

**Cote First Nation
Consolidated Financial Statements
March 31, 2016**

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Consolidated Financial Statements
March 31, 2016

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Cote First Nation
Management's Responsibility for Financial Reporting
March 31, 2016

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 Indigenous and Northern Affairs 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.

BCR on file

September 12, 2016

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, 2016, 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, 2016 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, 2016

	2016	2015
Financial Assets		
Restricted cash - capital projects (Note 3)	\$ 143,802	\$ 274,838
Restricted cash - other (Note 3)	633,563	1,533,485
Restricted cash - CMHC reserves (Note 3)	291,687	1,048,117
Funds held in trust by federal government (Notes 3 and 4)	53,268	462,706
Accounts receivable (Notes 5 and 6)	116,732	458,712
Due from related entities (Note 7)	1,778,157	1,350,892
Deposit on land (Note 8)	-	100,000
Equity in related business entities (Note 9)	5,666,756	6,068,677
	<u>8,683,965</u>	<u>11,297,427</u>
Liabilities		
Bank indebtedness (Note 3 and 11)	334,189	232,733
Accounts payable (Notes 12 and 13)	1,424,300	1,035,499
Deferred revenue - unexpended funds (Note 14)	-	8,164
Deferred revenue (Note 15)	1,027,405	779,805
Current portion of long-term debt (Note 16)	959,076	916,863
Current portion of CMHC mortgages (Note 17)	488,478	523,172
Long-term debt (Note 16)	5,336,833	6,204,137
CMHC mortgages (Note 17)	5,099,916	5,557,622
	<u>14,670,197</u>	<u>15,257,995</u>
Net debt	(5,986,232)	(3,960,568)
Non-financial Assets		
Capital assets (Note 18)	22,975,727	24,032,499
Accumulated Surplus (Note 19)	<u>\$ 16,989,495</u>	<u>\$ 20,071,931</u>

Approved on behalf of the Cote First Nation:

BCR on file _____, **Chief**

BCR on file _____, **Councilor**

The accompanying notes are an integral part of the financial statements

Cote First Nation
Consolidated Statement of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - grant	\$ 434,189	\$ 434,189	\$ 434,189
INAC - fixed	3,205,327	3,176,995	3,237,864
INAC - set	1,829,596	2,032,661	1,788,524
INAC - flexible	375,259	525,259	1,702,275
INAC - prior period revenue (recovery)	-	(26,945)	-
INAC - current year receivable (payable)	-	(11,721)	(35,282)
Health Canada	928,395	1,013,671	988,920
CMHC	645,856	688,168	747,782
First Nations Trust	1,240,000	1,295,413	1,289,429
Yorkton Tribal Council	366,510	380,959	419,351
Yorkton Tribal Council - prior year revenue	-	12,167	-
Ottawa Trust Funds	360,000	330,562	507,092
Housing rental income	250,800	361,759	256,724
Cote Legacy Trust	-	4,281,874	4,916,132
Sales - Pickeral Point	-	154,994	-
Onakawek Trust annual income	-	453,958	517,867
Painted Hand Development Corporation	120,000	133,582	230,971
Pelly Haylands Trust income	225,000	-	-
Gain (loss) on investments in businesses (Note 9)	-	(401,921)	(1,007,129)
Lease revenue - DM Resorts	-	120,000	120,000
Insurance proceeds	-	-	234,447
Interest income	500	729	22,527
Other revenue	1,844,015	488,711	355,033
Administration fees (Note 2.j)	322,123	9,289	64,458
Unexpended funds transferred - prior year	-	8,164	8,847
Deferred revenue - prior	283,596	779,805	1,330,128
Deferred revenue - current	-	(1,027,405)	(779,805)
	12,431,166	15,214,917	17,350,344
Expenses			
Claims and Indian Government (Schedule 1)	-	1,464,838	2,662,537
Community Development (Schedule 2)	1,781,443	2,198,203	2,274,674
Economic Development (Schedule 3)	294,265	1,400,639	1,088,672
Education (Schedule 4)	2,685,702	2,654,866	2,909,936
Indian Government Support (Schedule 5)	1,158,875	1,864,093	1,990,187
Lands Management (Schedule 6)	111,575	178,232	138,030
Social Development (Schedule 7)	1,739,581	1,649,545	1,661,287
Indian Registration (Schedule 8)	39,630	40,129	45,266
Governance and Institutions of Governance (Schedule 9)	-	100,572	117,468
Health Programs (Schedule 10)	1,006,170	1,058,089	1,292,654
CMHC Housing (Schedule 11)	601,538	718,531	733,684
Band Programs (Schedule 12)	2,695,833	3,617,413	3,728,189
Amortization (Schedule 13)	398,353	1,352,206	1,352,932
	12,512,965	18,297,356	19,995,516
Current deficit before unexpended funds	(81,799)	(3,082,439)	(2,645,171)
The accompanying notes are an integral part of the financial statements			

Cote First Nation
Consolidated Statement of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Unexpended funds			
Unexpended funds transferred to deferred revenue	-	-	(8,164)
Current deficit	\$ (81,799)	\$ (3,082,439)	\$ (2,653,335)

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, 2016

	2016	2015
Surplus at beginning of year	\$ 20,071,931	\$ 22,725,266
Current deficit	(3,082,439)	(2,653,335)
Surplus at end of year	\$ 16,989,492	\$ 20,071,931

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Current deficit	\$ (81,799)	\$ (3,082,439)	\$ (2,653,335)
Acquisition of tangible capital assets	-	(314,718)	(685,091)
Amortization of tangible capital assets	-	1,352,206	1,352,932
Amortization of tangible capital assets - disposals	-	(4,822)	(2,800)
Disposal of tangible capital assets	-	24,109	23,000
	-	1,056,775	688,041
Acquisition of inventory	-	-	(42,299)
Use of inventory	-	-	42,299
	-	-	-
Decrease in net financial assets	(81,799)	(2,025,664)	(1,965,294)
Net debt at beginning of year	(3,960,568)	(3,960,568)	(1,995,274)
Net debt at end of year	\$ (4,042,367)	\$ (5,986,232)	\$ (3,960,568)

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, 2016

	2016	2015
Cash flows from		
Operating activities		
Current deficit	\$ (3,082,439)	\$ (2,653,335)
Items not affecting cash		
Amortization	1,352,206	1,352,932
Loss (gain) on disposal of capital assets	1,998	(3,800)
	(1,728,235)	(1,304,203)
Change in non-cash operating working capital		
Accounts receivable	341,980	18
Deposit on land	100,000	-
Accounts payable	388,805	(347,698)
Deferred revenue - unexpended funds	(8,164)	8,164
Deferred revenue	247,600	(550,323)
Current portion of CMHC mortgages	(34,694)	(13,641)
Restricted cash - Legacy Trust	899,922	86,422
Equity income in related business entities	401,921	959,898
Withdrawals from equity investment	-	47,232
	609,135	(1,114,131)
Capital activities		
Capital asset purchases	(314,722)	(685,095)
Proceeds from disposal of capital asset	17,289	24,000
	(297,433)	(661,095)
Financing activities		
CMHC mortgages	(457,706)	(497,229)
Long term debt - proceeds	-	7,121,000
Long term debt - repayment	(825,091)	(4,771,328)
Due from/to related entities	(427,265)	(364,000)
	(1,710,062)	1,488,443
Investing activities		
Restricted cash - CMHC reserves	756,430	106,352
Funds held in trust by federal government	409,438	(392,092)
	1,165,868	(285,740)
Decrease in cash and cash equivalents	(232,492)	(572,523)
Cash and cash equivalents, beginning of year	42,105	614,628
Cash and cash equivalents, end of year	\$ (190,387)	\$ 42,105
Represented by		
Cash - unrestricted	\$ (334,189)	\$ (232,733)
Restricted cash - capital projects	143,802	274,838
	\$ (190,387)	\$ 42,105

The accompanying notes are an integral part of the financial statements

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

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.

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 assets is determined by its 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) 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, 2016.

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.

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

(g) 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. No amortization is recorded in the year of acquisition.

Buildings	25 years Straight line
Equipment	10 years Straight line
Vehicles	5 years Straight line
Infrastructure	40 years Straight line
Band houses	40 years Straight line
CMHC 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.

(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.

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

(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 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.

(m) Comparative figures

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

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

3. Cash and cash equivalents

Under the terms of an 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.

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Funds held in trust are held by the federal government in trust for the First Nation.

	2016	2015
Unrestricted Cash		
Bank accounts	\$ (334,189)	\$ (232,733)
Restricted cash - capital projects		
Project engineer account	143,802	274,838
Restricted cash - CMHC reserves		
Replacement reserves	291,687	1,048,117
Restricted cash - other		
GIC - held for security - Cote Market Development Inc.	-	548,912
Legacy Trust - per capita distribution	332,605	209,923
Legacy Trust - BMO - debt service reserve	300,958	774,650
	633,563	1,533,485
Restricted cash - trust funds held by federal government		
Capital	29,076	29,076
Revenue	24,192	433,630
	53,268	462,706
Total cash and cash equivalents	\$ 788,131	\$ 3,086,413

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

4. Trust funds held by federal government

	2016 Revenue	2016 Capital	2016 Total	2015 Total
Surplus, beginning of year	\$ 433,630	\$ 29,076	\$ 462,706	\$ 70,614
Withdrawals	(740,000)	-	(740,000)	(115,000)
Interest revenue	3,115	-	3,115	13,076
Lease revenue	327,447	-	327,447	494,016
Surplus, end of year	\$ 24,192	\$ 29,076	\$ 53,268	\$ 462,706

5. Accounts receivable

	2016	2015
Due from members	\$ 26,400	\$ 18,835
Due from others		
Yorkton Tribal Council	15,800	210,859
Other receivables	29,519	10,601
Painted Hand CDC	11,882	17,674
	57,201	239,134
Due from government and other government organizations		
INAC	22,158	129,888
Health Canada	-	8,327
CMHC	55,484	62,041
CRA - GST	1,407	487
	79,049	200,743
Allowance for doubtful accounts	162,650 (45,918)	458,712 -
Total accounts receivable	\$ 116,732	\$ 458,712

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

6. INAC Receivable

	2016	2015
Fire Protection	\$ -	\$ 50,000
BEB - statutory	22,158	-
Basic Needs	-	50,000
Specific Claims	-	1,400
NCBR	-	24,250
Special Needs (ECIP)	-	4,238
	<u>\$ 22,158</u>	<u>\$ 129,888</u>

7. Due from related entities

	2016	2015
Duck Mountain Resorts LP	\$ 1,537,902	\$ 1,125,637
Cote Market Development Inc.	240,255	225,255
	<u>\$ 1,778,157</u>	<u>\$ 1,350,892</u>

8. Deposit on Land

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.

	2016	2015
Cote Resources Ltd. (formerly 1684671 Alberta Ltd.) (100%)	\$ 6,217,568	\$ 6,217,568
Cote Market Development Inc. (100%)	435,029	478,249
Duck Mountain Resorts Group (100%)	(1,450,242)	(1,022,799)
PHC Holdings LP (14%)	459,289	390,544
PHC Holdings Ltd. (14%)	5,112	5,115
	<u>\$ 5,666,756</u>	<u>\$ 6,068,677</u>

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

9. Equity in related entities, continued

	Cote Resources Ltd. March 31, 2016	Cote Market Development Inc. March 31, 2016	Duck Mountain Resorts Group December 31, 2015	PHC Holdings LP (14%) December 31, 2015	PHC Holdings Ltd. (14%) December 31, 2015
Cash	\$ 1,121	\$ -	\$ 16,364	\$ 493,744	\$ -
GICs	-	-	-	558,389	-
Accounts receivable	61,261	183,744	55,466	31,535	-
Inventory	-	147,206	12,798	-	-
Prepaid	994,802	7,673	-	-	-
Investment related entity	-	-	-	-	40,371
Tangible capital assets	-	465,797	156,403	9,591,298	-
Other assets	5,450,236	-	200	-	-
Total assets	\$ 6,507,420	\$ 804,420	\$ 241,231	\$ 10,674,966	\$ 40,371
Bank indebtedness	\$ -	\$ 29,258	\$ -	\$ -	\$ -
Accounts payable	56,906	99,878	196,552	111,186	4,584
Long-term debt	-	-	8,019	7,308,385	-
Due to related parties	-	240,255	1,486,902	-	-
Total liabilities	56,906	369,391	1,691,473	7,419,571	4,584
Contributed equity	9,340,597	1,275,169	1,439,075	-	-
Equity (deficit)	(2,890,083)	(840,140)	(2,889,317)	3,255,395	35,787
Total equity	6,450,514	435,029	(1,450,242)	3,255,395	35,787
Total liabilities and equity	\$ 6,507,420	\$ 804,420	\$ 241,231	\$ 10,674,966	\$ 40,371

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

9. Equity in related entities, continued

	Cote Resources Ltd. March 31, 2016	Cote Market Development Inc. March 31, 2016	Duck Mountain Resorts Group December 31, 2015	PHC Holdings LP (14%) December 31, 2015	PHC Holdings Ltd. (14%) December 31, 2015
Revenue	\$ 6,534	\$ 3,966,683	\$ 842,287	\$ 2,015,482	\$ 358
Rebates retained	-	128,490	-	-	-
Cost of sales	-	3,368,277	270,699	-	-
Expenses	439,486	770,116	999,031	1,121,007	440
Operating costs	147,820	-	-	-	-
Total expenses	587,306	4,138,393	1,269,730	1,121,007	440
Net income	\$ (580,772)	\$ (43,220)	\$ (427,443)	\$ 894,475	\$ (82)

The financial statements for Cote Resources Ltd. as at March 31, 2016 were prepared by the management of the company and have not been audited.

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 2016.

The financial statements for CRL were prepared without audit. The assets held by CRL did not generate any revenue in 2015 or 2016, however management, based on outside appraisals, believes that once drilling commences there will be sufficient revenue to provide a reasonable return on investment.

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

11. Bank indebtedness

The First Nation had overdraft protection with Peace Hills Trust of \$150,000 (2015 - \$300,000), the overdraft interest rate is 24%. As at March 31, 2016 the overdraft used was \$84,527 and there were cheques issued in excess of deposits of \$53,223.

The First Nation does not have an approved overdraft with the TD Bank;

On March 31, 2016 the balance in the general bank account was overdrawn by \$47,430 and there were cheques written in excess of deposits of \$260,302.

On March 31, 2016 the balance in the health bank account was \$18,836 and there were cheques written in excess of deposits of \$30,099.

The First Nation does not have an approved overdraft with the Bank of Montreal

On March 31, 2016 the balance in the general account was overdrawn by \$24,391.

The First Nation does not have an approved overdraft with RBC; on March 31, 2016 the balance in the bank account was overdrawn by \$16,921 with there was an outstanding deposit of \$16,623.

The First Nation has other accounts with deposits on hand of \$140,422

12. Accounts payable

	2016	2015
Due to others		
Group insurance	\$ 3,349	\$ -
Pension plan	1,404	2,989
General suppliers	1,203,761	798,670
Wages and benefits	24,987	184,881
	<u>1,233,501</u>	<u>986,540</u>
Due to government and other government organizations		
INAC	33,879	35,282
Health Canada	10,743	-
CRA - source deductions	144,717	13,677
CRA - GST	656	-
Minister of Finance - PST	804	-
	<u>190,799</u>	<u>48,959</u>
Total accounts payable	<u><u>\$ 1,424,300</u></u>	<u><u>\$ 1,035,499</u></u>

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

13. INAC payable

	2016	2015
Special Needs	\$ 16	\$ 7,368
Band Employee Benefits	-	4,472
Basic Needs	32,290	1,347
Home Care	1,000	9
Institutional Care	573	22,086
	<u>\$ 33,879</u>	<u>\$ 35,282</u>

14. Deferred revenue - unexpended funds

INAC 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 INAC, deferred to the following year, or transferred to another INAC program upon approval from INAC. All excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds" on the financial statements.

The 2015 INAC review letter indicated unexpended funds of \$8,164 that were not recognized in the 2015 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 "Band Programs - Schedule 12". The amounts included in the 2015 column of this note are for information purposes only.

	2016	2015
Employee Benefits	\$ -	\$ 8,164
Total	<u>\$ -</u>	<u>\$ 8,164</u>

15. Deferred revenue

	March 31, 2015	Funding received, 2016	Revenue recognized, 2016	March 31, 2016
Federal government				
Water recharge	\$ 250,508	\$ 150,000	\$ (10,146)	\$ 390,362
Fire protection - capital	95,895	-	(500)	95,395
Low pressure water	11,904	-	(331)	11,573
Health capital project	8,473	5,153	(13,626)	-
	<u>366,780</u>	<u>155,153</u>	<u>(24,603)</u>	<u>497,330</u>
Other				
Subdivision Expansion	93,485	-	(4,100)	89,385
Per capita payout	319,540	1,545,576	(1,424,426)	440,690
	<u>413,025</u>	<u>1,545,576</u>	<u>(1,428,526)</u>	<u>530,075</u>
	<u>\$ 779,805</u>	<u>\$ 1,700,729</u>	<u>\$ (1,453,129)</u>	<u>\$ 1,027,405</u>

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

16. Long-term debt

	2016	2015
BMO - Consolidation loan Demand loan - bearing interest at prime plus 2%, monthly blended payments of \$104,341, general security agreement secured by Cote Onakawek Trust and lease revenue, no maturity date, secured by BCR.	\$ 6,295,909	\$ 7,121,000
Current portion	959,076	916,863
	<u>\$ 5,336,833</u>	<u>\$ 6,204,137</u>

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

2017	\$ 959,076	
2018	1,008,144	
2019	1,059,723	
2020	1,113,940	
2021 and thereafter	2,155,026	
	<u>\$ 6,295,909</u>	
	2016	2015
Interest expense for the year on long-term debt	<u>\$ 322,232</u>	<u>\$ 292,199</u>

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

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	2016	2015
CMHC	1	7/1/2015	11.75%	\$ 3,913	\$ -	\$ 15,484
CMHC	2	7/1/2016	13.00%	2,588	10,235	38,349
CMHC	3	6/1/2016	14.00%	802	2,386	11,139
CMHC	4	2/1/2017	21.50%	10,593	107,225	203,312
PHT	7	8/1/2015	5.79%	3,387	-	16,871
PHT	11	2/1/2017	5.14%	1,250	13,554	27,541
CMHC	12	12/1/2019	1.83%	2,057	196,264	217,190
CMHC	13	8/1/2020	1.08%	1,584	164,559	181,381
CMHC	14	9/1/2017	1.71%	1,437	180,221	194,282
CMHC	15	9/1/2019	1.82%	648	92,658	98,700
CMHC	16	4/1/2019	1.92%	2,084	286,539	305,900
CMHC	17	6/1/2017	1.65%	2,124	260,193	281,239
PHT	18	8/1/2018	2.99%	11,246	1,837,745	1,916,987
CMHC	19	4/1/2021	1.11%	7,472	1,221,553	1,289,276
CMHC	20	4/1/2021	1.11%	7,433	1,215,262	1,283,143
					5,588,394	6,080,794
Current portion					488,478	523,172
					<u>\$ 5,099,916</u>	<u>\$ 5,557,622</u>

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

18. Tangible capital assets

	Cost	Additions	Disposals	Accumulated amortization	2016 Net book value
Land	\$ 2,309,713	\$ 100,000	\$ -	\$ -	\$ 2,409,713
Buildings	9,369,315	-	-	5,337,803	4,031,512
Equipment	1,983,765	24,200	-	1,324,611	683,354
Vehicles	1,244,893	71,753	24,109	1,144,104	148,433
Infrastructure	9,847,946	118,769	-	1,660,679	8,306,036
Band houses	4,062,955	-	-	3,390,913	672,042
CMHC housing	14,515,678	-	-	7,791,040	6,724,638
Total	\$ 43,334,265	\$ 314,722	\$ 24,109	\$ 20,649,150	\$ 22,975,728

	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	1,983,765	-	-	1,135,957	847,808
Vehicles	1,173,074	94,819	23,000	1,097,541	147,352
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

19. Accumulated surplus

	2016	2015
<u>Restricted</u>		
Capital assets	\$ 17,387,334	\$ 17,951,705
CMHC reserves	1,242,849	1,267,064
Funds held in trust by federal government	53,268	462,706
Equity in related entities	5,666,759	6,068,677
<u>Unrestricted</u>		
Operating deficit	(7,360,714)	(5,678,221)
	\$ 16,989,496	\$ 20,071,931

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

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

	Revenue	Expenditures	Transfers	Surplus (deficit)
Claims and Indian Government	\$ 4,226,918	\$ 1,464,838	\$ (650,000)	\$ 2,112,080
Community Development	1,095,489	2,198,204	(389,176)	(1,491,891)
Economic Development	41,747	1,400,639	(352,640)	(1,711,532)
Education	2,580,151	2,654,865	-	(74,714)
Indian Government Support	998,513	1,864,093	-	(865,580)
Lands Management	139,588	178,232	-	(38,644)
Social Development	1,722,338	1,649,545	-	72,793
Indian Registration	27,211	40,129	-	(12,918)
Governance and Institutions of Governance	52,931	100,572	85,000	37,359
Health Programs	1,117,170	1,058,090	-	59,080
CMHC Housing	996,146	718,531	(507,970)	(230,355)
Band Programs	2,216,717	3,617,411	462,580	(938,114)
Amortization	-	1,352,206	1,352,206	-
	<u>\$ 15,214,919</u>	<u>\$ 18,297,355</u>	<u>\$ -</u>	<u>\$ (3,082,436)</u>

21. INAC reconciliation

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

	2016	2015
Balance per INAC confirmation	\$ 6,169,104	\$ 7,163,317
Payable (receivable) - previous year		
Band Employee Benefits	-	(465)
Band operated school - Direct Services	(26,945)	
Receivable (payable) - current year		
Band Employee Benefits	22,158	(4,472)
Basic Needs	(32,290)	(1,347)
Special Needs	(16)	(7,368)
Institutional Care	(573)	(22,086)
Home Care	(1,000)	(9)
Balance per financial statements	<u>\$ 6,130,438</u>	<u>\$ 7,127,570</u>

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

22. Government Transfers

	2016		
	Operating	Capital	Total
Federal government transfers			
Indigenous and Northern Affairs Canada	\$ 5,605,140	\$ 525,298	\$ 6,130,438
Health Canada	1,008,518	5,153	1,013,671
Canada Mortgage and Housing Corporation	688,168	-	688,168
Total	7,301,826	530,451	7,832,277
Provincial government transfers	-	-	-
	\$ 7,301,826	\$ 530,451	\$ 7,832,277
	2015		
	Operating	Capital	Total
Federal government transfers			
Indigenous and Northern Affairs 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

23. 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, 2016 the reserve accounts were under-funded by \$951,162 (2015 - \$247,377). The amount required to be set aside was \$1,242,849 (2015 - \$1,295,494) and the amount in the reserve bank account was \$291,687 (2015 - \$1,048,117). (The reserve amount of \$1,242,849 is not reported separately on these financial statements, but is included in equity).

24. Health Canada - Moveable Asset Reserve

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

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

25. 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, 2015	December 31, 2014
Cote Legacy Trust	\$ 76,220,304	\$ 71,842,374
Cote Onakawek Trust	11,324,565	11,199,953
Total	\$ 87,544,869	\$ 82,317,429

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.

26. 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 has a revolving loan through the Cote Legacy Trust as at December 31, 2015 in the amount of \$17,499,491 (Dec 2014 - \$17,256,327)

27. 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, 2016.

28. 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.

29. Economic dependence

Cote First Nation receives a significant portion of its revenue pursuant to a funding arrangement with Indigenous and Northern Affairs 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.

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

32. Expenses by object

	2016 Budget	2016 Actual	2015 Actual
Administration	\$ 267,040	\$ 48,775	\$ 34,476
Advertising, promotions, sponsorships	3,500	14,202	64,143
Amortization	398,353	1,352,206	1,352,932
Assistance - basic needs	1,278,749	1,103,109	1,126,943
Assistance - institutional care	-	89,849	49,448
Assistance - special needs	93,508	89,523	95,240
Assistance to band members	162,400	684,650	679,857
Bad debts	-	45,918	-
Business initiatives	-	532,716	518,307
Capital purchases	-	33,564	-
Charitable expense	-	37,985	155,615
Community expenses	42,995	914,536	1,333,234
Consultants and contractors	360,937	628,446	1,308,144
Cote Band Store	-	-	13,110
Cultural programs	391,114	276,449	175,308
Economic Development - Businesses	75,000	335,161	125,000
Education	14,100	2,098	18,519
Equipment purchases	2,400	6,183	23,892
Fuel	925,699	66,533	50,254
Governance/Policy Development	-	22,289	167,455
Graduation, awards, prizes	37,615	25,261	40,972
Honorariums	584,296	573,000	463,042
Insurance	288,082	413,806	391,722
Interest and bank charges	22,050	63,049	45,427
Janitorial services	12,400	39,809	5,290
Land purchase	-	100,000	-
Lease payments	66,395	53,500	73,615
Legacy Trust loan payments - facility #2	-	-	1,332,032
License fees	10,317	14,192	10,303
Long term debt - interest	351,109	499,247	507,471
Loss (gain) on disposal of capital assets	-	-	(3,800)
Membership dues	500	300	339
Municipal fire services	12,000	29,133	25,443
National Child Benefit	142,256	125,706	25,623
Other expenses	131,024	17,452	58,109
Per capita distributions	-	1,421,239	1,266,731
Per capita distributions - Pelly Haylands	-	-	3,000
Pickeral Point expenses	-	130,477	-
Professional fees	180,500	246,527	274,705
Program expenses	94,013	215,601	171,043
Property taxes	-	11,581	18,786
Recreational activities	115,000	332,052	66,193
Registration fees	2,500	80	3,335
Rent	-	-	625
Repairs and maintenance	513,310	1,205,536	1,516,332

Cote First Nation
Notes to Consolidated Financial Statements
March 31, 2016

32. Expenses by object, continued

	2016 Budget	2016 Actual	2015 Actual
SIGA	10,950	10,950	21,650
Security	11,550	2,036	330
Senior/Youth programs	126,716	78,591	65,741
Staffing costs	8,000	11,600	75,224
Student allowance	664,500	920,895	947,835
Student tuition	306,200	282,811	366,404
Summer/winter games	25,000	45,366	27,025
Supplies	550,189	244,967	252,198
Telephone and internet	62,200	89,488	70,968
Training	53,021	52,997	282,195
Transportation	9,000	630	7,057
Travel - medical transportation	47,200	77,526	70,001
Travel, meetings, per diems	419,301	662,051	1,071,975
Unexpended funds not recognized in prior year	-	-	8,847
Utilities	236,794	413,561	333,286
Wages and benefits	3,403,182	3,914,871	3,559,157
Write off of old accounts payable	-	-	(67,500)
Transfer to capital assets	-	(314,722)	(685,092)
Loss on sale of capital assets	-	1,998	-
	<u>\$ 12,512,965</u>	<u>\$ 18,297,356</u>	<u>\$ 19,995,516</u>

33. INAC funding

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

There are five approaches that INAC 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 INAC 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 INAC. A plan must be submitted and approved by INAC 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 INAC.
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 INAC 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 INAC.

34. Segmented information

As previously discussed in note 2 (i) the First Nation conducts its business through reportable segments as follows:

1) Indigenous and Northern Affairs Canada (INAC)

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 INAC'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.

34. Segmented information, continued

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.

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.

Schedule #1
Cote First Nation
Claims and Indian Government
Schedule of Operations
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - set	\$ -	\$ 66,100	\$ 25,200
Cote Legacy Trust	-	4,281,874	4,916,132
Other revenue	-	94	9
Deferred revenue - prior	-	319,540	338,063
Deferred revenue - current	-	(440,690)	(319,540)
	-	4,226,918	4,959,864
Expenses			
Interest and bank charges	-	3,899	3,012
Legacy Trust loan payments - facility #2	-	-	1,332,032
Legal	-	36,600	60,763
Per capita distributions	-	1,424,239	1,266,731
Wages and benefits	-	100	-
	-	1,464,838	2,662,538
Current surplus before transfers	-	2,762,080	2,297,326
Transfers			
Transfers - Community Development	-	-	1,277,016
Transfers - Indian Government Support	-	-	(693,825)
Transfers - Economic Development	-	-	(1,467,832)
Transfers - Band Programs	-	(650,000)	(1,385,231)
Current surplus	\$ -	\$ 2,112,080	\$ 27,454

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 551,812	\$ 529,124	\$ 515,000
INAC - fixed - municipal services	-	15,000	15,000
INAC - set	-	26,106	13,300
INAC - flexible	-	150,000	1,327,016
INAC - flexible - BBC - community buildings	18,577	18,577	18,577
INAC - flexible - BBC - fire protection	11,547	11,547	11,547
INAC - flexible - BBC - planning, design & construction	274,119	274,119	274,119
INAC - flexible - BBC - renovations	19,116	19,116	19,116
INAC - flexible - BBC - roads & bridges	51,900	51,900	51,900
Housing rental income	250,800	77,225	69,232
Insurance proceeds	-	-	234,447
Other revenue	10,620	57,698	193
Administration fees	-	-	825
Deferred revenue - prior	-	451,792	992,065
Deferred revenue - current	-	(586,715)	(451,792)
	1,188,491	1,095,489	3,090,545
Expenses			
Administration	47,719	-	27,994
Assistance to band members	-	-	1,141
Community wellness	-	-	500
Consultants and contractors	21,161	126,883	739,096
Fuel	13,800	13,847	18,346
Honorariums	-	-	200
Insurance	159,819	134,781	125,276
Interest and bank charges	-	-	134
Janitorial services	12,400	39,809	5,290
Lease payments	29,600	17,360	14,950
License fees	4,903	3,406	5,682
Repairs and maintenance	250,347	730,802	967,702
Repairs and maintenance - CBS	12,000	29,133	25,443
Security	10,650	1,796	330
Supplies	354,259	47,704	27,128
Telephone and internet	9,800	10,197	9,335
Training	2,500	-	4,385
Travel, meetings, per diems	74,000	78,468	106,185
Utilities	94,500	229,836	144,958
Wages and benefits	683,985	752,951	638,999
Equipment purchases	-	-	1,873
Transfer to capital assets	-	(18,769)	(590,273)
	1,781,443	2,198,204	2,274,674
Current surplus (deficit) before transfers	(592,952)	(1,102,715)	815,871
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, 2016

	2016 Budget	2016 Actual	2015 Actual
Transfers			
Transfer - Band Programs	-	40,000	-
Transfer - Claims and Indian Government	-	-	(1,277,016)
Transfer - Amortization	(69,890)	(429,176)	(430,775)
Current deficit	\$ (662,842)	\$ (1,491,891)	\$ (891,920)

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Yorkton Tribal Council	\$ 144,100	\$ 144,100	\$ 172,082
Equity change - Cote Resources Ltd. (Note 9)	-	68,742	(709,097)
Equity change - Duck Mountain Resorts LP (Note 9)	-	(427,443)	(320,431)
Equity change - Cote Markets Ltd. (Note 9)	-	(43,220)	22,398
Lease revenue - Duck Mountain Resorts	-	120,000	120,000
Other revenue	539,000	179,568	48,757
	683,100	41,747	(666,291)
Expenses			
Administration	14,410	-	-
Assistance - general	-	55,000	-
Business initiatives	-	532,716	518,307
Consultants and contractors	-	60,000	58,397
Cote Band Store	-	-	13,110
Economic Development - Businesses	75,000	335,161	125,000
Fuel	-	38,282	24,575
Honorariums	3,500	12,400	4,400
Insurance	23,177	33,325	32,089
Interest and bank charges	150	42,427	1,362
Lease payments	-	-	16,000
License fees	-	1,657	-
Capital expenditures	-	100,000	-
Pickeral Point expenses	-	14,737	-
Professional fees	12,000	5,450	-
Repairs and maintenance	-	36,041	126,752
Telephone and internet	3,000	1,083	1,988
Travel, meetings, per diems	18,600	37,440	23,388
Supplies	1,200	-	-
Wages and benefits	143,228	190,520	146,454
Equipment purchases	-	4,400	650
Transfer to capital assets	-	(100,000)	-
Loss (gain) on disposal of capital assets	-	-	(3,800)
	294,265	1,400,639	1,088,672
Current deficit before transfers	388,835	(1,358,892)	(1,754,963)
Transfers			
Transfer - Claims and Indian Government	-	-	1,467,832
Transfer - Other Band Programs	-	60,000	-
Transfer - Amortization	-	(412,640)	(414,189)
Current deficit	\$ 388,835	\$ (1,711,532)	\$ (701,320)

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 2,454,177	\$ 2,429,026	\$ 2,515,466
INAC - set	140,763	178,070	172,942
INAC - prior period revenue (recovery)	-	(26,945)	-
Administration fees	35,416	-	-
Unexpended funds transferred - prior year	-	-	683
	<u>2,630,356</u>	<u>2,580,151</u>	<u>2,689,091</u>
Expenses			
Administration	35,000	-	-
Advertising, promotions, sponsorships	1,800	1,917	345
Assistance - special needs	2,500	1,812	17,560
Assistance to band members	35,000	1,671	22,856
Consultants and contractors	202,976	160,836	191,519
Education	14,100	2,098	18,519
Fuel	500	-	2,341
Governance/Policy Development	-	22,289	35,446
Graduation, awards, prizes	25,265	15,061	18,868
Honorariums	27,000	10,400	16,452
Interest and bank charges	1,000	620	1,957
Lease payments	12,000	-	-
Other expenses	117,524	4,476	37,712
Program expenses	7,000	10,928	4,620
Registration fees	2,500	80	3,335
Repairs and maintenance	-	550	1,305
Staffing costs	3,000	-	-
Student allowance	565,000	760,067	801,675
Student tuition	275,000	282,811	366,404
Supplies	102,038	109,643	109,770
Telephone and internet	3,500	1,379	2,633
Training	8,000	9,071	24,038
Transportation	9,000	630	7,057
Travel, meetings, per diems	126,691	117,970	51,399
Wages and benefits	1,109,308	1,140,556	1,174,125
	<u>2,685,702</u>	<u>2,654,865</u>	<u>2,909,936</u>
Current deficit	<u>\$ (55,346)</u>	<u>\$ (74,714)</u>	<u>\$ (220,845)</u>

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - grant	\$ 434,189	\$ 434,189	\$ 434,189
INAC - fixed	1,125	1,125	1,350
INAC - set	37,270	17,229	21,701
INAC - current year receivable (payable)	-	22,158	(4,472)
Yorkton Tribal Council	25,000	-	19,397
Onakawek Trust income	-	453,958	517,867
Pelly Haylands Trust income	112,500	-	-
Interest income	500	200	21,951
Other revenue	35,000	52,202	188,062
Administration fees	213,365	9,288	52,213
Unexpended funds transferred - prior year	-	8,164	8,164
	858,949	998,513	1,260,422
Expenses			
Administration	-	9,289	1,350
Consultants and contractors	-	43,455	22,342
Honorariums	547,200	529,750	437,840
Insurance	14,000	9,735	16,077
Interest and bank charges	-	11,604	29,146
Lease payments	21,000	29,164	37,968
Long term debt - interest	12,000	322,232	292,199
Membership dues	500	300	339
Other expenses	12,000	3,161	20,398
Professional fees	83,500	128,411	100,589
Supplies	24,000	28,962	65,503
Repairs and maintenance	1,600	-	-
Telephone and internet	36,000	63,888	42,742
Training	12,000	6,392	6,626
Travel, meetings, per diems	96,000	261,378	659,487
Wages and benefits	296,675	414,589	322,463
Write off of old accounts payable	-	-	(67,500)
Equipment purchases	2,400	1,783	2,618
	1,158,875	1,864,093	1,990,187
Current deficit before unexpended funds	(299,926)	(865,580)	(729,765)
Unexpended funds			
Unexpended funds transferred to deferred revenue	-	-	(8,164)
Current deficit before transfers	(299,926)	(865,580)	(737,929)
Transfers			
Transfer - Claims and Indian Government	-	-	693,825
Current deficit	\$ (299,926)	\$ (865,580)	\$ (44,104)

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 103,610	\$ 103,610	\$ 92,665
Other revenue	-	35,978	-
Deferred revenue - prior	283,596	-	-
	387,206	139,588	92,665
Expenses			
Consultants and contractors	-	2,500	-
Cultural programs	2,000	35,600	550
Honorariums	3,000	-	100
Fuel	4,800	-	-
Insurance	1,600	456	418
License fees	-	1,327	-
Property taxes	-	11,581	-
Repairs and maintenance	-	6,300	2,624
Supplies	2,400	8,191	2,259
Travel, meetings, per diems	12,500	27,768	40,237
Training	5,000	-	-
Wages and benefits	80,275	84,509	91,842
Equipment purchases	-	-	18,750
Transfer to capital assets	-	-	(18,750)
	111,575	178,232	138,030
Current deficit	\$ 275,631	\$ (38,644)	\$ (45,365)

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 67,392	\$ 71,899	\$ 71,899
INAC - set	1,651,563	1,681,225	1,530,381
INAC - current year receivable (payable)	-	(33,879)	(30,810)
Other revenue	-	3,093	-
	1,718,955	1,722,338	1,571,470
Expenses			
Administration	4,230	-	4,757
Assistance - basic needs	1,278,749	1,103,109	1,126,943
Assistance - institutional care	-	89,849	49,448
Assistance - special needs	91,008	87,711	77,680
Cultural programs	-	-	67,325
Honorariums	-	-	400
Interest and bank charges	-	-	2,652
National Child Benefit	142,256	125,706	25,623
Other expenses	1,500	-	-
Program expenses	56,000	62,500	68,601
Repairs and maintenance	-	-	222
Staffing costs	-	-	57,674
Supplies	1,200	4,073	9,117
Telephone and internet	-	1,563	875
Travel, meetings, per diems	19,200	25,043	29,586
Wages and benefits	145,438	149,991	140,383
	1,739,581	1,649,545	1,661,286
Current surplus (deficit)	\$ (20,626)	\$ 72,793	\$ (89,816)

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - fixed	\$ 27,211	\$ 27,211	\$ 26,484
Expenses			
Supplies	-	129	3,209
Telephone and internet	-	-	365
Travel, meetings, per diems	3,600	5,035	5,044
Wages and benefits	36,030	34,965	36,648
	39,630	40,129	45,266
Current deficit	\$ (12,419)	\$ (12,918)	\$ (18,782)

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
INAC - set	\$ -	\$ 63,931	\$ 25,000
Other revenue	-	(11,000)	-
	-	52,931	25,000
Expenses			
Consultants and contractors	-	97,389	88,955
Training	-	-	28,156
Travel, meetings, per diems	-	3,183	357
	-	100,572	117,468
Current deficit before transfers	-	(47,641)	(92,468)
Transfers			
Transfer - Other Band Programs	-	85,000	-
Current surplus (deficit)	\$ -	\$ 37,359	\$ (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, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Health Canada	\$ 928,395	\$ 1,026,041	\$ 1,047,540
Health Canada - prior period revenue (recovery)	-	(1,627)	(58,620)
Health Canada - current year revenue (recovery)	-	(10,743)	-
Yorkton Tribal Council	28,341	43,899	55,931
Administration fees	38,342	-	-
Other revenue	-	51,127	1,700
Deferred revenue - prior	-	8,473	-
Deferred revenue - current	-	-	(8,473)
	995,078	1,117,170	1,038,078
Expenses			
Administration	75,681	35,971	375
Advertising, promotions, sponsorships	500	-	1,029
Community expenses	42,795	140,466	132,080
Consultants and contractors	136,800	131,633	207,835
Cultural programs	36,114	-	400
Governance/Policy Development	-	-	15,848
Honorariums	3,596	3,050	1,450
Insurance	9,881	10,779	11,082
Interest and bank charges	1,500	2,789	2,533
Lease payments	3,795	6,976	2,847
License fees	1,554	2,092	984
Professional fees	-	5,066	94,854
Program expenses	21,738	43,005	36,633
Rent	-	-	625
Repairs and maintenance	6,700	10,443	9,005
Senior/Youth programs	2,716	648	7,040
Supplies	52,227	38,684	32,392
Telephone and internet	6,400	7,552	9,532
Training	19,521	37,534	26,578
Travel - medical transportation	47,200	74,237	55,962
Travel, meetings, per diems	53,610	95,308	115,177
Utilities	7,494	5,746	8,773
Vehicles	-	33,564	-
Wages and benefits	476,348	517,011	528,963
Transfer to capital assets	-	(144,464)	(9,344)
	1,006,170	1,058,090	1,292,653
Current surplus (deficit)	\$ (11,092)	\$ 59,080	\$ (254,575)

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, 2016

	2016 Budget	2016 Actual	2015 Restated
Revenue			
CMHC - subsidy	\$ 645,856	\$ 688,168	\$ 747,782
Housing rental income	-	284,534	187,492
Interest income	-	529	533
Other revenue	284,145	22,915	-
	930,001	996,146	935,807
Expenses			
Administration	-	3,515	-
Insurance	56,966	196,817	181,193
Interest and bank charges	3,000	831	3,185
Long term debt - interest	339,109	177,015	215,272
Professional fees	5,000	18,500	18,500
Repairs and maintenance	197,463	321,853	315,534
	601,538	718,531	733,684
Current surplus before transfers	328,463	277,615	202,123
Transfers			
Transfer - Amortization	(328,463)	(507,970)	(507,968)
Current deficit	\$ -	\$ (230,355)	\$ (305,845)

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
First Nations Trust	\$ 1,240,000	\$ 1,295,413	\$ 1,289,429
Yorkton Tribal Council	169,069	192,960	171,940
Yorkton Tribal Council - prior year revenue	-	12,167	-
Ottawa Trust Funds	360,000	330,562	507,092
Sales - Pickeral Point	-	154,994	-
Painted Hand Development Corporation	120,000	133,582	230,971
Pelly Haylands Trust income	112,500	-	-
Interest income	-	-	43
Other revenue	975,250	97,039	116,314
Administration fees	35,000	-	11,420
	3,011,819	2,216,717	2,327,209
Expenses			
Administration	90,000	-	-
Advertising, promotions, sponsorships	1,200	12,285	62,769
Assistance to band members	127,400	627,978	655,860
Bad debts	-	45,918	-
Charitable expense	-	37,985	155,615
Community expenses	200	774,070	1,200,654
Consultants and contractors	-	5,750	-
Cultural programs	353,000	240,849	107,033
Fuel	906,599	14,405	4,992
Governance/Policy Development	-	-	116,161
Graduation, awards, prizes	12,350	10,200	22,103
Honorariums	-	17,400	2,200
Insurance	22,639	27,912	25,586
Interest and bank charges	16,400	880	1,449
Lease payments	-	-	1,850
License fees	3,860	5,710	3,637
Other expenses	-	9,815	-
Per capita distributions	-	(3,000)	-
Per capita distributions - Pelly Haylands	-	-	3,000
Pickeral Point expenses	-	115,741	-
Professional fees	80,000	52,500	-
Program expenses	9,275	99,168	61,189
Property taxes	-	-	18,786
Recreational activities	115,000	332,052	66,193
Repairs and maintenance	57,200	99,548	93,188
SIGA	10,950	10,950	21,650
Security	900	240	-
Senior/Youth programs	124,000	77,944	58,701
Staffing costs	5,000	11,600	17,550
Student allowance	99,500	160,828	146,160
Summer/winter games	25,000	45,366	27,025

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Supplies	12,865	7,581	2,820
Telephone and internet	3,500	3,827	3,500
Training	6,000	-	192,412
Travel - medical transportation	-	3,289	14,039
Travel, meetings, per diems	15,100	10,457	41,117
Student tuition	31,200	-	-
Unexpended funds not recognized in prior year	-	-	8,847
Utilities	134,800	177,979	179,555
Wages and benefits	431,895	629,675	479,271
Transfer to capital assets	-	(51,489)	(66,725)
Loss on sale of capital assets	-	1,998	-
	2,695,833	3,617,411	3,728,187
Current deficit before transfers	315,986	(1,400,694)	(1,400,978)
Transfers			
Transfer - Community Development	-	(40,000)	-
Transfer - Economic Development	-	(60,000)	-
Transfer - Claims and Indian Government	-	650,000	1,385,231
Transfer - Governance and Institutions of Governance	-	(85,000)	-
Transfer - Amortization	-	(2,420)	-
Current deficit	\$ 315,986	\$ (938,114)	\$ (15,747)

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Community buildings	-	359,286	360,885
Capital equipment	-	415,060	414,189
Housing	69,890	69,890	69,890
CMHC operations (section 95)	328,463	507,970	507,968
	398,353	1,352,206	1,352,932
Current deficit before transfers	(398,353)	(1,352,206)	(1,352,932)
Transfers			
Transfer - Programs	398,353	1,352,206	1,352,932
Current surplus	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements