

Cowichan Tribes
Consolidated Financial Statements
March 31, 2017

Cowichan Tribes Contents

For the year ended March 31, 2017

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Management's Responsibility

To the Members of Cowichan Tribes:

The accompanying consolidated financial statements of Cowichan Tribes are the responsibility of management and have been approved by Cowichan Tribes' Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Cowichan Tribes' Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council are also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council on behalf of the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with both the Chief and Council and management to discuss their audit findings.

July 25, 2017

original signed by Cindy Daniels

General Manager

original signed by Kim Dibb

Comptroller

Independent Auditors' Report

To the Members of Cowichan Tribes:

We have audited the accompanying consolidated financial statements of Cowichan Tribes, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Cowichan Tribes as at March 31, 2017 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Duncan, British Columbia

July 25, 2017

MNP LLP

Chartered Professional Accountants

Cowichan Tribes
Consolidated Statement of Financial Position
As at March 31, 2017

	2017	2016
Financial assets		
Unrestricted cash	12,534,848	8,028,414
Accounts receivable (Note 3)	4,376,450	3,841,403
Restricted cash (Note 4)	1,099,573	1,065,046
Portfolio investments (Note 5)	5,176,604	5,281,473
Investment in Nation business enterprises and partnerships (Note 6)	3,485,702	4,085,042
Funds held in trust	1,332,161	1,370,327
	28,005,338	23,671,705
Liabilities		
Accounts payable and accruals (Note 7)	8,700,878	3,972,767
Due to related parties	-	713,407
Deferred revenue (Note 8)	2,227,720	535,259
Long-term debt (Note 9)	20,999,028	21,571,544
	31,927,626	26,792,977
Net debt	(3,922,288)	(3,121,272)
Contingencies (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	47,046,998	43,265,604
Inventory	20,515	31,158
Prepaid expenses	308,548	317,069
	47,376,061	43,613,831
Accumulated surplus (Note 10)	43,453,773	40,492,559

Approved on behalf of the Council

original signed by Calvin Swustus

Councillor

original signed by Debra Toporowski

Councillor

Cowichan Tribes
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	<i>Schedules</i>	<i>2017 Budget (Note 15)</i>	<i>2017</i>	<i>2016</i>
Revenue				
Indigenous and Northern Affairs Canada (Note 12)		20,164,295	24,686,733	22,781,451
First Nations Health Authority		5,013,961	5,412,403	5,284,424
Department of Fisheries and Oceans Canada		901,445	978,064	1,248,760
Canada Mortgage and Housing Corporation		385,950	426,511	415,647
Province of BC - other		2,808,029	3,467,979	2,892,013
Province of BC - Forestry Agreement		-	772,600	772,600
Province of BC - Host Local Government		690,000	773,717	736,089
Tobacco tax		2,996,832	2,978,268	2,970,929
Property tax		2,589,931	2,590,474	2,339,704
Community Improvement Fee		2,645,808	2,501,307	1,911,968
Other agencies		879,975	2,618,538	1,240,360
Rental, gravel and timber income		1,500,065	1,901,571	2,190,398
Coast Salish Employment and Training Society		609,659	1,227,092	627,961
Other income		868,687	1,409,569	1,168,051
Investment income		601,326	680,887	588,441
Licence fees		592,000	371,876	306,459
Quw'utsun Cultural and Conference Centre		-	325,709	308,212
Earnings (loss) from investment in Nation business enterprises and partnerships		-	322,610	(1,161,293)
		43,247,963	53,445,908	46,622,174
Program expenses				
Administration	3	3,810,990	6,625,704	4,047,666
		2,483,221	2,269,797	2,509,009
Child and Family Services	5	4,785,771	4,531,831	4,243,883
Education	6	12,651,997	12,623,845	12,346,492
Jobs and Training	7	572,030	507,767	552,736
Lands and Fisheries	8	2,623,542	3,331,052	2,706,181
Operations and Maintenance	9	1,911,799	2,504,031	2,216,011
Social Development	10	5,025,466	5,498,390	4,798,246
Social Development - NCBR	11	159,625	174,781	138,441
		2,087,698	3,097,720	3,125,495
Youth	13	644,436	513,153	451,688
Treaty Negotiations	14	604,687	554,328	496,087
Health	15	6,279,073	6,295,462	5,380,755
Economic Development	16	-	850,698	942,817
Total expenditures (Schedule 2)		43,640,335	49,378,559	43,955,507
Annual surplus (deficit)		(392,372)	4,067,349	2,666,667
Accumulated surplus, beginning of year		40,492,559	40,492,559	38,945,898
Distribution to members		(1,200,000)	(1,106,135)	(1,120,006)
Accumulated surplus, end of year (Note 10)		38,900,187	43,453,773	40,492,559

The accompanying notes are an integral part of these financial statements

Cowichan Tribes
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2017

	2017 <i>Budget</i> <i>(Note 15)</i>	2017	2016
Annual surplus	(392,372)	4,067,349	2,666,667
Purchases of tangible capital assets	(3,817,500)	(5,871,250)	(4,422,745)
Amortization of tangible capital assets	-	2,089,856	1,962,146
Change in inventory	-	10,643	7,140
Change in prepaid expenses	-	8,521	(16,910)
Distribution to members	(1,200,000)	(1,106,135)	(1,120,006)
 Increase in net debt	 (5,409,872)	 (801,016)	 (923,708)
Net debt, beginning of year	(3,121,272)	(3,121,272)	(2,197,564)
 Net debt, end of year	 (8,531,144)	 (3,922,288)	 (3,121,272)

The accompanying notes are an integral part of these financial statements

Cowichan Tribes
Consolidated Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	4,067,349	2,666,667
Non-cash items		
Amortization	2,089,856	1,962,146
Earnings (loss) from investment in Nation business enterprises and partnerships	(322,610)	1,161,293
	5,834,595	5,790,106
Changes in working capital accounts		
Accounts receivable	(463,111)	(1,166,985)
Inventory	10,643	7,137
Prepaid expenses	8,521	(16,915)
Accounts payable and accruals	4,728,111	(195,710)
Deferred revenue	1,692,461	(275,324)
	11,811,220	4,142,309
Financing activities		
Advances of long-term debt	229,980	458,641
Repayments of long-term debt	(876,941)	(1,061,490)
Distribution to members	(1,106,134)	(1,120,006)
	(1,753,095)	(1,722,855)
Capital activities		
Purchases of tangible capital assets	(5,871,250)	(4,422,745)
Investing activities		
Change in due to related parties	211,051	153,127
Investments in Nation business enterprises and partnerships	-	43,339
Change in funds held in trust	38,166	(17,549)
Change in restricted cash	(34,527)	35,291
Change in portfolio investments	104,869	504,830
	319,559	719,038
Increase (decrease) in unrestricted cash	4,506,434	(1,284,253)
Unrestricted cash, beginning of year	8,028,414	9,312,667
Unrestricted cash, end of year	12,534,848	8,028,414
Supplementary cash flow information		
Interest paid	606,029	633,755

The accompanying notes are an integral part of these financial statements

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

1. Operations

Cowichan Tribes (the "Nation") is located in the province of British Columbia, and provides various services to its members. Cowichan Tribes includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

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

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Segments

The Nation conducts its business through a number of reportable segments as described in Note 17. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash and funds held in trust..

Funds held in trust

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position. Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation business entities. Trusts administered on behalf of third parties by Cowichan Tribes are excluded from the Nation reporting entity.

The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Administration
 - 0787308 B.C. Ltd., March 31st year-end - holds off-reserve land and building that is rented to tenants
- Economic development
 - Khowutzun Heritage Centre Ltd., March 31st year-end - operates the Quw'utsun Cultural & Conference Centre
- Lands and fisheries
 - 0944623 BC Ltd., March 31st year-end - carries on the gravel extraction on the reserve land
 - 0942071 BC Ltd., March 31st year-end - carries on the dike construction projects with the local municipalities in Cowichan Valley
 - Kw'atl'kwa Fisheries Society, March 31st year-end - holds PICFI licence
 - Kw'atl'kwa Fisheries Enterprises Ltd., March 31st year-end - conducts fishing within PICFI licence
 - 0990409 BC Ltd., March 31st year-end - conducts negotiation for the purchase of real property
 - 0626875 BC Ltd., March 31st year-end - holds off-reserve land at Koksilah
- Housing
- Operations and maintenance
- Child and family services
- Health
- Education
- Social development
- Capital infrastructure

All inter-entity balances have been eliminated on consolidation.

Cowichan Tribes business enterprises and partnerships, owned or controlled by the Nation's Chief and Council but not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Cowichan Mini Mall Ltd. - operates the Village Green Mall
- Khowutzun Gaming Corp. - owns the gaming centre building and is a 50% venturer in the operations of Chances Cowichan
- Khowutzun Development Corp. - administers economic development activities
- Khowutzun Forest Services Ltd. - administers contract silviculture services
- Khowutzun Forest Services Limited Partnership - performs contract silviculture services
- Mustimuhw Information Solutions Inc. - licences electronic health records software to aboriginal health centres

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Tangible capital assets

Tangible capital assets are initially recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of contribution.

All intangible assets, historical artifacts, works of art and items inherited by the rights of the Nation, such as reserve land, forests, water and mineral resources are not recognized in the Nation's consolidated financial statements.

Tangible capital assets are amortized over their expected useful life using the straight-line method at the following rates:

Buildings and houses	40 years
Vehicles and boats	10 years
Furniture and equipment	10 years
Water infrastructure	40 years
Sewer infrastructure	40 years
Roads infrastructure	40 years
Dikes infrastructure	40 years
Street lights infrastructure	40 years
Lift stations infrastructure	40 years
Electrical infrastructure	40 years

Investments

Long-term investments in entities that are not owned, controlled, or influenced by the Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Long-term investments in entities that are controlled by the Nation are accounted for using the modified equity method.

Asset classification

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

Long-lived assets

Long-lived assets consist of tangible capital assets, and intangible assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when an asset's service potential is reduced. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in surplus for the year. Prices for similar items are used to measure fair value of long-lived assets.

The Nation does not perform impairment testing on its long-lived assets that are held for public administration and situated on its reserve land as it is not possible to determine their fair market value.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Expenditures that relate to on-going environmental and remediation programs are charged against surplus as incurred. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites for which the First Nation is responsible. A liability for contaminated sites reflects management's best estimate of the amount required to remediate the contaminated sites. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation. Changes to the underlying assumptions and estimates or legislative changes could have a material impact on the provision recognized. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the periods in which they become known.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount 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, 2017.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2017, no liability for contaminated site exists.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Revenue recognition

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

- i) Indigenous and Northern Affairs Canada ("INAC")
Under the terms of the "Comprehensive Funding Arrangement", the funding is based on an annual budget which is agreed to by the parties and consists of flexible transfer payments and contribution payments. In the case of the flexible transfer payments, the First Nation is permitted to use the surpluses at its own discretion provided the terms and conditions of the agreement are met but must take responsibility for any deficits. In the case of contribution payments, any surpluses must be returned to INAC and deficits are recoverable.
- ii) First Nation Capital and Revenue Trust Funds
The First Nation recognizes revenues of the Capital and Revenue trusts when earned.
- iii) Canada Mortgage and Housing Corporation ("CMHC")
CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.
- iv) Rental income
Rental income is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.
- v) Department of Fisheries and Oceans ("DFO")
Certain funding arrangements with DFO can result in surpluses being repaid or deficits being funded depending upon the year-end position of the program.
- vi) First Nation Health Authority ("FNHA")
FNHA revenue is recognized as it becomes receivable under the terms of the funding agreements.
- vii) Revenue from own sources
Revenue from own sources, such as Community Improvement Fee, tobacco tax and property tax, is recognized when the service is provided or the amount is earned and when the amount can be estimated and when collection is reasonably assured.
- ix) Province of BC
Province of BC revenue is recognized as it becomes receivable under the terms of the funding agreements.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Recent accounting pronouncements

PS 2200 Related Party Disclosures

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board ("PSAB") issued a new standard, PS 2200 *Related Party Disclosures*.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the consolidated financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted. The Nation does not expect the application of the new Standard to have a material effect on the consolidated financial statements.

PS 3210 Assets

In June 2015, new PS 3210 *Assets* was included in the CPA Canada Public Sector Accounting Handbook ("PSA HB"). The new Section provides guidance for applying the definition of assets set out in PS 1000 *Financial Statement Concepts*. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained. Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions. The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services. A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits. A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries. An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3320 Contingent Assets

In June 2015, new PS 3320 *Contingent Assets* was included in the CPA Canada Public Sector Accounting Handbook ("PSA HB"). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset. Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date. Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date. Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made. When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3380 Contractual Rights

In June 2015, new PS 3380 *Contractual Rights* was included in the CPA Canada Public Sector Accounting Handbook ("PSA HB"). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right. Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right. Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

PS 3430 Restructuring Transactions

In June 2015, new PS 3430 *Restructuring Transactions* was included in the CPA Canada Public Sector Accounting Handbook ("PSA HB"). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated.

Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged. The Nation does not expect application of the new Standard to have a material effect on the consolidated financial statements.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

3. Accounts receivable

	2017	2016
Federal government and agencies	1,000,403	1,076,312
Indigenous and Northern Affairs Canada	401,459	1,035,536
Department of Fisheries and Oceans Canada	640,157	925,163
Province of B.C.	1,272,868	520,774
First Nation organizations	718,130	130,518
Other	300,158	95,998
School District #79 and Vancouver Island University	43,275	57,102
	4,376,450	3,841,403

4. Restricted cash

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$90,797 (2016 - \$95,3433) annually. 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 (CDIC) or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, these reserves were adequately funded (2016 - adequately funded).

Under the terms of the agreement with CMHC, excess revenues over expenditures for the Post 1996 phases may be retained in an operating reserve. 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 CDIC or as may otherwise be approved by CMHC from time to time. At year end, the operating reserve was adequately funded (2016 - adequately funded).

Cowichan Tribes issued a debt instrument through the First Nation Finance Authority ("FNFA"). As a condition of this borrowing, a portion of the debenture proceeds are withheld by the FNFA as a debt reserve fund. The deposit at March 31, 2017 is \$514,835 (2016 - \$507,805).

	2017	2016
Replacement and subsidy reserves	584,738	557,241
FNFA debt reserve	514,835	507,805
	1,099,573	1,065,046

5. Portfolio investments

	2017	2016
Mt. Hayes Storage Limited Partnership - 7.5% of issued partnership units	5,025,391	5,063,753
Loan to Chances Cowichan, bearing interest at 7% and repayable in monthly installments of \$9,877, due October 2016. No security over the loan.	-	68,133
First Uwhunshun Investments Ltd. - 10,000 shares (represents a 10% ownership interest) and non-interest bearing advances with no terms of repayment. No security over the advance.	141,947	140,321
All Nations Trust Company - 810 Class "A" shares	9,266	9,266
	5,176,604	5,281,473

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

6. Investment in Nation business enterprises and partnership

The First Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
Wholly-owned Businesses:				
Cowichan Mini Mall Ltd. (54.88%)	55	68,081	(1,047,174)	(979,038)
Khowutzun Gaming Corporation	100	2,653,642	528,453	3,182,195
Khowutzun Development Corp.	2	346,545	(291,039)	55,508
Khowutzun Forest Services Ltd.	100	-	(8,460)	(8,360)
Mustimuhw Information Solutions Inc.	100	756,862	74,550	831,512
	357	3,825,130	(743,670)	3,081,817
Business Partnerships – Modified Equity:				
Khowutzun Forest Services LP	4,700	-	399,185	403,885
	5,057	3,825,130	(344,485)	3,485,702
2016				
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
Wholly-owned Businesses:				
Cowichan Mini Mall Ltd. (54.88%)	55	84,091	(1,031,066)	(946,920)
Khowutzun Gaming Corporation	100	2,717,408	592	2,718,100
Khowutzun Development Corp.	2	346,545	(462,983)	(116,436)
Khowutzun Forest Services Ltd.	100	-	(8,924)	(8,824)
Mustimuhw Information Solutions Inc.	100	756,862	(40,738)	716,224
	357	3,904,906	(1,543,119)	2,362,144
Business Partnerships - Modified Equity:				
Khowutzun Forest Services LP	4,700	-	1,718,198	1,722,898
	5,057	3,904,906	175,079	4,085,042

Cowichan Tribes has a general security agreement over all loans/advances with each entity.

Cowichan Mini Mall Ltd. long-term debt consists of a mortgage repayable in monthly instalments of \$22,570, including interest at 4.5%, due July 1, 2018.

Khowutzun Gaming Corp. long-term debt consists of a mortgage repayable in monthly instalments of \$33,975, including interest at 4.98%, due on April 30, 2017. The mortgage was renewed subsequent to the year-end and is repayable in monthly instalments of \$31,356, including interest at 3.39%, due on April 30, 2022.

Mustimuhw Information Solutions Inc. long-term debt consists of a demand note payable to the Nation, bearing interest at prime plus 1% with monthly payments of interest only with principal.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

6. Investment in Nation business enterprises and partnerships *(Continued from previous page)*

Summary financial information for each First Nation business enterprise and partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Cowichan Mini Mall Ltd.</i> <i>As at March 31, 2017</i>	<i>Khowutzun Gaming Corp.</i> <i>As at March 31, 2017</i>	<i>Khowutzun Development Corp.</i> <i>As at March 31, 2017</i>	<i>Khowutzun Forest Services Ltd.</i> <i>As at March 31, 2017</i>
Assets				
Cash	146,206	261,552	19,380	613
Accounts receivable	40,443	8,762	51,994	100
Inventory and prepaid expenses	429,230	-	1,367	-
Investments	-	914,099	-	94
Capital assets	805,256	5,239,085	12,926	-
Intangible assets	-	-	-	-
Total assets	1,421,135	6,423,498	85,667	807
 Liabilities				
Accounts payable and accruals	120,513	14,728	30,159	3,001
Deferred revenue	34,230	-	-	-
Loans and advances	-	-	-	6,166
Long-term debt	3,174,404	3,226,575	-	-
Total liabilities	3,329,147	3,241,303	30,159	9,167
 Net assets	(1,908,012)	3,182,195	55,508	(8,360)
 Total revenue	769,948	1,062,399	326,599	3,000
Total expenses	799,295	534,537	560,370	2,535
Net income (loss) before other item	(29,347)	527,862	(233,771)	465
Gain (loss) on forgiven loans	-	-	405,714	-
Net income (loss)	(29,347)	527,862	171,943	465

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

6. Investment in Nation business enterprises and partnerships *(Continued from previous page)*

	<i>Mustimuhw Information Solutions Inc. As at March 31, 2017</i>	<i>Khowutzun Forest Services Limited Partnership As at March 31, 2017</i>
Assets		
Cash	463,348	372,789
Accounts receivable	1,178,013	41,180
Inventory and prepaid expenses	-	8,315
Investments	-	-
Capital assets	20,912	144,401
Intangible assets	117,371	-
Total assets	1,779,644	566,685
Accounts payable and accruals	762,823	162,705
Deferred revenue	109,019	-
Loans and advances	76,290	-
Long-term debt	-	-
Total liabilities	948,132	162,705
Net assets	831,512	403,980
Total revenue	2,326,522	1,322,124
Total expenses	2,211,236	1,396,519
Net income (loss) before other item	115,286	(74,395)
Gain (loss) on forgiven loans	-	(1,244,618)
Net income (loss)	115,286	(1,319,013)

The above figures for Cowichan Mini Mall Ltd. represent 100% of the assets, liabilities and earnings. The company has non-controlling shareholders who have a 45.12% interest in the company. They were allocated \$13,241 of the current year loss.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

7. Accounts payable and accruals

	2017	2016
Other accrued liabilities	1,702,490	2,224,327
Trade payable	6,591,718	1,653,613
Indigenous and Northern Affairs Canada	294,660	-
Receiver General	112,010	94,827
	8,700,878	3,972,767

8. Deferred revenue

	2017	2016
INAC funds (see below)	2,181,983	529,664
Vancouver Island Health Authority	45,737	5,595
	2,227,720	535,259

INAC funds:

Opening balance of unspent funds	529,664	553,075
Amounts received during the year	4,030,098	1,845,688
Amounts spent on projects and recorded as revenue	(2,377,779)	(1,869,099)
	2,181,983	529,664

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

9. Long-term debt

	2017	2016
Non-social housing		
First Nations Finance Authority Loan, repayable in monthly instalments of \$46,312 including interest at 3.79%, secured by Tribes council resolution, Tobacco Tax, Community Improvement Fee and Host Local Government revenues, due June 2024	9,465,052	9,655,513
Royal Bank of Canada loan repayable in monthly payments of \$19,500 plus interest, fixed interest rate of 2.72% (2016 - 2.4%), through an interest rate swap, due January 2022; general security agreement constituting a first ranking interest to the Mount Hayes Storage Limited Partnership units and a second ranking interest over all other personal property of the Nation	4,638,000	4,872,000
Total non-social housing	14,103,052	14,527,513
CMHC, repayable in monthly installments of \$2,259 including interest at 3.015%, due October 2016	-	15,653
All Nations Trust, repayable in monthly installments of \$2,420 including interest at 1.53%, due December 2017; secured with Ministerial Guarantee from INAC	287,819	312,284
All Nations Trust, repayable in monthly installments of \$9,790 including interest at 2.35%, due September 2018; secured with Ministerial Guarantee from INAC	172,972	284,987
All Nations Trust, repayable in monthly installments of \$2,785 including interest at 1.82%, due September 2019; secured with Ministerial Guarantee from INAC	231,781	260,728
All Nations Trust, repayable in monthly installments of \$2,804 including interest at 1.11%, due April 2021; secured with Ministerial Guarantee from INAC	290,640	320,698
All Nations Trust, repayable in monthly installments of \$10,020 including interest at 2.04%, due March 2019; secured with Ministerial Guarantee from INAC	1,713,139	1,797,725
All Nations Trust, repayable in monthly installments of \$9,110 including interest at 1.08%, due August 2020; secured with Ministerial Guarantee from INAC	1,817,856	1,907,108
All Nations Trust, repayable in monthly installments of \$2,533 including interest at 1.67%, due June 2018; secured with Ministerial Guarantee from INAC	543,630	564,802
All Nations Trust, repayable in monthly installments of \$4,152 including interest at 2.35%, due September 2018; secured with Ministerial Guarantee from INAC	841,328	871,146
All Nations Trust, repayable in monthly installments of \$1,971 including interest at 2.11%, due January 2019; secured with Ministerial Guarantee from INAC	412,638	427,472
All Nations Trust, repayable in monthly installments of \$2,325 including interest at 1.44%, due February 2022; secured with a Ministerial Guarantee from INAC	584,173	281,428
Total social housing	6,895,976	7,044,031
Total long-term debt	20,999,028	21,571,544

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2018	855,955
2019	807,143
2020	756,591
2021	764,508
2022	772,611

RBC Loan:

The notional amount of the interest rate swap is \$5,716,000 with a five year swap term, maturing on January 18, 2022 at which time the swap can be renewed at market rates and terms based upon the one month bankers' acceptance rate. The fixed interest rate of 2.72% (2016 - 2.40%) is comprised of a swap rate of 1.97% and a stamping fee of 0.75%.

The loan is secured by an assignment of a put option in respect of the Mount Hayes Storage Limited Partnership units. The book value of the secured asset is \$5,025,391 (2016 - \$5,063,753). In addition, the loan is subject to certain covenants with respect to maintaining a debt service coverage ratio of 1.1:1 and providing a minimum of review engagement financial statements. As at March 31, 2017 Cowichan Tribes was in compliance with the covenants and expects to be in compliance for the next fiscal year.

An interest rate swap is a financial contract between two parties who agree to exchange fixed rate interest payments for floating rate payments on a predetermined notional amount and term. Cowichan Tribes has entered into a swap agreement with RBC to manage the interest rate exposure associated with its loan. The carrying amount of the RBC loan approximates its fair value based on minimal change in the bankers acceptance rate between issuance and March 31, 2017.

10. Accumulated surplus

The Nation uses fund accounting procedures that result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The funds have been amalgamated for the purpose of presentation in the consolidated financial statements.

Cowichan Tribes maintains the following funds:

- Ottawa Trust Funds reports on trust monies owned by the Nation but administered by the Government of Canada.
- Tangible capital assets reports on the tangible capital assets of the Nation, net any related capital financing.
- Operating fund reports on the general activities of the Nation administration.
- Nation business enterprises reports on the Nation's investments in self-sustaining business ventures.

Accumulated surplus consists of the following:

	2017	2016
Equity in Ottawa Trust Funds	1,332,161	1,370,327
Equity in tangible capital assets	28,503,987	26,036,396
Unrestricted surplus	10,131,923	9,000,794
Nation business enterprises surplus	3,485,702	4,085,042
	<hr/>	<hr/>
	43,453,773	40,492,559
	<hr/>	<hr/>

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

11. Contingencies

- a) Cowichan Tribes has guaranteed various member loans, amounting to \$453,951 for on-reserve housing.
- b) Cowichan Tribes is a member of Hul'qumi'num Treaty Group, incorporated under the Society Act, and indirectly responsible for its net debt. The Hul'qumi'num Treaty Group has entered into Negotiations Support Agreements on behalf of its members and carried out treaty negotiations with Canada and British Columbia. Under the terms of the agreements, Hul'qumi'num Treaty Group is indebted to Canada. As at March 31, 2017 the indebtedness is \$34,649,468. If Cowichan Tribes is liable under the Negotiation Support Agreement, the amount is subject to redetermination and consequently indeterminable; and accordingly excluded from these consolidated financial statements. The indebtedness to Canada was due February 2017. An indefinite extension exists.
- c) Cowichan Tribes is a defendant in several lawsuits and is involved in various actions related to land leases, environmental damages, third party liability, garnishment, indemnification, compensatory damages and contract breach. Management cannot determine whether any claims will be successful and cannot estimate the potential loss, if any.
- d) Cowichan Tribes has guaranteed the mortgage of Khowutzun Gaming Corporation. The balance of the mortgage at March 31, 2017 is \$3,226,575. As at March 31, 2017 the nation has no liability associated with his guarantee.
- e) Cowichan Tribes received current year funding from Indigenous and Northern Affairs Canada under Set Contributions whose terms require unspent funding to be returned to the funder. The amount of funding that could be returned to the funder is \$453,923. A liability will be recorded when INAC has completed their financial statement review and detail financial statement review report is received by Cowichan Tribes.
- e) Cowichan Tribes incurred landfill closure and post-closure expenses and has commenced litigation against the Cowichan Valley Regional District ("CVRD") to recover costs associated with remediating the reserve from contamination. A Statement of Defence has been filed by the CVRD. In addition, a separate claim has been filed against the CVRD and the Government of Canada for contamination of the reserve. This second claim was served on the parties and the Nation is engaged in settlement negotiations with the CVRD to settle both claims. The recovery will be recorded once the lawsuit has been settled.
- f) There are numerous potential contaminated sites on reserve. The future costs of remediation are undeterminable and a reasonable estimate cannot be made. The liabilities, if any, and related recoveries will be recorded when they become measurable.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

12. INAC funding reconciliation

	2017	2016
Funding provided by INAC	26,642,073	22,935,791
Less: INAC recoveries during the year	(10,861)	(177,750)
Less: proposed INAC recoveries	(294,660)	-
Add: Cowichan Tribes invoice for Risk Management and Monitoring	2,500	-
	26,339,052	22,758,041
Add: Deferred amount from prior year		
Wilson Road Water	-	220,379
Street lighting	-	10,907
Boys Road sewer	-	33,791
Three system water study	201,604	109,002
Trestle Road sewer	111,768	104,121
Tyup Road low pressure sewer	215,842	74,875
Housing subsidies (CPMS 11683)	450	-
	529,664	553,075
Less: Amounts deferred to subsequent year		
Six plex Trestle Road (CPMS 9-0012)	(1,324,800)	-
Flood Mitigation (CPMS 9-0012)	(172,683)	-
Renovations and additions (CPMS 9-0012)	(250,000)	-
Three system water study (CPMS 10727)	(103,200)	(201,604)
Trestle Road sewer (CPMS 11429)	-	(111,768)
Tyup Road low pressure sewer (CPMS 11558)	(16,214)	(215,842)
Wilson Road Water (CPMS 3404)	(27,035)	-
Housing subsidies (CPMS 11683)	-	(450)
Street lighting (CPMS 11535)	(105,950)	-
Quamichan culvert replacement (CPMS 11802)	(167,846)	-
Quw'utusn Smun'eem expansion (CPMS 9-0012)	(14,255)	-
	(2,181,983)	(529,664)
	24,686,733	22,781,452

13. Economic dependence

Cowichan Tribes receives a significant portion of its revenue from INAC as a result of funding agreements entered into with the Government of Canada. These funding agreements are administered by INAC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

14. Financial Instruments

Credit Concentration

Financial instruments that potentially subject Cowichan Tribes to concentrations of credit risk consist of accounts receivable. The maximum credit risk exposure is \$4,548,773 (2016 – \$3,841,403). However, Cowichan Tribes believes that there is minimal risk associated with the collection of these amounts, as the majority of these receivables are from government agencies.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, Cowichan Tribes manages exposure through long-term debt with varying interest rates and maturities and from purchasing interest rate swaps to fix interest rates.

Cowichan Tribes is exposed to interest rate risk with respect to bank indebtedness and long-term debt. Cowichan Tribes' long-term debt is subject to floating interest rates ranging from bank prime plus 0.5% - 1.5% and fixed interest rates ranging from 1.11 - 3.79%.

15. Budget information

Budget figures represent the budget adopted by Cowichan Tribes on May 24, 2016. The adopted budget included capital expenditures rather than amortization expense, the use of loans proceeds, transfers, Ottawa Trust funds, and mortgage principal repayments as an expense.

The following reconciliation of the annual surplus is provided to show which items must be added or removed to reflect the adopted budget.

	2017
Adopted budget deficit	(6,594,000)
Capital acquisition	3,817,500
Debt repayments	995,402
Member distribution	1,200,000
Transfers to Nation businesses and other adjustments	<u>188,726</u>
 Budgeted deficit	 <u>(392,372)</u>

16. Comparative figures

Prior years figures have been restated to conform with the current presentation.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

17. Segments

Cowichan Tribes receives revenue from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by the following segments:

Administration:

This segment includes general operations, support, and financial management of Cowichan Tribes.

Own Source Revenue:

This segment report revenue generated from taxation, resources and fees for service and their related expenditures.

Child and Family Services:

This segment includes child care, foster care and other family services of Cowichan Tribes.

Education:

This segment includes revenue and expenses relating to the primary, secondary and post secondary education of the members of Cowichan Tribes.

Jobs and Training:

This segment reports the Coast Salish Employment and Training Society funding and related expenditures.

Lands and Fisheries:

This segment includes revenue and expenses from projects dealing with the management of land and the Department of Fisheries and Oceans Canada.

Operations and Maintenance:

This segment includes operations and maintenance of Cowichan Tribes buildings and infrastructure.

Social Development:

This segment includes revenue and expenses relating to the social assistance of members of Cowichan Tribes.

Social Development - National Child Benefit Reinvestment:

This segment includes revenue and expenses relating to the social assistance of members of Cowichan Tribes that qualify for the National Child Benefit Reinvestment program.

Housing:

This segment includes activities related to the provision of housing within Cowichan Tribes.

Youth:

This segment includes North American Indigenous Games legacy funds and other revenue specified for youth programs.

Treaty Negotiations:

This segment reports the allocation for Hul'qumi'num Treaty Group funds for negotiation work in the community.

Health:

This segment includes activities related to the provision of health services within Cowichan Tribes.

Economic Development:

This segment includes activities related to the growth of revenue producing projects within Cowichan Tribes.

Cowichan Tribes
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Land</i>	<i>Buildings and houses</i>	<i>Vehicles & Boats</i>	<i>Furniture & equipment</i>	<i>Water</i>	<i>Sewer</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	5,217,093	48,118,551	2,670,719	5,326,282	1,462,539	4,917,417	67,712,601
Acquisition of tangible capital assets	70,000	2,974,597	181,215	473,105	561,208	237,663	4,497,788
Balance, end of year	5,287,093	51,093,148	2,851,934	5,799,387	2,023,747	5,155,080	72,210,389
Accumulated amortization							
Balance, beginning of year	-	20,399,289	1,628,781	4,881,610	710,367	393,680	28,013,727
Annual amortization	-	1,259,804	177,531	143,732	50,594	128,877	1,760,538
Balance, end of year	-	21,659,093	1,806,312	5,025,342	760,961	522,557	29,774,265
Net book value of tangible capital assets	5,287,093	29,434,055	1,045,622	774,045	1,262,786	4,632,523	42,436,124
2016 Net book value of tangible capital assets	5,217,093	27,719,262	1,041,938	444,672	752,172	4,523,737	39,698,874

Cowichan Tribes
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Roads</i>	<i>Dikes</i>	<i>Electrical</i>	<i>Lift stations</i>	<i>2017</i>	<i>2016</i>
Cost							
Balance, beginning of year	67,712,601	4,458,296	6,304,481	64,935	701,425	79,241,738	74,818,998
Acquisition of tangible capital assets	4,497,788	890,168	292,653	190,641	-	5,871,250	4,422,740
Balance, end of year	72,210,389	5,348,464	6,597,134	255,576	701,425	85,112,988	79,241,738
Accumulated amortization							
Balance, beginning of year	28,013,727	3,018,417	4,540,724	19,476	383,790	35,976,134	34,013,988
Annual amortization	1,760,538	133,712	164,929	13,141	17,536	2,089,856	1,962,146
Balance, end of year	29,774,265	3,152,129	4,705,653	32,617	401,326	38,065,990	35,976,134
Net book value of tangible capital assets	42,436,124	2,196,335	1,891,481	222,959	300,099	47,046,998	43,265,604
2016 Net book value of tangible capital assets	39,698,874	1,439,879	1,763,757	45,459	317,635	43,265,604	

Cowichan Tribes
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Consolidated expenses by object			
Amortization	-	2,089,856	1,962,146
Automotive	245,885	204,286	236,371
Bank charges and interest	10,386	23,037	19,450
Community development	1,271,320	1,263,921	1,044,565
Consulting	1,091,149	886,777	1,004,875
Contracted services	2,148,438	3,827,332	2,490,969
Furniture and equipment	401,553	407,867	377,914
Honouraria	576,391	518,299	497,180
Insurance	458,764	495,094	471,671
Interest on long-term debt	494,939	606,029	633,755
Licenses and fees	85,143	140,426	114,120
Meeting	154,592	97,064	64,112
Office	366,943	303,365	358,842
Professional fees	1,061,564	1,385,264	1,590,676
Rent and lease	148,152	188,559	428,676
Repairs and maintenance	1,872,407	1,997,909	1,645,736
Salaries and benefits	17,721,745	18,902,393	15,658,145
Social assistance	5,823,616	5,339,398	5,429,769
Supplies	1,236,542	1,448,441	1,324,498
Telephone and fax	159,850	160,526	163,901
Training	521,725	896,297	380,930
Transfers to Nation business enterprises and partnerships	-	268,726	416,112
Travel	425,671	513,890	369,351
Tuition and student expenses	7,085,210	7,030,595	6,985,097
Utilities	278,350	383,208	286,646
	43,640,335	49,378,559	43,955,507

Cowichan Tribes
Administration
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	1,239,151	1,235,048	1,238,403
Investment income	80,000	124,051	114,633
Other income	104,057	321,705	108,855
Province of BC - other	-	103,144	-
Other agencies	-	1,084,034	-
	1,423,208	2,867,982	1,461,891
Expenses			
Amortization	-	139,347	71,645
Bank charges and interest	10,000	4,209	3,906
Community development	30,231	140,064	39,842
Consulting	257,850	449,015	263,704
Contracted services	47,200	1,176,336	148,102
Furniture and equipment	109,543	84,072	102,069
Honouraria	15,000	14,365	12,172
Insurance	10,200	12,371	10,109
Interest on long-term debt	-	377,939	377,939
Licenses and fees	41,260	42,946	54,093
Meeting	12,632	17,734	14,418
Office	90,346	59,382	59,567
Professional fees	214,936	254,120	171,246
Rent and lease	21,487	17,331	18,608
Repairs and maintenance	8,404	12,099	9,566
Salaries and benefits	2,659,201	3,404,448	2,418,972
Supplies	80,800	207,220	91,864
Telephone and fax	35,300	39,321	38,546
Training	72,000	76,401	61,454
Travel	83,300	92,393	70,525
Utilities	11,300	4,591	9,319
	3,810,990	6,625,704	4,047,666
Annual deficit before transfers	(2,387,782)	(3,757,722)	(2,585,775)
Transfers between programs	-	3,864,974	3,584,783
Annual surplus (deficit)	(2,387,782)	107,252	999,008

Cowichan Tribes
Own Source Revenue
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	-	-	(100,000)
Community Improvement Fee	2,645,808	2,501,307	1,911,968
Tobacco tax	2,996,832	2,978,268	2,970,929
Property tax	2,589,931	2,590,474	2,339,704
Province of BC - Host Local Government	690,000	773,717	736,089
Province of BC - Forestry Agreement	-	772,600	772,600
Province of BC - other	-	11,192	11,138
Investment income	511,126	549,643	464,796
Rental, gravel and timber income	350,000	782,736	949,620
Other income	38,380	55,584	67,252
	9,822,077	11,015,521	10,124,096
Expenses			
Amortization	-	27,762	27,761
Bank charges and interest	150	227	156
Community development	289,807	205,637	198,574
Consulting	543,925	19,292	45,807
Contracted services	63,000	14,037	28,972
Honouraria	305,000	299,166	305,061
Insurance	7,500	20,470	14,103
Interest on long-term debt	494,939	115,567	119,350
Licenses and fees	-	27,180	28,385
Meeting	16,000	13,147	7,282
Office	18,200	23,506	29,389
Professional fees	575,000	963,454	1,172,212
Rent and lease	70,300	156,050	366,704
Repairs and maintenance	20,000	192,224	52,581
Salaries and benefits	44,000	137,375	42,312
Supplies	33,900	47,992	68,100
Telephone and fax	1,500	1,502	1,657
Training	-	4,584	-
Utilities	-	625	603
	2,483,221	2,269,797	2,509,009
Annual surplus before transfers	7,338,856	8,745,724	7,615,087
Transfers between programs	-	(5,399,797)	(7,293,968)
Annual surplus	7,338,856	3,345,927	321,119

Cowichan Tribes
Child and Family Services
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	2,006,852	2,866,876	2,137,788
Province of BC - other	2,158,122	2,483,054	2,250,043
Other income	25,250	2,600	34,549
	4,190,224	5,352,530	4,422,380
Expenses			
Amortization	-	89,559	92,185
Automotive	20,837	7,515	7,908
Bank charges and interest	100	30	-
Community development	189,750	50,057	87,640
Consulting	75,000	23,272	90,628
Contracted services	1,425,647	1,610,050	1,505,778
Furniture and equipment	28,700	26,728	11,435
Honouraria	31,000	11,831	11,430
Insurance	17,865	19,385	17,396
Licenses and fees	10,700	27,372	603
Meeting	8,500	543	466
Office	32,615	34,742	13,346
Professional fees	15,200	-	676
Rent and lease	30,000	-	5,243
Repairs and maintenance	17,200	13,016	11,662
Salaries and benefits	2,435,417	2,355,589	2,096,922
Supplies	239,955	161,307	172,102
Telephone and fax	17,200	13,562	17,569
Training	53,835	3,445	8,006
Travel	89,000	64,696	68,143
Tuition and student expenses	27,700	1,010	7,378
Utilities	19,550	18,122	17,367
	4,785,771	4,531,831	4,243,883
Annual surplus(deficit) before transfers	(595,547)	820,699	178,497
Transfers between programs	-	(124,321)	(106,582)
Annual surplus (deficit)	(595,547)	696,378	71,915

Cowichan Tribes
Education
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue			
First Nations Health Authority	110,268	116,333	110,268
Indigenous and Northern Affairs Canada	10,672,980	11,024,307	10,884,313
Province of BC - other	624,907	735,589	573,832
Other agencies	244,504	753,620	357,043
Coast Salish Employment and Training Society	234,000	234,000	234,484
Other income	158,412	155,949	145,448
	12,045,071	13,019,798	12,305,388
Expenses			
Amortization	-	206,836	197,886
Automotive	-	709	-
Community development	45,242	57,361	39,798
Consulting	12,000	34,685	52,727
Contracted services	56,160	57,445	49,312
Furniture and equipment	41,980	68,956	57,833
Honouraria	39,315	19,215	18,840
Insurance	44,597	43,113	41,395
Licenses and fees	2,020	1,434	1,420
Meeting	14,300	1,367	4,534
Office	34,350	29,358	37,156
Rent and lease	4,700	-	-
Repairs and maintenance	88,390	81,867	121,334
Salaries and benefits	3,498,294	3,640,279	3,308,915
Social assistance	1,260,609	968,643	1,067,684
Supplies	319,224	276,552	252,354
Telephone and fax	19,370	14,802	16,823
Training	39,900	31,889	30,717
Travel	37,736	28,913	27,095
Tuition and student expenses	7,045,410	7,003,197	6,970,958
Utilities	48,400	57,224	49,711
	12,651,997	12,623,845	12,346,492
Annual surplus (deficit) before transfers	(606,926)	395,953	(41,104)
Transfers between programs	-	(182,430)	98,638
Annual surplus (deficit)	(606,926)	213,523	57,534

Cowichan Tribes
Jobs and Training
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue			
Coast Salish Employment and Training Society	375,659	690,772	393,477
Other income	-	-	4,832
	375,659	690,772	398,309
Expenses			
Community development	5,500	5,827	3,067
Consulting	-	-	2,140
Furniture and equipment	-	-	9,170
Honouraria	-	908	-
Office	11,500	2,349	329
Salaries and benefits	415,569	346,246	372,476
Supplies	27,508	30,288	44,758
Telephone and fax	800	771	798
Training	99,149	97,015	109,383
Travel	7,004	2,418	8,498
Tuition and student expenses	5,000	21,945	2,117
	572,030	507,767	552,736
Annual surplus (deficit) before transfers	(196,371)	183,005	(154,427)
Transfers between programs	-	42,472	124,443
Annual surplus (deficit)	(196,371)	225,477	(29,984)

Cowichan Tribes
Lands and Fisheries
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue			
Department of Fisheries and Oceans Canada	901,445	978,064	1,248,760
Indigenous and Northern Affairs Canada	103,034	896,656	362,337
Province of BC - other	25,000	75,000	57,000
Other agencies	29,031	90,542	205,172
Licence fees	592,000	371,876	306,459
Other income	294,050	252,884	383,720
Rental, gravel and timber income	20,000	41,004	142,849
	1,964,560	2,706,026	2,706,297
Expenses			
Amortization	-	118,119	103,121
Automotive	102,960	110,679	102,348
Community development	45,712	44,805	82,337
Consulting	30,300	318,573	140,540
Contracted services	205,050	166,734	288,275
Furniture and equipment	25,900	43,644	18,253
Honouraria	39,300	33,462	48,401
Insurance	30,405	40,153	30,179
Licenses and fees	4,325	19,980	4,958
Meeting	38,850	30,364	19,555
Office	90,310	42,761	108,374
Professional fees	61,737	73,235	70,198
Rent and lease	8,500	3,629	7,368
Repairs and maintenance	88,181	83,074	5,662
Salaries and benefits	1,622,368	1,918,027	1,432,440
Supplies	55,355	49,518	74,711
Telephone and fax	13,060	13,225	10,357
Training	36,877	44,491	39,009
Travel	31,352	71,795	22,909
Utilities	93,000	104,784	97,186
	2,623,542	3,331,052	2,706,181
Annual surplus (deficit) before transfers	(658,982)	(625,026)	116
Transfers between programs	-	(1,209,042)	773,081
Annual surplus (deficit)	(658,982)	(1,834,068)	773,197

Cowichan Tribes
Operations and Maintenance
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	432,558	643,706	501,689
Other income	30,500	78,280	36,828
Rent	24,265	19,392	21,857
	487,323	741,378	560,374
Expenses			
Amortization	-	555,386	509,446
Automotive	15,500	9,193	46,177
Community development	279,200	293,955	271,702
Contracted services	-	1,010	-
Furniture and equipment	14,000	150	9,863
Insurance	48,600	46,041	45,602
Office	7,500	9,516	8,689
Repairs and maintenance	799,782	807,659	713,050
Salaries and benefits	610,538	602,094	517,293
Supplies	5,150	23,357	9,557
Telephone and fax	7,400	5,238	6,044
Training	17,029	11,270	-
Travel	30,200	29,506	1,772
Utilities	76,900	109,656	76,816
	1,911,799	2,504,031	2,216,011
Annual deficit before transfers	(1,424,476)	(1,762,653)	(1,655,637)
Transfers between programs	-	1,109,784	1,302,381
Annual deficit	(1,424,476)	(652,869)	(353,256)

Cowichan Tribes
Social Development
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	4,708,852	4,683,316	4,774,758
Investment income	1,000	1,059	1,375
Other income	65,638	79,083	78,951
Coast Salish Employment and Training Society	-	302,320	-
	4,775,490	5,065,778	4,855,084
Expenses			
Amortization	-	17,796	17,109
Bank charges and interest	100	657	-
Community development	500	-	9,200
Contracted services	-	2,400	-
Furniture and equipment	-	6,209	-
Meeting	1,000	2,062	652
Professional fees	-	1,125	-
Rent and lease	-	-	5,000
Salaries and benefits	456,270	638,929	390,563
Social assistance	4,519,007	4,324,237	4,317,726
Supplies	32,035	41,116	21,951
Telephone and fax	3,000	3,466	2,605
Training	-	440,354	19,206
Travel	11,154	17,852	12,544
Tuition and student expenses	2,400	2,187	1,690
	5,025,466	5,498,390	4,798,246
Annual surplus (deficit) before transfers	(249,976)	(432,612)	56,838
Transfers between programs	-	318,514	440,826
Annual surplus (deficit)	(249,976)	(114,098)	497,664

Cowichan Tribes
Social Development - NCBR
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	447,747	447,747	451,175
Other income	-	13,288	7,717
	447,747	461,035	458,892
Expenses			
Rent and lease	1,440	-	5,240
Salaries and benefits	92,485	94,483	66,803
Supplies	29,000	42,918	41,557
Telephone and fax	200	-	-
Training	32,107	28,182	24,198
Travel	3,693	8,524	-
Tuition and student expenses	700	674	643
	159,625	174,781	138,441
Annual surplus before transfers	288,122	286,254	320,451
Transfers between programs	-	(368,652)	(451,175)
Annual surplus (deficit)	288,122	(82,398)	(130,724)

Cowichan Tribes
Housing and Capital
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	-	2,294,588	1,402,904
Canada Mortgage and Housing Corporation	385,950	426,511	415,647
Investment income	9,200	6,134	7,636
Rent	1,105,800	1,058,438	1,076,073
Other income	200	20,092	13,079
	1,501,150	3,805,763	2,915,339
Expenses			
Amortization	-	797,333	802,190
Automotive	27,700	38,225	40,519
Community development	19,500	135,973	34,790
Consulting	96,000	21,345	324,936
Contracted services	-	15,207	221
Furniture and equipment	63,400	68,294	61,510
Honouraria	15,000	3,150	6,900
Insurance	170,925	161,541	164,196
Interest on long-term debt	-	112,523	136,466
Meeting	13,000	745	525
Office	43,322	71,240	63,356
Professional fees	12,291	13,438	12,131
Repairs and maintenance	756,584	712,880	608,292
Salaries and benefits	832,976	891,251	816,378
Supplies	15,000	26,368	18,553
Telephone and fax	9,000	14,830	12,543
Training	7,500	12,663	10,923
Travel	5,000	426	11,066
Utilities	500	288	-
	2,087,698	3,097,720	3,125,495
Annual surplus (deficit) before transfers	(586,548)	708,043	(210,156)
Transfers between programs	-	1,476,772	1,123,868
Annual surplus (deficit)	(586,548)	2,184,815	913,712

Cowichan Tribes
Youth
Schedule 13 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	-	31,500	-
Other agencies	-	35,004	97
Other income	1,600	94,580	15,000
	1,600	161,084	15,097
Expenses			
Amortization	-	986	5,318
Automotive	3,500	7,306	3,127
Community development	246,870	187,562	171,784
Consulting	25,000	-	-
Furniture and equipment	2,000	5,379	10,314
Honouraria	19,500	16,385	8,523
Insurance	2,992	3,013	2,866
Meeting	10,250	1,902	1,100
Office	23,200	2,330	3,820
Professional fees	10,000	19,022	-
Rent and lease	1,550	440	480
Repairs and maintenance	21,500	199	530
Salaries and benefits	213,728	241,598	216,288
Supplies	22,396	17,837	15,611
Telephone and fax	6,500	3,551	4,238
Training	22,000	103	2,119
Travel	7,750	1,260	560
Tuition and student expenses	4,000	1,582	2,312
Utilities	1,700	2,698	2,698
	644,436	513,153	451,688
Annual deficit before transfers	(642,836)	(352,069)	(436,591)
Transfers between programs	-	348,762	370,987
Annual deficit	(642,836)	(3,307)	(65,604)

Cowichan Tribes
Treaty Negotiations
Schedule 14 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue			
Other agencies - Hul'qumi'num Treaty Group	532,000	532,000	531,999
Other income - Trans Mountain Pipeline	105,000	7,000	108,219
	637,000	539,000	640,218
Expenses			
Community development	1,900	2,085	1,448
Contracted services	54,800	144,225	30,405
Furniture and equipment	2,500	2,014	1,175
Honouraria	76,800	49,641	44,627
Meeting	33,860	15,724	11,653
Office	-	2,158	-
Professional fees	168,400	55,203	151,586
Salaries and benefits	249,142	263,781	243,338
Supplies	8,185	8,429	6,877
Telephone and fax	800	657	615
Training	4,000	5,470	1,065
Travel	4,300	4,941	3,298
	604,687	554,328	496,087
Annual surplus (deficit) before transfers	32,313	(15,328)	144,131
Transfers between programs	-	(48,221)	181,861
Annual surplus (deficit)	32,313	(63,549)	325,992

Cowichan Tribes
Health
Schedule 15 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue			
First Nations Health Authority	4,903,693	5,296,070	5,174,156
Indigenous and Northern Affairs Canada	331,395	341,263	331,975
Other income	45,600	270,762	163,600
Other agencies	74,440	123,339	146,049
Province of BC - other	-	60,000	-
	5,355,128	6,091,434	5,815,780
Expenses			
Amortization	-	59,267	55,920
Automotive	75,388	30,659	36,292
Bank charges and interest	36	30	33
Community development	117,108	140,593	104,380
Consulting	51,074	5,701	65,893
Contracted services	296,581	621,888	439,905
Furniture and equipment	113,530	102,262	96,292
Honouraria	35,476	70,175	41,225
Insurance	125,680	122,789	136,263
Licenses and fees	26,838	21,514	24,660
Meeting	6,200	13,476	3,927
Office	15,600	16,074	13,266
Professional fees	4,000	-	-
Rent and lease	10,175	11,110	20,034
Repairs and maintenance	72,366	71,277	36,708
Salaries and benefits	4,591,757	4,146,536	3,633,801
Social assistance	44,000	46,519	44,359
Supplies	368,034	405,741	329,923
Telephone and fax	45,720	49,601	52,107
Training	137,328	140,430	74,850
Travel	115,182	191,168	142,940
Utilities	27,000	28,652	27,977
	6,279,073	6,295,462	5,380,755
Annual surplus (deficit) before transfers	(923,945)	(204,028)	435,025
Transfers between programs	-	124,185	54,580
Annual surplus (deficit)	(923,945)	(79,843)	489,605

Cowichan Tribes
Economic Development
Schedule 16 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget (Note 15)	2017	2016
Revenue			
Indigenous and Northern Affairs Canada	221,726	221,726	297,112
Earnings (loss) from investment in Nation business enterprises and partnerships	-	322,610	(1,161,293)
Quw'utsun Cultural and Conference Centre	-	325,709	308,212
Other income	-	57,763	-
	221,726	927,808	(555,969)
Expenses			
Amortization	-	77,465	79,565
Bank charges and interest	-	17,884	15,355
Consulting	-	14,894	18,503
Contracted services	-	18,000	-
Furniture and equipment	-	158	-
Insurance	-	26,219	9,563
Office	-	9,950	21,551
Professional fees	-	5,667	12,626
Repairs and maintenance	-	23,615	86,351
Salaries and benefits	-	221,758	101,639
Supplies	-	109,798	176,582
Transfers to Nation business enterprises and partnerships	-	268,726	416,112
Utilities	-	56,564	4,970
	-	850,698	942,817
Annual surplus (deficit) before transfers	221,726	77,110	(1,498,786)
Transfers between programs	-	47,000	107,000
Annual surplus (deficit)	221,726	124,110	(1,391,786)