ 247,000	\$ 6,180,882
Health Canada	733,732	-	733,732
Canada Mortgage and Housing Corporation	795,570	-	795,570
Total	7,463,184	247,000	7,710,184
Provincial government transfers			
	\$ 7,463,184	\$ 247,000	\$ 7,710,184

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

24. CMHC housing restricted funds

It is a requirement of the CMHC operating agreements that subsidy surplus, operating and replacement reserves be established and monies be set aside in separate bank accounts. On March 31, 2015 the reserve accounts were under-funded by \$247,377 (2014 - \$60,064). The amount required to be set aside was \$1,295,494 (2014 - \$1,214,533) and the amount in the reserve bank account was \$1,048,117 (2014 - \$1,154,469). (The reserve amount of \$1,295,494 is not reported separately on these financial statements, but is included in equity).

25. Health Canada - Moveable Asset Reserve

Cote First Nation operates under a set agreement and therefore has no moveable asset reserve reporting requirement.

26. Employee benefit obligations

Vacation and overtime

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits or are entitled to these benefits within the next budgetary year.

Post-employment benefits

Cote First Nation does not provide extended health, dental and life insurance benefits to retirees and their surviving spouses and therefore has no obligations with regards to post employment benefits.

Pension plan

Cote First Nation provides a defined contribution plan for eligible members of its staff. Members are required to contribute 3% of their salary and Cote First Nation contributes a matching portion. Cote First Nation does not have any other obligations with regards to the pension plan as at March 31, 2015.

27. Contractual Obligations

The nature of Cote First Nation's activities can result in some multi-year contracts whereby it will be obligated to make future payments when the goods or services are received.

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

28. Trusts under administration

Cote First Nation acts as a trustee for band members, holding assets and administering them on their behalf. These assets held in trust are not included on the statement of financial position as assets of Cote First Nation. Amounts held in trust at the year-end are the following:

	December 31, 2014	December 31, 2013
Cote Legacy Trust	\$ 71,842,374	\$ 63,932,409
Cote Onakawek Trust	10,475,055	9,619,921
Total	\$ 82,317,429	\$ 73,552,330

The Trusts were established as part of a Settlement Agreement between the Cote First Nation and Canada in connection with the settlement of certain claims arising from the loss of use of lands, which were originally set aside for the benefit of the First Nation under Treaty No. 4. The Trusts were intended as a means of ensuring the long term economic security of the First Nation.

BMO Harris is the appointed Trustee. All entitlement monies to be paid to the trust are administered by the Trustee under the terms and conditions of the Trust Agreement.

29. Economic dependence

Cote First Nation receives a significant portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada and Health Canada.

30. Subsequent events

There are no subsequent events to report.

31. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Chief and Council.

32. Contingent liabilities

Cote First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Cote First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Cote First Nation's financial statements.

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

33. AANDC funding

The First Nation (Recipient) receives funding from Aboriginal Affairs and Northern Development Canada (AANDC) by entering into an agreement with AANDC.

There are five approaches that AANDC may consider in the design and delivery of transfer payment programs:

1. **Grant approach** – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. **Set contribution approach** – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to AANDC annually.
3. **Fixed contribution approach** – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by AANDC. A plan must be submitted and approved by AANDC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by AANDC.
4. **Flexible contribution approach** – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to AANDC at the end of the project, program or agreement.
5. **Block contribution approach** – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by AANDC.

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

34. Segmented information

1) Aboriginal Affairs and Northern Development Canada (AANDC)

Claims and Indian Government:

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

Community Development:

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

Economic Development:

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

Education:

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with AANDC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

Indian Government Support:

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

Land Management:

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

34. Segmented information, continued

Social Development:

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

Indian Registration:

Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

Governance and Institutions of Government:

Costs associated with Governance and Institution of Government activities.

2) Health Programs (FNIHB)

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

3) Canada Mortgage and Housing Corporation (CMHC)

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth

4) Band programs

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

35. Expenses by object

	2015 Budget	2015 Actual	2014 Actual Restated
Administration	\$ 35,232	\$ 34,476	\$ 148,873
Advertising, promotions, sponsorships	-	64,143	359,203
Amortization	-	1,352,932	1,451,487
Assistance - basic needs	872,897	1,126,943	1,044,878
Assistance - special needs	86,050	95,240	95,471
Assistance to band members	116,700	679,857	1,033,586
Bad debts	71,500	-	-
Business initiatives	-	518,307	699,912
Capital purchases	-	-	42,508
Charitable expense	150,000	155,615	-
Community expenses	1,046,496	1,342,330	783,772
Consultants and contractors	281,143	1,308,144	3,551,261
Cote Band Store	-	13,110	201,937
Cultural programs	180,900	175,308	167,023
Economic Development - Businesses	-	125,000	-
Education	15,000	18,519	1,800
Equipment purchases	18,750	23,892	17,133
Fuel	5,000	50,254	69,449
Governance/Policy Development	152,000	167,455	-
Graduation, awards, prizes	55,580	40,972	40,421
Grocery and meal preparation	-	-	1,100
Honorariums	397,200	463,042	413,786
Insurance	12,000	391,722	264,128
Interest and bank charges	20,240	45,427	62,601
Janitorial services	-	5,290	20,972
Land	-	-	100,000
Land purchase transfer to balance sheet	-	-	(100,000)
Lease payments	54,950	73,615	88,707
Legacy Trust loan payments - facility #2	-	1,332,032	3,525,413
License fees	-	10,303	22,152
Long term debt - interest	370,000	507,471	487,575
Loss (gain) on disposal of capital assets	-	(3,800)	-
Membership dues	-	339	263
Municipal fire services	-	25,443	53,810
Assistance - institutional care	-	49,448	-
National Child Benefit	29,364	25,623	-
Other expenses	10,000	58,109	65,465
Per capita distributions	-	1,266,731	666,475
Per capita distributions - Pelly Haylands	-	3,000	9,500
Per capita distributions - repaid to Trust	-	-	3,500,000
Professional fees	134,232	274,705	221,723
Program expenses	78,475	161,947	279,723
Property taxes	-	18,786	-
Recreational activities	5,000	66,193	90,679

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2015

35. Expenses by object, continued

	2015 Budget	2015 Actual	2014 Actual
Registration fees	3,000	3,335	3,150
Rent	-	625	-
Repairs and maintenance	558,008	1,516,332	1,321,079
SIGA	-	21,650	-
Security	-	330	4,100
Senior/Youth programs	7,000	65,741	43,736
Staffing costs	57,374	75,224	46,450
Student allowance	682,315	947,835	933,397
Student tuition	397,108	366,404	355,060
Summer/winter games	-	27,025	29,430
Supplies	160,346	252,198	456,027
Telephone and internet	80,147	70,968	106,012
Training	43,292	282,195	171,850
Transportation	-	7,057	4,822
Travel - medical transportation	40,000	70,001	74,399
Travel, meetings, per diems	966,123	1,071,975	1,451,511
Unexpended funds not recognized in prior year	-	8,847	-
Utilities	77,281	333,286	314,374
Vehicle	-	-	48,104
Wages and benefits	2,496,647	3,559,157	3,532,939
Write off of old accounts payable	-	(67,500)	(62,175)
Transfer to capital assets	(18,750)	(685,092)	(2,704,691)
	<hr/>	<hr/>	<hr/>
	\$ 9,748,600	\$ 19,995,516	\$ 25,612,360

Schedule #1
Cote First Nation
Claims and Indian Government
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
AANDC - set	\$ 11,200	\$ 25,200	\$ -
Cote Legacy Trust	-	4,916,132	10,534,731
Other revenue	-	9	30
Deferred revenue - prior	-	338,063	3,202,355
Deferred revenue - current	-	(319,540)	(338,063)
	<u>11,200</u>	<u>4,959,864</u>	<u>13,399,053</u>
Expenses			
Interest and bank charges	-	3,012	4,183
Land	-	-	100,000
Land purchase transfer to balance sheet	-	-	(100,000)
Legacy Trust loan payments - facility #2	-	1,332,032	3,525,413
Legal	11,200	60,763	105,122
Long term debt - interest	-	-	3,003
Other expenses	-	-	10,732
Per capita distributions	-	1,266,731	666,475
Per capita distributions - Pelly Haylands	-	-	3,500
Per capita distributions - repaid to Trust	-	-	3,500,000
	<u>11,200</u>	<u>2,662,538</u>	<u>7,818,428</u>
Current surplus before transfers	-	2,297,326	5,580,625
Transfers			
Transfers - Community Development	-	1,277,016	(3,000,000)
Transfers - Indian Government Support	(1,690,000)	(693,825)	-
Transfers - Economic Development	-	(1,467,832)	-
Transfers - Band Programs	-	(1,385,231)	-
Current surplus	\$ (1,690,000)	\$ 27,454	\$ 2,580,625

The accompanying notes are an integral part of the financial statements

Schedule #2
Cote First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
AANDC - fixed	\$ 515,000	\$ 515,000	\$ 1,020,177
AANDC - fixed - municipal services	15,000	15,000	15,000
AANDC - set	13,300	13,300	27,000
AANDC - flexible	375,259	1,327,016	247,000
AANDC - flexible - BBC - community buildings	-	18,577	-
AANDC - flexible - BBC - fire protection	-	11,547	-
AANDC - flexible - BBC - planning, design & construction	-	274,119	-
AANDC - flexible - BBC - renovations	-	19,116	-
AANDC - flexible - BBC - roads & bridges	-	51,900	-
CMHC - RRAP	-	-	45,653
Housing rental income	-	69,232	8,340
Yorkton Tribal Council	-	-	5,694
Insurance proceeds	-	234,447	90,910
Other revenue	-	193	553
Administration fees	-	825	204,461
Deferred revenue - prior	-	992,065	306,344
Deferred revenue - current	-	(451,792)	(992,065)
	918,559	3,090,545	979,067
Expenses			
Administration	27,994	27,994	26,075
Assistance - special needs	-	-	775
Assistance to band members	-	1,141	1,067
Community gardens	-	-	500
Community gatherings	-	-	4,610
Community wellness	-	500	-
Consultants and contractors	10,240	739,096	2,874,397
Equipment purchases	-	1,873	1,544
Fuel	5,000	18,346	13,305
Honorariums	-	200	-
Insurance	4,000	125,276	134,827
Interest and bank charges	-	134	952
Janitorial services	-	5,290	20,972
Lease payments	14,950	14,950	36,705
License fees	-	5,682	7,450
Long term debt - interest	-	-	17,803
Program expenses	-	-	2,150
Repairs and maintenance	557,608	967,702	957,935
Repairs and maintenance - CBS	-	25,443	53,810
Security	-	330	2,677
Supplies	6,000	27,128	162,604
Telephone and internet	4,967	9,335	9,011
Training	-	4,385	4,367
Travel, meetings, per diems	3,800	106,185	122,140

The accompanying notes are an integral part of the financial statements

Schedule #2, continued
Cote First Nation
Community Development
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Utilities	40,000	144,958	126,068
Wages and benefits	244,000	638,999	545,727
Transfer to capital assets	-	(590,273)	(2,561,279)
	<hr/> 918,559	<hr/> 2,274,674	<hr/> 2,566,192
Current surplus (deficit) before transfers	-	815,871	(1,587,125)
Transfers			
Transfer - Claims and Indian Government	-	(1,277,016)	3,000,000
Transfer - Amortization	-	(430,775)	(430,775)
Current surplus (deficit)	<hr/> \$ -	<hr/> \$ (891,920)	<hr/> \$ 982,100

The accompanying notes are an integral part of the financial statements

Schedule #3
Cote First Nation
Economic Development
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Yorkton Tribal Council	\$ -	\$ 172,082	\$ 144,100
Cote Band Store - sales	- -	- -	1,589,244
Cote Band Store - cost of sales	- -	- -	(1,529,700)
Equity change - Cote Resources Ltd.	- -	(661,865)	758,437
Equity change - Duck Mountain Resorts LP	- -	(320,431)	14,461
Equity change - Cote Markets Ltd.	- -	22,398	629,116
Lease revenue - Duck Mountain Resorts	- -	120,000	120,000
Other revenue	- -	1,525	- -
	- -	(666,291)	1,725,658
Expenses			
Administration	- -	- -	6,850
Business initiatives	- -	518,307	699,912
Consultants and contractors	- -	58,397	325,588
Cote Band Store	- -	13,110	201,937
Economic Development - Businesses	- -	125,000	- -
Fuel	- -	24,575	16,444
Honorariums	- -	4,400	200
Insurance	- -	32,089	16,331
Interest and bank charges	- -	1,362	- -
Lease payments	- -	16,000	- -
License fees	- -	- -	8,286
Long term debt - interest	- -	- -	12,493
Office equipment	- -	- -	4,000
Repairs and maintenance	- -	126,752	31,266
Supplies	- -	- -	6,456
Telephone and internet	- -	1,988	1,108
Travel, meetings, per diems	- -	23,388	23,521
Utilities	- -	- -	350
Wages and benefits	- -	146,454	250,671
Vehicles	- -	- -	14,000
Transfer to capital assets	- -	- -	(55,000)
Equipment purchases	- -	650	9,000
Loss (gain) on disposal of capital assets	- -	(3,800)	- -
	- -	1,088,672	1,573,413
Current surplus (deficit) before transfers	- -	(1,754,963)	152,245
Transfers			
Transfer - Claims and Indian Government	- -	1,467,832	- -
Transfer - Amortization	- -	(414,189)	(512,744)
Current deficit	\$ -	\$ (701,320)	\$ (360,499)

The accompanying notes are an integral part of the financial statements

Schedule #4
Cote First Nation
Education
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
AANDC - fixed	\$ 2,515,466	\$ 2,515,466	\$ 2,510,354
AANDC - set	172,942	172,942	194,608
Administration fees	-	-	37,381
Unexpended funds transferred - prior year	-	683	18,328
	2,688,408	2,689,091	2,760,671
Expenses			
Administration	-	-	2,529
Advertising, promotions, sponsorships	-	345	1,864
Assistance - special needs	3,610	17,560	1,650
Assistance to band members	2,000	22,856	77,696
Consultants and contractors	136,976	191,519	136,665
Education	15,000	18,519	1,800
Fuel	-	2,341	-
Governance/Policy Development	60,000	35,446	-
Graduation, awards, prizes	35,580	18,868	22,671
Honorariums	16,000	16,452	30,973
Interest and bank charges	240	1,957	290
Other expenses	10,000	37,712	15,360
Program expenses	3,593	4,620	28,578
Registration fees	3,000	3,335	3,150
Repairs and maintenance	-	1,305	250
Student allowance	682,315	801,675	776,905
Student tuition	397,108	366,404	355,060
Supplies	96,924	109,770	130,344
Telephone and internet	1,680	2,633	2,779
Training	15,000	24,038	9,793
Transportation	-	7,057	4,822
Travel, meetings, per diems	26,900	51,399	231,099
Vehicle	-	-	48,104
Wages and benefits	1,183,091	1,174,125	1,196,629
Transfer to capital assets	-	-	(48,104)
	2,689,017	2,909,936	3,030,907
Current deficit	\$ (609)	\$ (220,845)	\$ (270,236)

The accompanying notes are an integral part of the financial statements

Schedule #5
Cote First Nation
Indian Government Support
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
AANDC - grant	\$ 434,189	\$ 434,189	\$ 434,189
AANDC - fixed	1,350	1,350	1,350
AANDC - set	23,051	21,701	21,236
AANDC - current year receivable (payable)	-	(4,472)	465
Onakawek Trust income	-	517,867	1,432,110
Yorkton Tribal Council	-	19,397	27,000
Interest income	-	21,951	24,222
Other revenue	-	188,062	25,956
Administration fees	-	52,213	103,444
Unexpended funds transferred - prior year	-	8,164	-
	458,590	1,260,422	2,069,972
Expenses			
Administration	1,350	1,350	-
Advertising, promotions, sponsorships	-	-	325
Consultants and contractors	25,000	22,342	31,516
Equipment purchases	-	2,618	5,044
Honorariums	380,000	437,840	379,889
Insurance	-	16,077	-
Interest and bank charges	20,000	29,146	44,367
Lease payments	40,000	37,968	48,206
License fees	-	-	1,028
Long term debt - interest	370,000	292,199	189,155
Membership dues	-	339	263
Other expenses	-	20,398	9,473
Professional fees	60,000	100,589	98,101
Repairs and maintenance	-	-	9,178
Supplies	50,000	65,503	50,110
Telephone and internet	72,000	42,742	72,806
Training	7,500	6,626	7,340
Travel, meetings, per diems	800,000	659,487	886,272
Wages and benefits	323,051	322,463	313,110
Write off of old accounts payable	-	(67,500)	(62,175)
Transfer to capital assets	-	-	(11,741)
	2,148,901	1,990,187	2,072,267
Current deficit before unexpended funds	(1,690,311)	(729,765)	(2,295)
Unexpended funds			
Unexpended funds transferred to deferred revenue	-	(8,164)	-
Current deficit before transfers	(1,690,311)	(737,929)	(2,295)
Transfers			
Transfer - Claims and Indian Government	1,690,000	693,825	-
Current deficit	\$ (311)	\$ (44,104)	\$ (2,295)

The accompanying notes are an integral part of the financial statements

Schedule #6
Cote First Nation
Lands Management
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
AANDC - fixed	\$ 92,665	\$ 92,665	\$ 123,266
Unexpended funds transferred - prior year	- -	- -	2,375
	92,665	92,665	125,641
Expenses			
Consultants and contractors	- -	- -	81,315
Cultural programs	- -	550	301
Equipment purchases	18,750	18,750	-
Honorariums	- -	100	50
Insurance	- -	418	-
License fees	- -	- -	50
Repairs and maintenance	- -	2,624	-
Supplies	- -	2,259	100
Telephone and internet	- -	- -	925
Training	- -	- -	4,369
Travel, meetings, per diems	40,000	40,237	68,712
Wages and benefits	92,000	91,842	80,289
Transfer to capital assets	(18,750)	(18,750)	-
	132,000	138,030	236,111
Current deficit	\$ (39,335)	\$ (45,365)	\$ (110,470)

The accompanying notes are an integral part of the financial statements

Schedule #7
Cote First Nation
Social Development
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
AANDC - fixed	\$ 71,899	\$ 71,899	\$ 67,392
AANDC - set	1,236,143	1,530,381	1,433,567
AANDC - current year receivable (payable)	-	(30,810)	58,896
Other revenue	13,330	-	-
	1,321,372	1,571,470	1,559,855
Expenses			
Administration	5,888	4,757	5,888
Assistance - basic needs	872,897	1,126,943	1,044,878
Assistance - institutional care	-	49,448	-
Assistance - special needs	82,440	77,680	93,046
Assistance to band members	-	-	2,000
Community expenses	-	-	5,800
Cultural programs	70,900	67,325	61,168
Fuel	-	-	2,406
Honorariums	-	400	-
Interest and bank charges	-	2,652	2,601
National Child Benefit	29,364	25,623	-
Program expenses	59,000	68,601	201,662
Repairs and maintenance	-	222	293
Senior/Youth programs	-	-	9,710
Staffing costs	57,374	57,674	24,800
Supplies	2,257	9,117	4,317
Telephone and internet	1,500	875	-
Travel, meetings, per diems	11,750	29,586	24,506
Wages and benefits	139,625	140,383	161,387
	1,332,995	1,661,286	1,644,462
Current deficit	\$ (11,623)	\$ (89,816)	\$ (84,607)

The accompanying notes are an integral part of the financial statements

Schedule #8
Cote First Nation
Indian Registration
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
AANDC - fixed	\$ 26,484	\$ 26,484	\$ 26,382
Expenses			
Consultants and contractors	-	-	1,000
Equipment purchases	-	-	1,544
Supplies	2,000	3,209	399
Telephone and internet	-	365	-
Training	-	-	1,482
Travel, meetings, per diems	5,000	5,044	4,713
Wages and benefits	36,500	36,648	36,562
	43,500	45,266	45,700
Current deficit	\$ (17,016)	\$ (18,782)	\$ (19,318)

The accompanying notes are an integral part of the financial statements

Schedule #9
Cote First Nation
Governance and Institutions of Governance
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
AANDC - set	\$ 25,000	\$ 25,000	\$ -
Expenses			
Consultants and contractors	18,927	88,955	-
Training	6,073	28,156	-
Travel, meetings, per diems	-	357	-
	25,000	117,468	-
Current deficit	\$ -	\$ (92,468)	\$ -

The accompanying notes are an integral part of the financial statements

Schedule #10
Cote First Nation
Health Programs
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Health Canada	\$ 884,347	\$ 1,047,540	\$ 853,624
Health Canada - prior period revenue (recovery)	-	(58,620)	(119,892)
Yorkton Tribal Council	-	55,931	26,700
Administration fees	-	-	74,010
Other revenue	-	1,700	-
Deferred revenue - current	-	(8,473)	-
	884,347	1,038,078	834,442
Expenses			
Administration	-	375	69,254
Advertising, promotions, sponsorships	-	1,029	-
Assistance to band members	-	-	1,200
Community expenses	111,496	132,080	67,272
Consultants and contractors	90,000	207,835	101,065
Cultural programs	-	400	16,716
Governance/Policy Development	16,000	15,848	-
Grocery and meal preparation	-	-	1,100
Honorariums	1,200	1,450	-
Insurance	8,000	11,082	9,286
Interest and bank charges	-	2,533	2,676
Lease payments	-	2,847	3,796
License fees	-	984	1,292
Professional fees	63,032	94,854	-
Program expenses	15,882	36,633	6,149
Rent	-	625	-
Repairs and maintenance	400	9,005	2,228
Security	-	-	480
Senior/Youth programs	7,000	7,040	34,027
Student allowance	-	-	520
Supplies	3,165	32,392	62,124
Telephone and internet	-	9,532	13,986
Training	14,719	26,578	53,460
Transfer to capital assets	-	(9,344)	(28,567)
Travel - medical transportation	40,000	55,962	53,053
Travel, meetings, per diems	78,673	115,177	69,057
Utilities	-	8,773	6,234
Vehicles	-	-	11,841
Wages and benefits	450,780	528,963	485,634
	900,347	1,292,653	1,043,883
Current deficit	\$ (16,000)	\$ (254,575)	\$ (209,441)

The accompanying notes are an integral part of the financial statements

Schedule #11
Cote First Nation
CMHC Housing
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Restated
Revenue			
CMHC - subsidy	\$ -	\$ 747,782	\$ 749,917
Housing rental income	-	187,492	411,770
Interest income	-	533	-
Other revenue	-	-	5,396
	<hr/>	<hr/>	<hr/>
	- -	935,807	1,167,083
Expenses			
Consultants and contractors	- -	-	(285)
Insurance	- -	181,193	82,675
Interest and bank charges	- -	3,185	6,604
Long term debt - interest	- -	215,272	265,120
Professional fees	- -	18,500	18,500
Repairs and maintenance	- -	315,534	241,330
Utilities	- -	-	195
Wages and salaries	- -	-	802
	<hr/>	<hr/>	<hr/>
	- -	733,684	614,941
Current surplus before transfers	- -	202,123	552,142
Transfers			
Transfer - Amortization	- -	(507,968)	(507,968)
Current surplus (deficit)	<hr/>	<hr/>	<hr/>
	\$ -	\$ (305,845)	\$ 44,174

The accompanying notes are an integral part of the financial statements

Schedule #12
Cote First Nation
Band Programs
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Ottawa Trust Funds	\$ -	\$ 507,092	\$ 225,390
Yorkton Tribal Council	- -	171,940	227,860
First Nations Trust	1,041,373	1,289,429	1,339,340
Painted Hand Development Corporation	- -	230,971	35,456
Other revenue	5,708	116,314	108,693
Interest income	500,000	43	- -
Administration fees	- -	11,420	93,925
	1,547,081	2,327,209	2,030,664
Expenses			
Administration	- -	- 38,277	38,277
Advertising, promotions, sponsorships	- -	62,769	357,014
Assistance to band members	114,700	655,860	951,624
Bad debts	71,500	- -	- -
Capital expenditures	- -	- 12,667	12,667
Charitable expense	150,000	155,615	- -
Community expenses	935,000	1,209,750	705,590
Cultural programs	110,000	107,033	88,839
Fuel	- -	4,992	37,294
Governance/Policy Development	76,000	116,161	- -
Graduation, awards, prizes	20,000	22,103	17,750
Honorariums	- -	2,200	2,674
Insurance	- -	25,586	21,010
Interest and bank charges	- -	1,449	930
Lease payments	- -	1,850	- -
License fees	- -	3,637	4,047
Other expenses	- -	- -	29,900
Per capita distributions - Pelly Haylands	- -	3,000	6,000
Unexpended funds not recognized in prior year	- -	8,847	- -
Program expenses	- -	52,093	41,184
Property taxes	- -	18,786	- -
Recreational activities	5,000	66,193	90,679
Repairs and maintenance	- -	93,188	78,598
SIGA	- -	21,650	- -
Security	- -	- -	942
Senior/Youth programs	- -	58,701	- -
Staffing costs	- -	17,550	21,650
Student allowance	- -	146,160	155,972
Summer/winter games	- -	27,025	29,430
Supplies	- -	2,820	39,574
Telephone and internet	- -	3,500	5,398
Training	- -	192,412	91,040
Travel - medical transportation	- -	14,039	21,346
Travel, meetings, per diems	- -	41,117	21,489

The accompanying notes are an integral part of the financial statements

Schedule #12, continued
Cote First Nation
Band Programs
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Utilities	37,281	179,555	181,527
Wages and benefits	27,600	479,271	462,124
Transfer to capital assets	-	(66,725)	-
	<u>1,547,081</u>	<u>3,728,187</u>	<u>3,514,569</u>
Current deficit before transfers	-	(1,400,978)	(1,483,905)
Transfers			
Transfer - Claims and Indian Government	-	1,385,231	-
Current deficit	\$	\$	\$
	<u>(15,747)</u>	<u>(1,483,905)</u>	

The accompanying notes are an integral part of the financial statements

Schedule #13
Cote First Nation
Amortization
Schedule of Operations
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Community buildings	-	360,885	360,885
Capital equipment	-	414,189	512,744
Housing	-	69,890	69,890
CMHC operations (section 95)	-	507,968	507,968
	-	<u>1,352,932</u>	<u>1,451,487</u>
Current deficit before transfers	-	(1,352,932)	(1,451,487)
Transfers			
Transfer - Programs	-	1,352,932	1,451,487
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements