

**COOK'S FERRY BAND**

**SUMMARY FINANCIAL STATEMENTS**

**March 31, 2016**

**EXHIBIT**

**SUMMARY FINANCIAL STATEMENTS:**

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#### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Cook's Ferry Band have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgements. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Band Council is responsible for ensuring that management fulfils its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility periodically through its Finance Committee. The Finance Committee is appointed by the Council and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Finance Committee reports to Council prior to its approval of the financial statements. The Committee also considers, for review by the Council and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Daley & Company CPA LLP in accordance with Canadian generally accepted auditing standards.

Jared Wall  
Chairman



#### INDEPENDENT AUDITORS' REPORT

To the members of COOK'S FERRY BAND

EXHIBIT A1

##### ***Report on the Financial Statements***

We have audited the accompanying financial statements of COOK'S FERRY BAND, which comprise the summary statement of financial position as at March 31, 2016, and the summary statement of accumulated surplus, summary statement of operations, summary statement of remeasurement gains and losses, summary statement of changes in net financial assets and summary statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

##### ***Management's Responsibility for the Financial Statements***

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

##### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

##### ***Opinion***

In our opinion, the summary financial statements present fairly, in all material respects, the financial position of COOK'S FERRY BAND as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

##### ***Other Matter***

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Exhibits B1 to B3, C1 to C2, D1 to D2 and schedules 1 to 35 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the summary financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Chartered Professional Accountants

Kamloops, BC  
July 22, 2016

##### **Disclaimer of Liability**

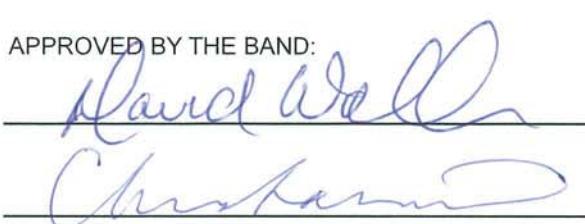
These summary financial statements were examined and this Audit Opinion issued solely for the use of COOK'S FERRY BAND. Daley & Company CPA LLP makes no representations of any kind to any other person in respect of these financial statements and accepts no responsibility for their use by any other person in the absence of the written consent of Daley & Company CPA LLP.

**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF FINANCIAL POSITION**  
**March 31, 2016**

FINANCIAL ASSETS	2016	2015
Cash	\$ 1,245,512	\$ 1,821,315
Restricted cash (Note A4)	511,437	489,724
Deposits held in trust (Note A22)	575,288	-
Grants and accounts receivable (Note A5)	70,601	181,337
Note receivable (Note A6)	59,724	59,724
Long-term investments and advances (Note A7)	962,911	848,260
Investment in 9086 Investments Ltd. (Note A8)	147,126	112,869
	<u>3,572,599</u>	<u>3,513,229</u>
<b>LIABILITIES</b>		
Accounts payable and accruals	410,257	466,742
Deferred revenue (Note A9)	326	163
Demand loans (Note A10)	200,000	5,834
Long-term debt (Note A11)	172,950	202,358
Obligation under capital lease (Note A12)	4,469	24,352
Reforestation obligation (Note A13)	889	889
	<u>788,891</u>	<u>700,338</u>
<b>NET FINANCIAL ASSETS</b>	<b>2,783,708</b>	<b>2,812,891</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note A14)	9,928,220	10,177,134
Prepaid expenses	39,410	30,783
<b>ACCUMULATED SURPLUS (Note A15)</b>	<b>\$ 12,751,338</b>	<b>\$ 13,020,808</b>

## COMMITMENTS AND CONTINGENCIES (Note A16)

APPROVED BY THE BAND:



Two handwritten signatures are present: "David Wells" and "Christopher". Both signatures are in blue ink and are placed side-by-side on a horizontal line.

EXHIBIT A3

**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF ACCUMULATED SURPLUS**  
**March 31, 2016**

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	<b>2016</b>	<b>2015</b>
ACCUMULATED SURPLUS, beginning of year	<b>\$ 13,020,808</b>	\$ 13,206,212
SHORTFALL OF REVENUE OVER EXPENSES	<b>(418,378)</b>	(131,387)
UNREALIZED GAINS (LOSSES) (Exhibit A5)	<b>148,908</b>	<b>(54,017)</b>
ACCUMULATED SURPLUS, end of year	<b>\$ 12,751,338</b>	<b>\$ 13,020,808</b>

**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF OPERATIONS**  
**Year ended March 31, 2016**

	Budget	2016	2015
<b>REVENUE:</b>			
Indigenous and Northern Affairs Canada	\$ 1,001,863	\$ 1,001,863	\$ 940,838
Leases and rentals	99,401	96,294	64,959
Property taxes	69,000	81,796	78,463
First Nations Education Steering Committee	-	3,011	-
CNR Grant-in-lieu	-	12,608	11,994
Interior Salish Employment and Training Society	-	2,813	5,852
Income - Ottawa Trust Funds	-	28,787	27,150
Canada Mortgage and Housing Corporation	13,849	15,066	15,066
Province of BC - Forest and Range Opportunity	105,816	105,816	117,080
Forest and Range Opportunity - Log Sales	50,000	230,147	276,259
Heskw'en'scutxe Health Services Society	-	27,218	38,447
Nlaka'pamux Legacy Trust (2013)	546,010	177,529	-
Miscellaneous revenues	258,817	176,036	200,515
	<u>2,144,756</u>	<u>1,958,984</u>	<u>1,776,623</u>
<b>EXPENSES:</b>			
Band Revenue	342,759	603,749	322,126
Teck Highland Valley Copper Partnership Interim			
Participation Agreement	-	82,247	14,257
Nlaka'pamux Legacy Trust (2013)	647,510	77,749	-
Band Support	212,633	168,489	216,013
Band Employee Benefits	13,569	14,954	19,384
Social Services	167,180	211,633	191,967
Fundraising	5,000	475	6,464
National Child Benefit	19,500	19,500	19,724
Economic Development	17,609	-	8,929
Real Property Taxation	97,719	25,508	24,759
First Nation Infrastructure	-	55,000	110,900
Environment Canada - Species at Risk Project	-	-	18,888
Steelhead Recovery Project	-	-	8,600
Post Secondary Education	170,144	137,304	108,898
Tuition Agreement	109,734	189,140	102,488
Brighter Futures	24,000	14,802	10,271
Training Program	-	3,286	-
Scholarship	500	500	500
Community Infrastructure - Operation & Maintenance	140,774	473,778	445,389
Cook's Ferry Band / TNRD Water System	38,532	42,984	31,910
Municipal Services	-	57,834	29,720
Community Centre Operations	33,662	48,117	35,065
Basque Ranch	60,387	51,280	75,746
Modular Home	1,200	3,940	2,578
Safe Water Operations Program	15,600	15,600	7,800
CPMS #6457 FNWMS New Water Supply Shawniken			
IR 4B, Entlqwekkinh	-	12,894	-
Interior Allied Memorial Project	-	10	983
ICMS #9-00113978 ACRS 2014	-	-	25,192
Rental Housing	14,641	17,892	23,917
Social Housing Operation	56,449	48,697	45,542
	<u>2,189,102</u>	<u>2,377,362</u>	<u>1,908,010</u>
<b>SHORTFALL OF REVENUE OVER EXPENSES</b>	<b>\$ (44,346)</b>	<b>\$ (418,378)</b>	<b>\$ (131,387)</b>

**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
**Year ended March 31, 2016**

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	<b>2016</b>	<b>2015</b>
ACCUMULATED REMEASUREMENT GAINS, beginning of year	<u>\$ 463,191</u>	<u>\$ 517,208</u>
UNREALIZED GAINS (LOSSES) ATTRIBUTED TO:		
Equity in 9086 Investments Ltd.	34,257	2,011
Equity in Swl'eps Limited Partnership	<u>114,651</u>	<u>(56,028)</u>
	<u><b>148,908</b></u>	<u><b>(54,017)</b></u>
ACCUMULATED REMEASUREMENT GAINS, end of year	<u>\$ 612,099</u>	<u>\$ 463,191</u>

**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**Year ended March 31, 2016**

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	Budget	<b>2016</b>	2015
SHORTFALL OF REVENUE OVER EXPENSES	\$ (44,346)	<b>\$ (418,378)</b>	\$ (131,387)
Acquisition of tangible capital assets	-	<b>(85,035)</b>	(171,642)
Amortization of tangible capital assets	-	<b>333,949</b>	336,669
Unrealized gains (Exhibit A5)	-	<b>148,908</b>	(54,017)
Change in prepaid expenses	-	<b>(8,627)</b>	(13,814)
DECREASE IN NET FINANCIAL ASSETS	(44,346)	<b>(29,183)</b>	(34,191)
NET FINANCIAL ASSETS, beginning of year	<u>2,812,891</u>	<b><u>2,812,891</u></b>	<u>2,847,082</u>
<b>NET FINANCIAL ASSETS, end of year</b>	<b>\$ 2,768,545</b>	<b>\$ 2,783,708</b>	<b>\$ 2,812,891</b>

**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF CASH FLOWS**  
**Year ended March 31, 2016**

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Shortfall of revenue over expenses	\$ (418,378)	\$ (131,387)
Non-cash charges to operations:		
Amortization	333,949	336,669
Deposits	(575,288)	-
Investments	(148,908)	50,603
(Increase) decrease in:		
Grants and accounts receivable	110,736	19,317
Note receivable	-	(59,724)
Prepaid expenses	(8,627)	(13,814)
Increase (decrease) in:		
Accounts payable and accruals	(56,485)	108,762
Deferred revenue	163	(163)
Cash flows from (used in) operations	<u>(762,838)</u>	<u>310,263</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds on demand loan	200,000	-
Proceeds on long-term debt	-	34,352
Debt reduction	(35,242)	(53,545)
Repayment of obligation under capital lease	(19,883)	(18,352)
Cash flows from (used in) financing	<u>144,875</u>	<u>(37,545)</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>		
Restricted cash	(21,713)	(25,604)
Unrealized gains (losses) (Exhibit A5)	148,908	(54,017)
Acquisition of tangible capital assets	(85,035)	(171,642)
Cash flows from (used in) investing	<u>42,160</u>	<u>(251,263)</u>
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	<b>(575,803)</b>	<b>21,455</b>
CASH, beginning of year	<u>1,821,315</u>	<u>1,799,860</u>
<b>CASH, end of year</b>	<b>\$ 1,245,512</b>	<b>\$ 1,821,315</b>

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2016**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES:**

These summary financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The significant accounting policies are summarized as follows:

a) Fund Accounting:

The Cook's Ferry Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the summary financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Cook's Ferry Band maintains the following funds:

- The Band Operating Fund which reports the general activities of the Band Administration.
- The Ottawa Trust Fund which reports on trust funds owned by the Band and held by Indigenous and Northern Affairs Canada.
- The Capital Fund which reports the property and equipment of the Band, together with their related financing.
- The Social Housing Fund which reports the social housing assets of the Band, together with related activities.

b) Reporting Entity and Principles of Financial Reporting:

The Cook's Ferry Band reporting entity includes the Cook's Ferry Band government and all related entities which are accountable to the Band and are either owned or controlled by the Band.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Cook's Ferry Band Operating Fund
- Cook's Ferry Band Ottawa Trust Fund
- Cook's Ferry Band Capital Fund
- Cook's Ferry Band Social Housing Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Incorporated business entities, which are owned or controlled by Cook's Ferry Band and which are not dependent on the Band for their continuing operations, are included in the summary financial statements using the modified equity method. These include:

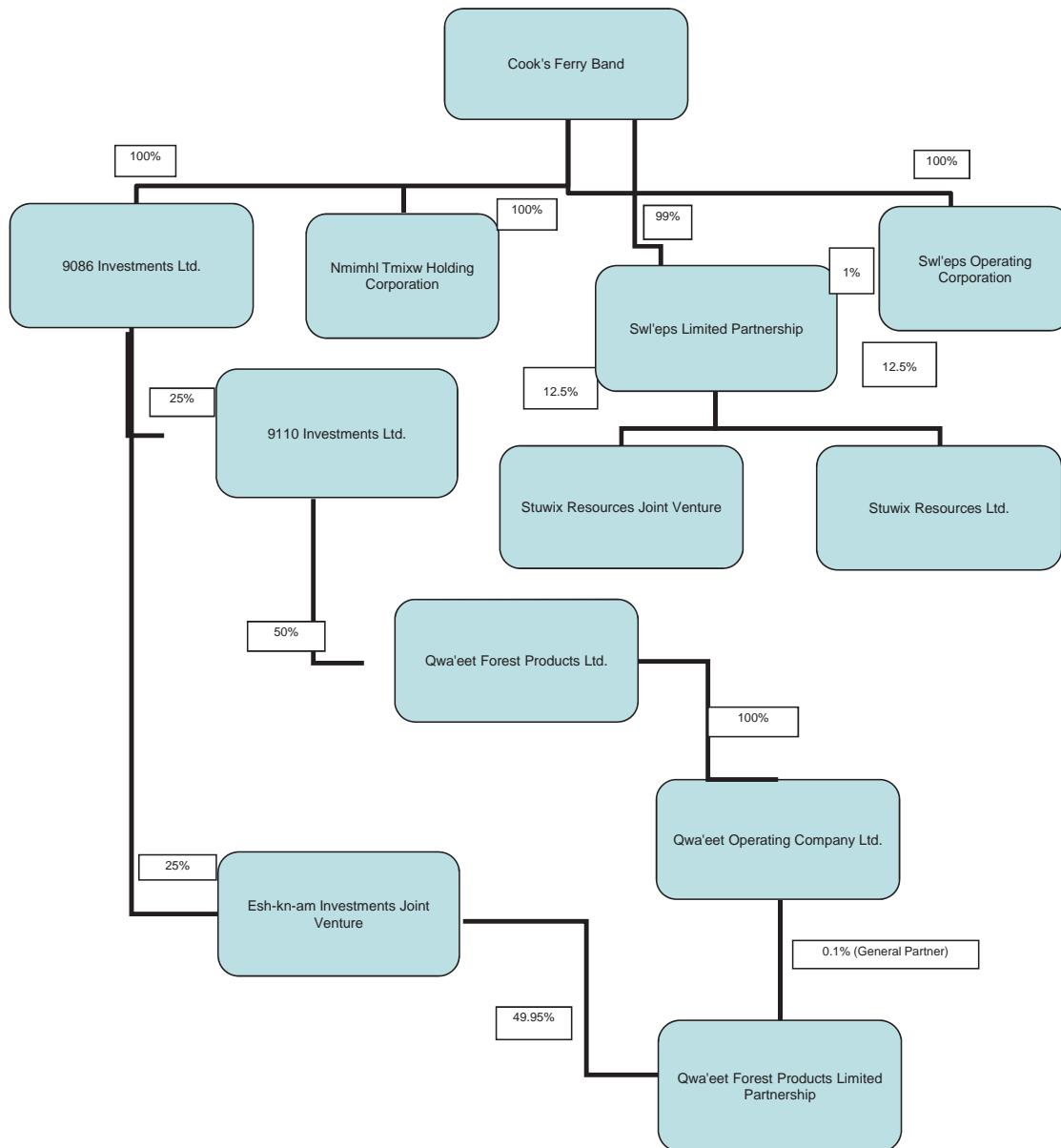
- 9086 Investments Ltd.
- Swl'eps Limited Partnership
- Swl'eps Operating Corporation
- Nmimhl Tmixw Holding Corporation

A detailed organization chart follows:

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2016**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):**



**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2016**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):**

c) Accrual Method:

The accrual method is used in accounting.

d) Non-financial Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Changes in Net Financial Assets for the year.

1) Tangible Capital Assets:

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Major Asset Category

Roads	5 to 75 years
Parking lot	20 to 75 years
Water Systems	20 to 80 years
Pimainus Dam	60 years
Buildings	20 to 40 years
Automotive	10 years
Equipment	5 to 15 years

Assets under construction are not amortized until the asset is available for productive use.

The Band's interest in reserve lands is not reflected in these financial statements, as no consideration was paid by the Band to acquire these lands.

The Band reviews the useful lives and the carrying values of its tangible capital assets at least annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, by reference to the assets' contribution to the Band's ability to provide services. When assets no longer have any long-term service potential to the Band, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected service potential of the assets.

2) Leases:

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

e) Deferred Revenue:

Revenue is recorded in the period to which it relates.

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2016**

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**NOTE A1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued):**

f) Revenue Recognition:  
The Cook's Ferry Band derives revenues from a number of sources.

Amounts received from Indigenous and Northern Affairs Canada (INAC) are reported in accordance with the terms of the funding arrangement. Amounts specified as set contributions are reported as revenue as program terms and conditions are met and delivered. Any resulting surpluses are repayable to INAC and any deficits incurred are refundable by INAC. Amounts specified as fixed contributions are recognized as revenue as program terms and conditions are met and delivered. Any resulting surpluses may be retained by the Band provided delivery of the program is complete at March 31. Any resulting deficits are the responsibility of the Band. Grants received from INAC are unconditional and are reported as revenue when received or receivable and collection is reasonably assured.

Amounts received from other government departments, both federal and provincial, are reported as revenue in accordance with the terms of the contract or agreement.

Own source revenues derived from such sources as housing rents, resource based revenues, interest income, etc. are reported when received or receivable and collection is reasonably assured.

g) Long-term Investments:  
Long-term investments are recorded at cost.

h) Replacement Reserve:

The Replacement Reserve is funded by an annual charge against earnings as opposed to an appropriation of surplus.

i) Operating Reserve:  
The Operating Reserve account is funded by an allocation of the excess or shortfall of annual minimum revenue contribution and Canada Mortgage and Housing Corporation subsidies over current eligible expenditures.

j) Reforestation:  
As part of the Band's Woodlot #1477 agreement, the Band is required to perform reforestation on areas logged under conditions set out in the acts governing forestry operations. The Band estimates the costs of reforestation through to the free-to-grow stage and records the present value obligation of these costs as timber is harvested.

k) Use of Estimates:  
The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**NOTE A2. NEW ACCOUNTING POLICY:**

PS 3260 Liability for Contaminated Sites became effective on April 1, 2014. The Standard was applied on a retroactive basis to April 1, 2014 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the Band.

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2016**

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**NOTE A3. FINANCIAL INSTRUMENTS:**

**Fair Value of Financial Assets and Financial Liabilities:**

The carrying values of cash, grants and accounts receivable, note receivable, accounts payable and accrued liabilities, and demand loans approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

The carrying value of long-term debt approximates its fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

It is not practicable to determine the fair value of advances to related parties due to the limited amount of comparable market information available.

**Credit Risk:**

The Band is exposed to credit risk by its funding agencies and suppliers. However, because the majority of funding is from government agencies and there is a large number of suppliers, credit risk concentration is reduced to the minimum.

**Interest Risk:**

Demand loans have both fixed and variable interest rates based on the bank's prime rate, therefore the interest expense will vary with changes in the bank's prime rate. Long-term debt has a fixed interest rate at 2.11% until January 2019. Therefore interest expense will decrease with principal repayment of the mortgage and interest risk is reduced to the minimum.

**NOTE A4. RESTRICTED CASH:**

	<b>2016</b>	<b>2015</b>
Replacement Reserve (CMHC)	\$ 92,972	\$ 95,892
Operating Reserve (CMHC)	24,559	28,713
Ottawa Trust Funds	<u>393,906</u>	<u>365,119</u>
	<hr/> <u>\$ 511,437</u>	<hr/> <u>\$ 489,724</u>

a) Replacement Reserve:

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$8,300 annually plus interest. These funds, along with accumulated interest, must be held in a separate bank account and / or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time. Withdrawals are credited to interest first and then principal.

Balance, beginning of year	\$ 102,541	\$ 97,421
Allocation for the year	8,300	8,300
Interest earned	265	23
Approved expenditures	<u>(9,834)</u>	<u>(3,203)</u>
Balance, end of year	<hr/> <u>\$ 101,272</u>	<hr/> <u>\$ 102,541</u>

The Replacement Reserve is represented by:

Cash	<hr/> <u>\$ 92,972</u>	<hr/> <u>\$ 95,892</u>
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**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2016**

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**NOTE A4. RESTRICTED CASH (continued):**

b) Operating Reserve:

Under the terms of the agreement with Canada Mortgage and Housing Corporation, after the payment of all costs and expenditures, including the allocation of the Replacement Reserve, any surplus revenue will be retained by the Band within an Operating Reserve fund. Interest earnings must accrue to and be maintained in the Operating Reserve fund. The Project's Operating Reserve fund may only be used for the ongoing operating costs of the housing projects committed under the On-Reserve Program. Accordingly, future years' deficits may be recovered from the Operating Reserve fund. The Band agrees to maintain Operating Reserve funds in a separate bank account and / or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as may otherwise be mutually agreed to by the Band and Canada Mortgage and Housing Corporation.

	<b>2016</b>	<b>2015</b>
Balance, beginning of year	\$ 24,476	\$ 26,507
Transfer from (to) operations	1,803	(2,039)
Interest income	83	8
 Balance, end of year	 <u>\$ 26,362</u>	 <u>\$ 24,476</u>
 The Operating Reserve is represented by:		
Cash	 <u>\$ 24,559</u>	 <u>\$ 28,713</u>

c) Ottawa Trust Funds:

The Ottawa Trust Accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

**NOTE A5. GRANTS AND ACCOUNTS RECEIVABLE:**

	<b>2016</b>	<b>2015</b>
Grants and Accounts Receivable	\$ 125,809	\$ 223,597
Less: Allowance for doubtful accounts	<u>(55,208)</u>	<u>(42,260)</u>
 \$ 70,601	 <u>\$ 181,337</u>	

**NOTE A6. NOTE RECEIVABLE:**

	<b>2016</b>	<b>2015</b>
Nlaka'pamux Legacy Trust (2013): Note receivable, unsecured, non-interest bearing, no stated terms of repayment	 <u>\$ 59,724</u>	 <u>\$ 59,724</u>

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2016**

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**NOTE A7. LONG-TERM INVESTMENTS AND ADVANCES:**

	2016	2015
Swl'eps Operating Corporation, at cost:		
Share capital - 100%	\$ 1	\$ 1
Advances, unsecured, noninterest bearing, no stated terms of repayment	- -	2,090
Accumulated equity in losses	- -	(2,090)
	<u>1</u>	<u>1</u>
Swl'eps Limited Partnership:		
Advances, unsecured, noninterest bearing, no stated terms of repayment	51,962	51,962
Accumulated equity in income	<u>910,948</u>	<u>796,297</u>
	<u><u>962,910</u></u>	<u><u>848,259</u></u>
Nmimhl Tmixw Holding Corporation		
Share capital - 100%	1	-
Advances, unsecured, noninterest bearing, no stated terms of repayment	(1) -	-
	<u>1</u>	<u>-</u>
	<u><u>\$ 962,911</u></u>	<u><u>\$ 848,260</u></u>

Financial information for Swl'eps Operating Corporation is as follows:

Assets	\$ 2,061	\$ 1,349
Liabilities	<u>14,675</u>	<u>12,923</u>
Equity	<u><u>\$ (12,614)</u></u>	<u><u>\$ (11,574)</u></u>
Revenues	\$ 1,165	\$ (565)
Expenses	<u>2,205</u>	<u>2,205</u>
Net loss	<u><u>\$ (1,040)</u></u>	<u><u>\$ (2,770)</u></u>

Financial information for Swl'eps Limited Partnership is as follows:

Assets	\$ 1,486,832	\$ 1,500,814
Liabilities	<u>538,473</u>	<u>663,264</u>
Equity	<u><u>\$ 948,359</u></u>	<u><u>\$ 837,550</u></u>
Revenues	\$ 1,400,256	\$ 920,452
Expenses	<u>1,284,447</u>	<u>977,046</u>
Net income (loss)	<u><u>\$ 115,809</u></u>	<u><u>\$ (56,594)</u></u>

**NOTE A8. INVESTMENT IN 9086 INVESTMENTS LTD.:**

	2016	2015
9086 Investments Ltd. (100%):		
Shares	\$ 1	\$ 1
Advances	443,883	443,883
Accumulated equity in losses	<u>(296,758)</u>	<u>(331,015)</u>
	<u><u>\$ 147,126</u></u>	<u><u>\$ 112,869</u></u>

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2016**

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**NOTE A8. INVESTMENT IN 9086 INVESTMENTS LTD. (continued):** 2016 2015

Shares are held in trust by specified Band Members under a trust agreement.

Financial information for 9086 Investments Ltd. is as follows:

Assets	\$ 228,521	\$ 186,399
Liabilities	<u>525,279</u>	<u>517,414</u>
Equity	<u><u>\$ (296,758)</u></u>	<u><u>\$ (331,015)</u></u>
Revenues	\$ 251,854	\$ 193,155
Expenses	<u>217,597</u>	<u>191,144</u>
Net income	<u><u>\$ 34,257</u></u>	<u><u>\$ 2,011</u></u>

**NOTE A9. DEFERRED REVENUE:** 2016 2015

Amounts deferred are summarized below:

Rent	<u><u>\$ 326</u></u>	<u><u>\$ 163</u></u>
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**NOTE A10. DEMAND LOANS:** 2016 2015

Band Operations:

TD Canada Trust, demand loan, interest only payments at the bank's prime rate plus 1.5%, secured by a general security agreement covering all assets of Band, due March 2017

TD Canada Trust, demand loan, repaid during the year	<u><u>-</u></u>	<u><u>5,834</u></u>
	<u><u>\$ 200,000</u></u>	<u><u>\$ 5,834</u></u>

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
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NOTE A11. LONG-TERM DEBT:	2016	2015
<u>Band Operations:</u>		
TD Auto Finance, vehicle loan, repayable in monthly installments of \$954 including interest at 0%, secured by a 2015 Jeep Cherokee with a carrying value of \$28,282, due February 2018	\$ 21,947	\$ 33,398
<u>Social Housing Operations:</u>		
Canada Mortgage and Housing Corporation, repayable in monthly installments of \$1,779 including interest at 2.11% per annum, due January 2019, secured by buildings with a carrying value of \$313,291	<u>151,003</u>	<u>168,960</u>
	172,950	202,358
Less current portion	<u>29,783</u>	<u>29,401</u>
	<u><u>\$ 143,167</u></u>	<u><u>\$ 172,957</u></u>

The mortgage is guaranteed by Indigenous and Northern Affairs Canada.

Principal repayments due in the ensuing 3 years are approximately as follows:

2017	\$ 29,783
2018	29,219
2019	113,948

**NOTE A12. OBLIGATION UNDER CAPITAL LEASE:**

The Band entered into two capital leases for computer equipment with RCAP Leasing Inc., for a period of 36 months commencing June and August 2013.

Payments due on the capital lease for the next year subsequent to March 31, 2016 are as follows:

2017	\$ 4,521
Less amounts representing interest at average of 7.42%	<u>52</u>
Present value of net minimum capital lease payments	4,469
Current portion of obligation under capital lease	<u>4,469</u>
	<u><u>\$ -</u></u>

**NOTE A13. REFORESTATION OBLIGATION:**

NOTE A13. REFORESTATION OBLIGATION:	2016	2015
Reforestation obligation (Woodlot License #1477)	<u><u>\$ 889</u></u>	<u><u>\$ 889</u></u>

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2016**

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**NOTE A14. TANGIBLE CAPITAL ASSETS:** 2016      2015

Tangible capital assets consist of the following:

Band Operations:		
Land	\$ 389,177	\$ 389,177
Roads	1,428,912	1,469,432
Parking Lot	8,755	10,174
Water Systems	5,543,163	5,641,047
Dams	509,600	520,585
Buildings	1,498,903	1,604,490
Automotive	101,447	119,641
Equipment	173,287	124,698
	<u>9,653,244</u>	9,879,244
Social Housing:		
Buildings	<u>274,976</u>	297,890
	<u><u>\$ 9,928,220</u></u>	<u><u>\$ 10,177,134</u></u>

The Band is the primary beneficiary of the Pimainus Dam project. At March 31, 2016, legal title has not been transferred to the Band.

For additional information, see the Summary Schedule of Tangible Capital Assets (Appendix 1).

**NOTE A15. ACCUMULATED SURPLUS:** 2016      2015

Accumulated surplus consists of individual fund surpluses and reserves as follows:

Surplus from operations	\$ 1,866,895	\$ 2,120,889
Accumulated remeasurement gains	<u>612,099</u>	463,191
Invested in tangible capital assets	<u>9,750,801</u>	9,944,590
Long-term investments	<u>3</u>	2
 Funded reserves:		
Ottawa trust funds (Note A4)	393,906	365,119
Replacement reserve (CMHC) (Note A4)	101,272	102,541
Operating reserve (CMHC) (Note A4)	26,362	24,476
	<u>521,540</u>	492,136
	<u><u>\$ 12,751,338</u></u>	<u><u>\$ 13,020,808</u></u>

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2016**

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**NOTE A16. COMMITMENTS AND CONTINGENCIES:**

Lease commitment:

The Band rents a photocopier under a long-term lease which expires August 2020.

The Band entered into a long-term supply agreement for internet services which expires January 2021.

Future minimum lease payments as at March 31, 2016, are as follows:

2017	\$ 27,180
2018	27,180
2019	27,180
2020	27,180
2021	<u>17,810</u>
	 <u>\$ 126,530</u>

Contingencies:

- a) The Band receives a portion of its funding under a contribution authority with Indigenous and Northern Affairs Canada which, if unexpended, may be refundable to Indigenous and Northern Affairs Canada. Further, amounts which are overexpended may be reimbursed by Indigenous and Northern Affairs Canada to the Band.
- b) Housing Mortgages:  
The Band is guarantor of various Housing mortgages, secured by Ministerial guarantees, including \$22,908 for capital housing and \$151,003 for Social Housing for a total of \$173,911.
- c) Pension Plan:  
The Band and its employees contribute to a defined contribution pension plan. There is no obligation for past service or periods in which an employee was not employed. Total contributions to the plan during the year were \$4,135 (2015 \$3,177).

**NOTE A17. EXPENDITURE BY OBJECT:**

	<b>2016</b>	<b>2015</b>
Wages and benefits	\$ 339,659	\$ 279,956
Repairs and maintenance	89,879	69,874
Office, materials and supplies	1,171,008	962,269
Professional fees, contracted services and other fees to governments	499,458	352,063
Social Assistance	<u>277,358</u>	<u>243,848</u>
	 <u>\$ 2,377,362</u>	 <u>\$ 1,908,010</u>

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2016**

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**NOTE A18. SEGMENTED INFORMATION:**

The Cook's Ferry Band is a Band government institution that provides a range of programs and services to its members, including band revenue, administration, community services, natural resources/economic development, education, maintenance, capital and housing. For management reporting purposes the Band's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Band services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

**Band Revenue**

The Band Revenue department is responsible for administering projects the Band is involved in annually and on an on-going basis relating to the overall objectives of the Band.

**Administration**

Administration supports the development of stable, legitimate and accountable community governments. It also provides overall support of the Band including advisory services relating to financial management, band government, economic development, community services and technical services.

**Community Services**

Community Services provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

**Natural Resources/Economic Development**

Natural Resources/Economic Development department is responsible for the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, as well as research and advocacy. It also manages economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects.

**Education**

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of Band education centres and programs. It also provides services for students at the elementary/secondary and post secondary level, including instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

**Maintenance**

Maintenance supports the construction, operation and basic maintenance of community facilities and services such as water and sewage, roads and electrification. It is also responsible for ensuring that the facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

**Capital**

Capital manages capital projects within the community undertaken to support the growth and / or maintenance of the Band's infrastructure.

**Housing**

Housing is responsible for the administration and management of Social Housing units, Band-owned housing units and renovation projects for private homeowners.

**COOK'S FERRY BAND**  
**NOTES TO SUMMARY FINANCIAL STATEMENTS**  
**March 31, 2016**

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**NOTE A18. SEGMENTED INFORMATION (continued):**

The accounting policies used in these segments are consistent with those followed in the preparation of the summary financial statements as disclosed in Note A1. For additional information see the Statement of Financial Activities - Segmented (Appendix 2).

**NOTE A19. ECONOMIC DEPENDENCE:**

Cook's Ferry Band receives a major portion of its revenues pursuant to a funding arrangement with Indigenous and Northern Affairs Canada.

**NOTE A20. RELATED PARTY TRANSACTIONS:**

During the year, the Band charged rent of \$13,860 (2015 \$13,860) and business internet fees of \$17,303 (2015 \$17,303) to Heskw'en'scutxe Health Services Society, the Band is one of two members of this Health Services Society.

During the year, the Band received funds for Brighter Futures fees of \$Nil (2015 \$24,587) from Heskw'en'scutxe Health Services Society, the Band is one of two members of this Health Services Society.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**NOTE A21. CASH FLOW INFORMATION:**

During the year, the Band paid interest on long-term debt of \$3,384 (2015 \$4,703) and received interest of \$13,814 (2015 \$20,731).

**NOTE A22. SUBSEQUENT EVENT:**

Subsequent to the year-end, the Band purchased property at Pimainus Lake for a total cost of \$575,288. The property is held in trust for the Band by Nmimhl Tmixw Holding Corporation, a corporation owned 100% by the Band. A deposit was paid during the year of \$575,288.

Subsequent to the year-end, the Band received \$138,182 in insurance proceeds due to the fire at the Basque Ranch House. An additional claim for living expenses and loss of revenue is to be filed.

**NOTE A23. COMPARATIVE FIGURES:**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**COOK'S FERRY BAND**  
**SUMMARY SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
Year ended March 31, 2016

	Land	Roads	Parking Lot	Water Systems	Dams	Buildings	Automotive	Equipment	Social Housing	2016	2015
<b>Cost</b>											
Balance, beginning of year	\$ 389,177	\$ 1,921,319	\$ 35,719	\$ 6,233,743	\$ 646,644	\$ 3,000,034	\$ 181,937	\$ 604,368	\$ 536,024	\$ 13,548,965	\$ 13,377,323
Add: Additions during the year	-	-	-	-	-	-	-	85,035	-	85,035	171,642
Balance, end of year	<u>\$ 389,177</u>	<u>1,921,319</u>	<u>35,719</u>	<u>6,233,743</u>	<u>646,644</u>	<u>3,000,034</u>	<u>181,937</u>	<u>689,403</u>	<u>536,024</u>	<u>13,634,000</u>	<u>13,548,965</u>
<b>Accumulated amortization</b>											
Balance, beginning of year	-	451,887	25,545	592,686	126,059	1,395,544	62,286	479,670	238,134	3,371,831	3,035,162
Add: Amortization	-	40,520	1,419	97,884	10,985	105,587	18,194	36,446	22,914	333,949	336,669
Balance, end of year	-	492,407	26,964	690,580	137,044	1,501,131	80,490	516,116	261,048	3,705,780	3,371,831
<b>Net Book Value of Tangible Capital Assets</b>	<u>\$ 389,177</u>	<u>\$ 1,428,912</u>	<u>\$ 8,755</u>	<u>\$ 5,543,163</u>	<u>\$ 509,600</u>	<u>\$ 1,498,903</u>	<u>\$ 101,447</u>	<u>\$ 173,287</u>	<u>\$ 274,976</u>	<u>\$ 9,928,220</u>	<u>\$ 10,177,134</u>

**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2016**

	Band Revenue	Administration	Community Services	Natural Resources/ Economic Development	Education	Maintenance	Capital	Housing	Other	Total 2016	Total 2015
<b>REVENUE:</b>											
Indigenous and Northern Affairs Canada	\$ -	\$ 163,685	\$ 205,927	\$ 72,609	\$ 331,235	\$ 206,621	\$ 21,786	\$ -	\$ -	\$ 1,001,863	\$ 940,838
Leases and rentals	-	-	-	-	-	46,930	-	49,364	-	96,294	64,959
CMHC	105,816	-	-	-	-	-	15,066	-	-	15,066	15,066
Province of BC	230,147	-	-	-	-	875	-	-	-	105,816	117,080
Consulting and contract	8,400	1,437	-	552	-	-	495	7,560	-	231,022	285,258
Interest	288,631	22,445	11,077	81,796	16,371	45,102	3,830	21,227	490,479	18,444	20,732
Miscellaneous	<u>632,994</u>	<u>187,567</u>	<u>217,004</u>	<u>154,957</u>	<u>347,606</u>	<u>299,528</u>	<u>21,786</u>	<u>68,755</u>	<u>28,787</u>	<u>1,958,984</u>	<u>1,776,623</u>
<b>EXPENSES:</b>											
Administration fees	-	-	-	-	-	-	309,600	-	3,830	-	3,830
Amortization	-	1,436	-	-	-	119,878	-	-	22,914	-	333,950
Assistance	-	-	157,480	-	-	-	-	-	-	277,358	336,670
Automotive	-	-	-	-	-	-	-	-	-	7,185	350
Community infrastructure	-	-	-	-	-	-	42,143	-	-	42,143	12,997
Contract services	194,380	18,190	-	8,664	-	203,862	47,626	12,894	-	281,754	262,198
Education	-	-	-	-	-	-	-	-	-	203,862	112,759
Honorarium	123,662	-	-	7,088	-	-	-	-	-	109,750	109,296
Insurance	-	5,425	4,027	-	-	-	15,848	-	13,253	-	38,553
Interest and bank charges	25	3,291	-	-	-	-	-	-	-	3,326	5,104
Materials and supplies	18,205	5,178	21,957	15,382	12,083	14,495	10	-	-	87,300	79,767
Office and other	27,455	27,019	200	280	500	3,159	-	-	-	61,966	86,298
Professional fees	165,198	12,198	2,760	14,723	3,100	14,875	-	4,850	-	217,704	89,865
Repairs and maintenance	-	293	-	-	-	78,082	-	11,504	-	89,879	69,874
Training	17,053	96	-	-	-	18,299	-	-	-	35,448	31,985
Travel	52,808	12,049	4,141	8,096	80	3,750	-	-	-	80,924	49,147
Utilities	40,002	18,814	2,403	-	-	73,667	-	6,885	-	141,771	107,236
Wages and benefits	124,954	79,455	38,642	26,275	5,529	64,804	-	-	-	339,659	279,956
	<u>763,742</u>	<u>183,444</u>	<u>231,610</u>	<u>80,508</u>	<u>345,032</u>	<u>693,533</u>	<u>12,904</u>	<u>66,589</u>	<u>-</u>	<u>2,377,362</u>	<u>1,908,010</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	<u>\$ (130,748)</u>	<u>\$ 4,123</u>	<u>\$ (14,606)</u>	<u>\$ 74,449</u>	<u>\$ 2,574</u>	<u>\$ (394,005)</u>	<u>\$ 8,882</u>	<u>\$ 2,166</u>	<u>\$ 28,787</u>	<u>\$ (418,378)</u>	<u>\$ (131,387)</u>

See accompanying notes to financial statements.

**COOK'S FERRY BAND**  
**SUMMARY STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED**  
**Year ended March 31, 2015**

	Band Revenue	Administration	Community Services	Natural Resources/ Economic Development	Education	Maintenance	Capital	Housing	Other	Total 2015
<b>REVENUE:</b>										
Indigenous and Northern Affairs Canada	\$ -	\$ 178,119	\$ 188,551	\$ 63,530	\$ 251,213	\$ 187,670	\$ 71,755	\$ -	\$ -	\$ 940,838
Leases and rentals	-	-	-	-	-	17,559	-	47,400	-	64,959
CMHC	-	-	-	-	-	-	-	15,066	-	15,066
Province of BC	117,080	-	-	-	-	-	-	-	-	117,080
Consulting and contract	276,259	-	-	-	-	8,999	-	-	-	285,258
Interest	12,275	184	-	43	-	-	-	42	8,188	20,732
Miscellaneous	98,266	13,140	6,442	78,463	98,356	18,083	-	978	18,962	332,690
	<b>503,880</b>	<b>191,443</b>	<b>194,933</b>	<b>142,036</b>	<b>349,569</b>	<b>232,311</b>	<b>71,755</b>	<b>63,486</b>	<b>27,150</b>	<b>1,776,623</b>
<b>EXPENSES:</b>										
Administration fees	-	-	-	-	-	-	-	3,830	-	3,830
Amortization	-	1,436	-	-	-	312,320	-	22,914	-	336,670
Assistance	-	-	145,020	-	98,828	-	-	-	-	243,848
Automotive	-	-	-	-	-	350	-	-	-	350
Community infrastructure	-	-	-	-	-	12,997	-	-	-	12,997
Contract services	87,092	33,952	-	97,440	-	18,521	25,193	-	-	262,198
Education	-	-	-	12,375	112,759	-	-	-	-	112,759
Honorarium	91,046	-	600	426	5,875	-	-	-	-	109,298
Insurance	-	1,140	2,957	-	-	13,548	-	12,276	-	26,850
Interest and bank charges	6,388	3,531	25,165	22,853	4,195	17,635	-	25	-	5,104
Materials and supplies	22,487	11,932	-	283	500	47,376	-	-	-	79,767
Office and other	43,404	19,950	-	14,391	-	6,270	-	5,850	-	86,298
Professional fees	508	83	-	-	-	49,758	-	19,525	-	69,874
Repairs and maintenance	12,974	715	728	-	-	17,548	-	-	-	31,965
Training	11,815	7,555	7,243	14,649	-	7,885	-	-	-	49,147
Travel	25,818	16,224	2,449	-	-	61,426	-	1,319	-	107,236
Utilities	33,711	136,461	37,124	10,085	-	62,575	-	-	-	279,956
Wages and benefits	<b>336,383</b>	<b>235,396</b>	<b>218,155</b>	<b>172,076</b>	<b>222,157</b>	<b>628,209</b>	<b>26,175</b>	<b>69,459</b>	<b>-</b>	<b>1,908,010</b>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<b>\$ 167,497</b>	<b>\$ (43,953)</b>	<b>\$ (23,162)</b>	<b>\$ (30,040)</b>	<b>\$ 127,412</b>	<b>\$ (395,898)</b>	<b>\$ 45,580</b>	<b>\$ (5,973)</b>	<b>\$ 27,150</b>	<b>\$ (131,387)</b>

See accompanying notes to financial statements.