

Cowichan Tribes
Consolidated Financial Statements
March 31, 2019

	Page
Management's Responsibility	
Independent Auditor's Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Changes in Net Financial Assets (Net Debt).....	3
Consolidated Statement of Cash Flows.....	4
Notes to the Consolidated Financial Statements	5
Schedules	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	22
Schedule 2 - Schedule of Consolidated Expenses by Object.....	24
Schedule 3 - Administration.....	25
Schedule 4 - Own Source Revenue.....	26
Schedule 5 - Lalum'utul' Smun'eem Child and Family Services.....	27
Schedule 6 - Quw'utsun Syuw'entst Lelum' Culture and Education Centre.....	28
Schedule 7 - Lulumexun Lands and Governance.....	29
Schedule 8 - Operations and Maintenance.....	30
Schedule 9 - Social Development.....	31
Schedule 10 - Sustainable Housing Development.....	32
Schedule 11 - Treaty Negotiations.....	33
Schedule 12 - Ts'ewulhtun Health Centre.....	34
Schedule 13 - Capital Projects.....	35

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 Finance and Audit Committee is established to provide Council with advice and recommendations to support Council's decision-making process respecting the financial administration of the Nation. It is appointed by Council. The committee is responsible for recommending to Council on the selection of an external auditor and on approval of the audited annual 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, the Finance and Audit Committee and external auditors. The Chief and Council are also responsible for appointing 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 each of the Chief and Council, the Finance and Audit Committee and management to discuss their audit findings.



General Manager



Comptroller

Independent Auditor's Report

To the Members of Cowichan Tribes:

Opinion

We have audited the consolidated financial statements of Cowichan Tribes (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (net debt), cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2019, and the results of its consolidated operations, changes in net financial assets (net debt) and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

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

Duncan, British Columbia

July 23, 2019

MNP LLP

Chartered Professional Accountants

Cowichan Tribes
Consolidated Statement of Financial Position
As at March 31, 2019

2019 2018

Financial assets

Cash and cash equivalents	15,878,553	22,349,480
Accounts receivable (Note 4)	6,410,770	3,747,609
Restricted cash (Note 5)	1,197,737	1,205,344
Term deposit (Note 3)	6,900,000	-
Portfolio investments (Note 6)	4,947,067	5,093,190
Investment in Nation business enterprises and partnerships (Note 7)	9,308,878	4,954,681
Funds held in trust (Note 8)	1,142,198	1,307,384
	45,785,203	38,657,688

Liabilities

Accounts payable and accruals (Note 9)	9,744,606	7,581,343
Deferred revenue (Note 10)	4,513,402	6,320,876
Long-term debt (Note 12)	19,205,427	20,083,385
	33,463,435	33,985,604

Net financial assets

12,321,768 4,672,084

Contingencies & Commitments (Note 14)

Non-financial assets

Tangible capital assets (Schedule 1)	55,111,130	53,517,101
Inventory	-	20,046
Prepaid expenses	321,661	314,335
	55,432,791	53,851,482


Accumulated surplus (Note 11)

67,754,559 58,523,566

Approved on behalf of the Council and acknowledged by Finance and Audit Committee and Management



Chief



Chair of
Finance and
Audit
Committee



Councilor



Comptroller

Cowichan Tribes
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019

	<i>Schedules</i>	<i>2019 Budget (Note 13)</i>	<i>2019</i>	<i>2018</i>
Revenue				
Indigenous Services Canada (Note 15)		26,731,528	33,388,549	34,488,885
First Nations Health Authority		5,540,201	6,174,207	4,946,783
Department of Fisheries and Oceans Canada		1,575,145	2,037,557	1,721,131
Canada Mortgage and Housing Corporation		370,000	326,128	360,797
Province of British Columbia - other		3,185,022	4,532,760	4,773,519
Province of British Columbia - Forestry Agreement		772,600	772,600	772,600
Province of British Columbia - Host Local Government		700,000	836,371	815,006
Tobacco tax		3,062,281	3,540,067	3,087,990
Property tax		2,577,754	2,637,963	2,577,754
Community improvement fee		1,755,693	1,756,284	1,789,344
Other agencies		925,623	3,989,713	3,207,228
First nations education steering committee		432,290	1,280,488	769,631
Rental and lease income		1,664,162	1,902,024	1,868,285
Coast Salish Employment and Training Society		585,558	674,579	873,548
Other income		1,827,631	2,737,735	1,800,999
Investment income (Note 18)		691,400	774,283	753,154
Licence fees		564,010	371,284	373,354
Earnings from investment in Nation business enterprises and partnerships (Note 7)		-	4,205,472	1,375,352
		52,960,898	71,938,064	66,355,360
Program expenses				
Administration	3	6,897,888	12,524,611	9,364,281
Own Source Revenue	4	1,696,289	130,416	132,442
Lalum'utul' Smun'eem Child and Family Services	5	7,499,133	7,143,465	5,612,065
Quw'utsun Syuw'entst Lelum' Culture and Education Centre	6	13,488,574	15,554,262	13,043,603
Lulumexun Lands and Governance	7	4,574,378	6,091,870	3,883,912
Operations and Maintenance	8	1,871,431	2,906,987	2,478,081
Social Development	9	6,141,857	6,066,174	6,245,373
Sustainable Housing Development	10	1,677,358	1,793,732	1,564,712
Treaty Negotiations	11	491,488	477,878	459,640
Ts'ewulhtun Health Centre	12	7,808,643	7,713,337	7,378,671
Capital Projects	13	322,500	1,061,473	1,135,015
Total expenditures (Schedule 2)		52,469,539	61,464,205	51,297,795
Surplus before other items		491,359	10,473,859	15,057,565
Other income				
Gain on disposal of tangible capital assets		-	27,000	-
Contributed tangible capital asset (Schedule 1)		-	-	1,140,784
Annual surplus		491,359	10,500,859	16,198,349
Accumulated surplus, beginning of year		58,523,566	58,523,566	43,453,773
Tobacco tax distribution to members		(1,200,000)	(1,269,866)	(1,128,556)
Accumulated surplus, end of year (Note 11)		57,814,925	67,754,559	58,523,566

The accompanying notes are an integral part of these financial statements

Cowichan Tribes
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the year ended March 31, 2019

	2019 Budget (Note 13)	2019	2018
Annual surplus	491,359	10,500,859	16,198,349
Purchases of tangible capital assets	(9,938,165)	(4,102,861)	(7,643,515)
Contributed tangible capital asset	-	-	(1,140,784)
Amortization of tangible capital assets	-	2,508,833	2,314,196
Change in inventory	-	20,046	469
Change in prepaid expenses	-	(7,327)	(5,787)
Tobacco tax distribution to members	(1,200,000)	(1,269,866)	(1,128,556)
Gain on disposal of tangible capital assets	-	(27,000)	-
Proceeds of disposal of tangible capital assets	-	27,000	-
Change in net financial assets (net debt)	(10,646,806)	7,649,684	8,594,372
Net financial assets (net debt), beginning of year	4,672,084	4,672,084	(3,922,288)
Net financial assets (net debt), end of year	(5,974,722)	12,321,768	4,672,084

The accompanying notes are an integral part of these financial statements

Cowichan Tribes
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	10,500,859	16,198,349
Non-cash items		
Amortization	2,508,833	2,314,196
Gain on disposal of tangible capital assets	(27,000)	-
Earnings from investment in Nation business enterprises and partnerships	(4,205,472)	(1,375,352)
Contributed tangible capital asset	-	(1,140,784)
	8,777,220	15,996,409
Changes in working capital accounts		
Accounts receivable	(2,663,161)	628,841
Accounts payable and accruals	2,163,263	(1,119,535)
Deferred revenue	(1,807,474)	4,093,156
Inventory	20,046	469
Prepaid expenses	(7,327)	(5,787)
	6,482,567	19,593,553
Financing activities		
Repayments of long-term debt	(877,958)	(915,643)
Tobacco tax distribution to members	(1,269,866)	(1,128,556)
Purchase of term deposit	(6,900,000)	-
	(9,047,824)	(2,044,199)
Capital activities		
Purchases of tangible capital assets	(4,102,861)	(7,643,515)
Proceeds of disposal of tangible capital assets	27,000	-
	(4,075,861)	(7,643,515)
Investing activities		
Change in due from Nation business enterprises	1,275	516,604
Investments in Nation business enterprises and partnerships	(150,000)	-
Change in funds held in trust	165,186	24,777
Change in restricted cash	7,607	(105,771)
Change in portfolio investments	146,123	83,414
Investment in Nation business partnership	-	(610,231)
	170,191	(91,207)
Increase (decrease) in cash and cash equivalents	(6,470,927)	9,814,632
Cash and cash equivalents, beginning of year	22,349,480	12,534,848
Cash and cash equivalents, end of year	15,878,553	22,349,480
Supplementary cash flow information		
Interest paid	593,732	605,838

The accompanying notes are an integral part of these financial statements

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:

Reporting entity consolidated

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:

- 0787308 B.C. Ltd.
- Khowutzun Heritage Centre Ltd.
- 0944623 BC Ltd.
- 0942071 BC Ltd.
- Quw'utsun Kw'at'l'kwa Fisheries Society.
- Quw'utsun Kw'at'l'kwa Fisheries Enterprises Ltd.
- 0990409 BC Ltd.
- 0626875 BC Ltd.
- Mustimuhw Information Solutions Society.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations of each specific department.

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.

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.

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

Entities accounted for by the modified equity basis include:

- Costa Canna Limited Partnership
- Cowichan Mini Mall Ltd.
- Khowutzun Gaming Corp.
- Khowutzun Development Corp.
- Khowutzun Forest Services Ltd.
- Khowutzun Forest Services Limited Partnership
- Mustimuhw Information Solutions Inc.

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.

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.

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
Lift stations infrastructure	40 years
Electrical infrastructure	40 years

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.

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

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 consolidated 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.
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.
- Suspense trust monies are generated from completed projects awaiting reimbursement.

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.

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.

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 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, 2019.

At each financial reporting date, the 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 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, 2019, no liability for contaminated site exists.

Changes in Accounting Policies

PS 3430 Restructuring Transactions

Effective April 1, 2018, the Nation adopted the recommendations relating to *PS 3430 Restructuring Transactions* as set out in the CPA Canada Public Sector Accounting Handbook. The main features of this standard are as follows:

- 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.

There was no material impact on the consolidated financial statements of adopting the new section.

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 Services Canada ("ISC")**
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 ISC and deficits are recoverable.
- ii) **First Nation Capital and Revenue Trust Funds**
The First Nation recognizes revenues of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.
- iii) **Canada Mortgage and Housing Corporation ("CMHC")**
CMHC revenue is recognized as it become 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 consolidated 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 British Columbia ("BC")**
Province of BC revenue is recognized as it becomes receivable under the terms of the funding agreements.

3. Term deposit

During the year, the Nation entered into a \$6,900,000 two year renewable and redeemable Guaranteed Investment Certificate bearing interest at 2.80% per annum, maturing on April 24, 2020.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

4. Accounts receivable

	2019	2018
Indigenous Services Canada	2,305,898	732,579
Other receivable	2,113,837	566,969
Due from Nation's business enterprises	1,112,627	844,424
First Nation organizations	508,223	434,090
Department of Fisheries and Oceans Canada	276,681	388,244
Other government agencies	79,164	88,253
Province of British Columbia	14,340	682,137
School District #79 and Vancouver Island University	-	10,913
	6,410,770	3,747,609

5. Restricted cash

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$85,513 (2018 - \$93,680) 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 (2018 - 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 (2018 - 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, 2019 was \$547,471 (2018- \$526,719).

	2019	2018
Replacement and operating reserves	650,266	678,625
FNFA debt reserve	547,471	526,719
	1,197,737	1,205,344

6. Portfolio investments

	2019	2018
Mt. Hayes Storage Limited Partnership - 7.5% of issued partnership units	4,793,391	4,940,391
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.	144,410	143,533
All Nations Trust Company - 810 Class "A" shares	9,266	9,266
	4,947,067	5,093,190

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

7. Investment in Nation business enterprises and partnership

The Nation has investments in the following entities:

			2019	
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
Controlled Businesses:				
Cowichan Mini Mall Ltd. (54.88%)	55	50,197	(1,141,764)	(1,091,512)
Khowutzun Gaming Corporation	100	2,653,642	1,862,300	4,516,042
Khowutzun Development Corp	2	346,545	(304,308)	42,239
Kohwutzun Forest Service Ltd	100	-	(7,965)	(7,865)
Mustimuhw Information Solutions Inc	100	756,862	536,784	1,293,746
	357	3,807,246	945,047	4,752,650
Business Partnerships – Modified Equity:				
Costa Canna LP	150,000	-	-	150,000
Khowutzun Forest Services LP	4,700	610,231	3,791,297	4,406,228
	155,057	4,417,477	4,736,344	9,308,878

			2018	
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
Controlled Businesses:				
Cowichan Mini Mall Ltd. (54.88%)	55	51,477	(1,063,569)	(1,012,037)
Khowutzun Gaming Corporation	100	2,653,642	833,608	3,487,350
Khowutzun Development Corp	2	346,545	(276,613)	69,934
Kohwutzun Forest Service Ltd	100	-	(8,460)	(8,360)
Mustimuhw Information Solutions Inc.	100	756,862	978,459	1,735,421
	357	3,808,526	463,425	4,272,308
Business Partnerships - Modified Equity:				
Khowutzun Forest Services LP	4,700	610,231	67,442	682,373
	5,057	4,418,757	530,867	4,954,681

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 \$23,022, including interest at 5%, due July 1, 2023

Khowutzun Gaming Corp. long-term debt consists of a mortgage that 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, 2019

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

Summary financial information for each 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. As at March 31, 2019</i>	<i>Khowutzun Gaming Corp As at March 31, 2019</i>	<i>Khowutzun Development Corp As at March 31, 2019</i>	<i>Khowutzun Forest Services Ltd As at March 31, 2019</i>
Assets				
Cash	2,560	1,354,680	24,308	245
Accounts receivable	-	-	19,816	320
Inventory and prepaid expenses	308,598	-	1,367	-
Investments	-	968,179	-	434
Capital assets	757,144	4,881,322	19,121	-
Total assets	1,068,302	7,204,181	64,612	999
Liabilities				
Accounts payable and accruals	101,574	8,576	22,373	3,114
Deferred revenue	53,866	-	-	-
Due to related parties	184,575	5,642	-	5,750
Loans and advances	-	-	-	-
Long-term debt	2,808,661	2,679,564	-	-
Total liabilities	3,148,676	2,693,782	22,373	8,864
Net assets	(2,080,374)	4,510,399	42,239	(7,865)
Total revenue	596,606	1,464,540	270,256	2,774
Total expenses	739,089	435,849	297,951	2,273
Net income (loss)	(142,483)	1,028,691	(27,695)	501

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

	<i>Mustimuhw Information Solutions Inc As at March 31, 2019</i>	<i>Khowutzun Forest Services Limited Partnership As at March 31, 2019</i>
Assets		
Cash	1,591,670	4,016,194
Accounts receivable	2,113,698	659,517
Inventory and prepaid expenses	7,500	11,328
Investments	-	-
Capital assets	12,669	135,365
Total assets	3,725,537	4,822,404
Liabilities		
Accounts payable and accruals	1,145,435	415,707
Deferred revenue	958,266	-
Due to related parties	328,092	-
Loans and advances	550,000	-
Long-term debt	-	-
Total liabilities	2,981,793	415,707
Net assets	743,744	4,406,697
Total revenue	5,554,390	6,651,076
Total expenses	5,301,908	2,926,849
Net income (loss)	252,482	3,724,227

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 \$64,288 (2018 - \$13,480) of the current year loss.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

8. Funds held in trust

Capital and revenue trust monies are transferred to the Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the Nation's Council.

	2019	2018
Capital Trust		
Balance, beginning and end of year	336,793	336,793
Less: Transfers to Nation	149,928	-
Balance, end of year	186,865	336,793
Revenue Trust		
Balance, beginning of year	317,268	356,598
Interest	12,369	14,009
Special (BC)	11,260	11,316
Land leases	299,133	285,345
Transfer from suspense	327	-
	640,357	667,268
Less: Transfers to Nation	350,000	350,000
Balance, end of year	290,357	317,268
Suspense		
Balance, beginning of year	653,323	638,770
Interest	11,980	14,553
Transfer to revenue trust	(327)	-
Balance, end of year	664,976	653,323
	1,142,198	1,307,384

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 government by Sections 63 to 69 of the *Indian Act*.

9. Accounts payable and accruals

	2019	2018
Accrued liabilities	3,648,428	2,668,592
Trade payables	4,895,611	3,561,571
Receiver General	124,275	109,619
Due from Nation's business enterprises	1,076,292	1,241,561
	9,744,606	7,581,343

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

10. Deferred revenue

	2019	2018
ISC funds (see below)	4,220,226	5,971,024
Province of British Columbia	293,176	309,852
Vancouver Island Health Authority	-	40,000
	4,513,402	6,320,876
ISC funds (Note 15)		
Opening balance of unspent funds	5,971,024	2,181,983
Amounts received during the year	1,546,258	9,034,702
Amounts spent on projects and recorded as revenue	(3,297,056)	(5,245,661)
	4,220,226	5,971,024

11. Accumulated surplus

Accumulated surplus consists of the following:

	2019	2018
Equity in Ottawa Trust Funds	1,142,198	1,307,384
Equity in tangible capital assets	35,806,476	31,845,690
Nation business enterprises surplus	9,308,878	4,954,681
Replacement reserve fund	528,548	664,960
Unrestricted surplus	20,968,459	19,750,851
	67,754,559	58,523,566

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

12. Long-term debt

	2019	2018
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, due June 2024	9,060,969	9,266,972
Royal Bank of Canada loan repayable in monthly payments of \$22,000 plus interest, fixed interest rate of 2.73% (2018 - 2.35%), through an interest 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	4,121,000	4,383,000
All Nations Trust		
Phase P: Loan - repayable at \$2,473 per month including interest at 1.97% per annum; term maturity date of December 1, 2022	238,389	263,121
Phase Q: Loan - repaid during the year	-	58,323
Phase R: Loan - repayable at \$2,786 per month including interest at 1.82% per annum; term maturity date of September 1, 2019	172,311	202,315
Phase S: Loan - repayable at \$2,804 per month including interest at 1.11% per annum; term maturity date of April 1, 2021	229,130	260,056
Phase T: Loan - repayable at \$10,091 per month including interest at 2.14% per annum; term maturity date of March 1, 2024	1,538,897	1,626,902
Phase U: Loan - repayable at \$9,110 per month including interest at 1.08% per annum; term maturity date of August 1, 2020	1,636,535	1,727,684
Phase V: Loan - repayable at \$2,735 per month including interest at 2.50% per annum; term maturity date of June 1, 2023	501,585	522,124
Phase W: Loan - repayable at \$4,218 per month including interest at 2.52% per annum; term maturity date of September 1, 2023	779,924	810,852
Phase X: Loan - repayable at \$1,991 per month including interest at 2.22% per annum; term maturity date of January 1, 2024	382,088	397,509
Phase Y: Loan - repayable at \$1,991 per month including interest at 2.22% per annum; term maturity date of January 1, 2024	544,599	564,527
	19,205,427	20,083,385

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

12.. 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:

	Principal
2020	761,793
2021	768,081
2022	774,491
2023	781,025
2024	787,686
	<hr/>
	3,873,076

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 2.73% (2018 - 2.35%) is comprised of a swap rate of 1.98% 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 \$4,793,391 (2018 - \$4,940,391). 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, 2019 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, 2019.

13. Budget information

Budget figures represent the budget adopted by Cowichan Tribes on March 27, 2018. 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.

	2019
Adopted budget deficit	(10,450,709)
Capital acquisition	9,938,165
Debt repayments	1,003,903
	<hr/>
Budgeted annual surplus before member distributions	491,359
Member distribution	(1,200,000)
	<hr/>
Budgeted annual deficit per statement of operations and accumulated surplus	(708,641)

14. Contingencies & Commitments

- a) Cowichan Tribes has guaranteed various member loans, amounting to \$1,331,585 (2018 - \$1,428,509) 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, 2019, the indebtedness was \$36,116,118 (2018 - \$36,116,118). 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. Once the treaty negotiations have been completed, Cowichan Tribes will be awarded with the portion of the treaty funds. The recovery of the funds will be recorded once the treaty negotiations have been fully completed.
- 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, 2019 was \$2,679,564 (2018 - \$2,961,980). As at March 31, 2019, the Nation has no liability associated with his guarantee.
- e) These consolidated financial statements are subject to review by the Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews. Any liabilities resulting from these reviews will be accounted for as an expense at the time of resolution.
- f) 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.
- g) 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.
- h) The Nation has various capital projects that are currently in progress and has committed \$730,365 to various contractors.
- i) Cowichan Tribes has a specific claim against Canada regarding the wrongful pre-emption of lands in Cowichan Reserve No. 1 by a settler, Mr. Brennan. Canada has accepted liability and has offered financial compensation of \$2,682,907. A settlement agreement has been approved by Council and been subject to a band membership ratification vote, which failed to get sufficient turnout. In the meantime, Canada decided to revise its Specific Claims Policy to account for the Specific Claims Tribunal decision *Huu-ay-aht First Nations v Canada* (Minister of Indian Affairs and Northern Development), 2016 SCTC 14, which calls for a more equitable approach to compensating claimants for loss of use of land. The Nation is currently waiting for Canada to release the revised policy to determine whether it will lead to a higher settlement for this claim, which is expected.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

15. ISC funding reconciliation

	2019	2018
Funding provided by ISC	31,645,751	37,817,749
Less: ISC recoveries during the year	(8,000)	(4,712)
Add: additional funding for Child and Family Services	-	452,845
Add: reimbursements by ISC	-	12,044
	31,637,751	38,277,926
Add: Deferred amount from prior year		
Tommy Road water (CPMS 10727)	1,333,276	-
Boys Road sewer (CPMS 4506)	3,892,791	-
Koksilah River crossing (CPMS 11922 & ICMS 9-00124506)	426,663	-
Flood Mitigation (CPMS 9-00126204)	199,685	-
Renovations and additions (CPMS 9-00126934)	118,609	-
Six plex Trestle Road (CPMS 9-00126172)	-	1,324,800
Flood Mitigation (CPMS 9-00126204)	-	172,683
Renovations and additions (CPMS 9-00126934)	-	250,000
Street lighting (CPMS 11535)	-	105,950
Quamichan culvert replacement (CPMS 11802)	-	167,846
Quw'utushn Smun'eem expansion (CPMS 9-0012)	-	14,255
Wilson Road Water (CPMS 3404)	-	27,035
Three system water study (CPMS 10727)	-	103,200
Tyup Road low pressure sewer (CPMS 11558)	-	16,214
	5,971,024	2,181,983
Less: Amounts deferred to subsequent year		
Tommy Road water (CPMS 10727)	(168,922)	(1,333,276)
Riverbottom Road water (ICMS 9-00126177)	(1,197)	-
Boys Road sewer (CPMS 4506)	(3,787,202)	(3,892,791)
Koksilah River crossing (CPMS 11922 & ICMS 9-00124506)	(262,905)	(426,663)
Flood Mitigation (CPMS 9-00126204)	-	(199,685)
Renovations and additions (CPMS 9-00126934)	-	(118,609)
	(4,220,226)	(5,971,024)
	33,388,549	34,488,885

16. Economic dependence

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

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 reports general operations, support, activities related to the growth of revenue producing projects 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.

Lalum'utul' Smun'eem Child and Family Services:

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

Quw'utsun Syuw'entst Lelum' Culture and Education Centre:

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

Lulumexun Lands and Governances:

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, including revenue and expenses relating to the National Child Benefit Reinvestment program and the Coast Salish Employment and Training Society funding and related expenditures.

Treaty Negotiations:

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

Ts'ewulhtun Health Centre:

This segment includes activities related to the provision of health services, North American Indigenous Games legacy funds and other revenue specified for youth programs within Cowichan Tribes.

Capital Projects:

This segment reports the revenue and expenditures related to capital projects within Cowichan Tribes.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

18. Related party transactions

Mt. Hayes Storage Limited Partnership	
Investment income	507,717
Interest income	2,633
Mustimuhw Information Solutions Inc.	
Contracted services	3,083,309
Khowutzun Development Corp.	
Other income	72,339
Transfers	242,881
Khowutzun Gaming Corp.	
Other income	4,547
Chances Cowichan	
Taxation income	154,634
Supplies expense	1,205
Cowichan Mini Mall	
Taxation income	385,624
Khouwtzun Heritage Centre	
Hydro expense	12,441
Insurance expense	2,677

The related party transactions are with Nation's business enterprises and partnerships that are owned or controlled by the Nation's Chief and Council but not dependent on the Nation for their continuing operations.

All transactions were conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

19. Comparative figures

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

Cowichan Tribes
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2019

	<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	5,287,093	53,677,438	3,013,483	6,271,795	4,790,945	6,122,066	79,162,820
Acquisition of tangible capital assets	-	470,974	517,490	230,238	1,306,100	1,297,403	3,822,205
Contributed tangible capital asset	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	(105,514)	-	-	-	(105,514)
Balance, end of year	5,287,093	54,148,412	3,425,459	6,502,033	6,097,045	7,419,469	82,879,511
Accumulated amortization							
Balance, beginning of year	-	22,998,900	1,988,743	5,169,359	885,236	678,587	31,720,825
Annual amortization	-	1,336,186	237,979	214,626	156,926	188,464	2,134,181
Accumulated amortization on disposals	-	-	(105,515)	-	-	-	(105,515)
Balance, end of year	-	24,335,086	2,121,207	5,383,985	1,042,162	867,051	33,749,491
Net book value of tangible capital assets	5,287,093	29,813,326	1,304,252	1,118,048	5,054,883	6,552,418	49,130,020
2018 Net book value of tangible capital assets	5,287,093	30,678,538	1,024,740	1,102,436	3,905,709	5,443,479	47,441,995

Cowichan Tribes
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2019

	<i>Subtotal</i>	<i>Roads</i>	<i>Dikes</i>	<i>Electrical</i>	<i>Lift stations</i>	<i>2019</i>	<i>2018</i>
Cost							
Balance, beginning of year	79,162,820	5,429,464	8,096,402	507,176	701,425	93,897,287	85,112,988
Acquisition of tangible capital assets	3,822,205	-	280,656	-	-	4,102,861	7,643,515
Contributed tangible capital asset	-	-	-	-	-	-	1,140,784
Disposal of tangible capital assets	(105,514)	-	-	-	-	(105,514)	-
Balance, end of year	82,879,511	5,429,464	8,377,058	507,176	701,425	97,894,634	93,897,287
Accumulated amortization							
Balance, beginning of year	31,720,825	3,287,866	4,908,064	44,569	418,862	40,380,186	38,065,990
Annual amortization	2,134,181	135,737	209,428	11,952	17,535	2,508,833	2,314,196
Accumulated amortization on disposals	(105,515)	-	-	-	-	(105,515)	-
Balance, end of year	33,749,491	3,423,603	5,117,492	56,521	436,397	42,783,504	40,380,186
Net book value of tangible capital assets	49,130,020	2,005,861	3,259,566	450,655	265,028	55,111,130	53,517,101
2018 Net book value of tangible capital assets	47,441,995	2,141,598	3,188,338	462,607	282,563	53,517,101	

Cowichan Tribes
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2019

	2019 Budget (Note 13)	2019	2018
Consolidated expenses by object			
Amortization	-	2,508,833	2,314,196
Automotive	466,492	222,177	243,696
Bank charges and interest	3,636	25,543	18,170
Community development	2,391,406	1,406,820	1,243,484
Consulting	1,505,115	2,047,871	597,535
Contracted services (Note 18)	4,096,542	7,092,519	5,809,602
Furniture and equipment	84,758	343,892	412,898
Honouraria	684,560	568,592	543,499
Insurance	476,480	465,280	484,749
Interest on long-term debt	495,939	593,732	605,835
Licenses and fees	150,375	1,380,160	191,971
Meeting	145,273	100,692	81,967
Office	603,905	299,089	408,310
Professional fees	1,263,386	2,135,599	1,402,963
Rent and lease	180,417	169,248	201,884
Repairs and maintenance	1,572,488	1,874,317	1,277,701
Salaries and benefits	20,569,168	21,985,558	19,592,896
Social assistance and living allowances	5,985,117	4,259,459	4,541,777
Supplies	1,376,554	1,746,655	1,261,460
Telephone and fax	203,580	182,688	286,425
Training	542,850	426,891	495,120
Transfers to Nation business enterprises and partnerships	223,756	242,656	167,548
Travel	504,213	613,371	452,645
Tuition and student expenses	8,641,479	10,433,603	8,289,816
Utilities	302,050	338,960	371,648
	52,469,539	61,464,205	51,297,795

**Cowichan Tribes
Administration**

Schedule 3 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	2019 Budget (Note 13)	2019	2018
Revenue			
Indigenous Services Canada	1,542,181	1,930,841	1,550,067
First Nations Health Authority	-	1,000	5,680
Earnings (loss) from investment in Nation business enterprises and partnerships (Note 7)	-	4,205,472	1,375,352
Other agencies	-	2,993,588	2,178,289
Rental, gravel and timber income	570,000	497,090	383,206
Other income	195,738	240,299	356,388
Investment income	134,900	205,839	222,801
Province of British Columbia - other	-	59,696	939,645
Coast Salish Employment and Training Society	-	20,000	20,360
	2,442,819	10,153,825	7,031,788
Expenses			
Amortization	-	375,105	311,346
Bank charges and interest	3,200	24,284	17,367
Community development	144,650	216,102	125,565
Consulting	731,385	438,757	226,334
Contracted services	27,322	3,122,644	2,487,479
Furniture and equipment	19,750	40,767	115,273
Honouraria	358,850	372,440	339,060
Insurance	14,800	37,398	43,952
Interest on long-term debt	-	377,939	377,939
Licenses and fees	76,500	881,927	130,338
Meeting	33,782	16,932	31,506
Office	86,440	45,549	83,647
Professional fees	1,061,286	2,033,465	1,284,674
Rent and lease	130,887	86,043	-
Repairs and maintenance	13,904	126,946	44,666
Salaries and benefits	3,572,331	3,564,799	3,128,700
Supplies	162,567	243,868	173,299
Telephone and fax	52,410	59,581	63,530
Training	79,400	33,400	84,515
Transfers to Nation business enterprises and partnerships	223,756	242,656	167,548
Travel	97,068	174,029	76,983
Utilities	7,600	9,980	50,560
	6,897,888	12,524,611	9,364,281
Deficit before transfers	(4,455,069)	(2,370,786)	(2,332,493)
Transfers between programs	-	3,924,890	5,204,527
Annual surplus (deficit)	(4,455,069)	1,554,104	2,872,034

Cowichan Tribes
Own Source Revenue

Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 13)	2019	2018
Revenue			
Tobacco tax	3,062,281	3,540,067	3,087,990
Community improvement fee	1,755,693	1,756,284	1,789,344
Province of British Columbia - Host Local Government	700,000	836,371	815,006
Province of British Columbia - Forestry Agreement	772,600	772,600	772,600
Investment income	546,200	522,719	517,567
Rental, gravel and timber income	-	299,133	285,345
Province of British Columbia - other	-	11,587	11,316
	6,836,774	7,738,761	7,279,168
Expenses			
Bank charges and interest	200	167	167
Community development	150	3,707	12,803
Contracted services	-	11,743	-
Interest on long-term debt	495,939	109,127	115,539
Repairs and maintenance	-	-	2,500
Supplies	-	5,672	1,433
Tobacco tax distribution	1,200,000	-	-
	1,696,289	130,416	132,442
Annual surplus before transfers	5,140,485	7,608,345	7,146,726
Transfers between programs	-	(5,630,363)	(5,250,937)
Annual surplus	5,140,485	1,977,982	1,895,789

Cowichan Tribes
Lalum'utul' Smun'eem Child and Family Services
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 13)	2019	2018
Revenue			
Indigenous Services Canada	3,405,924	4,712,019	3,862,558
Province of British Columbia - other	2,393,122	3,594,558	2,712,699
Other income	-	48,130	68,064
	5,799,046	8,354,707	6,643,321
Expenses			
Amortization	-	85,446	81,074
Automotive	210,000	15,924	33,937
Bank charges and interest	100	30	-
Community development	206,450	199,517	75,847
Consulting	56,000	121,376	79,198
Contracted services	3,184,342	2,463,321	2,046,080
Furniture and equipment	9,200	19,371	26,501
Honouraria	38,000	28,273	17,593
Insurance	25,427	27,383	19,700
Licenses and fees	5,900	392	-
Meeting	14,000	3,368	538
Office	69,700	12,795	43,691
Professional fees	4,200	3,711	308
Rent and lease	22,550	10,060	566
Repairs and maintenance	39,700	45,579	20,139
Salaries and benefits	3,039,462	3,562,990	2,731,344
Supplies	312,440	335,343	237,429
Telephone and fax	43,200	23,490	53,621
Training	39,835	18,512	18,848
Travel	116,877	123,040	88,894
Tuition and student expenses	40,200	22,274	16,009
Utilities	21,550	21,270	20,748
	7,499,133	7,143,465	5,612,065
Annual surplus (deficit) before transfers	(1,700,087)	1,211,242	1,031,256
Transfers between programs	-	(278,631)	(306,744)
Annual surplus (deficit)	(1,700,087)	932,611	724,512

Cowichan Tribes
Quw'utsun Syuw'entst Lelum' Culture and Education Centre
Schedule 6 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	2019 Budget (Note 13)	2019	2018
Revenue			
Indigenous Services Canada	11,004,746	13,993,031	11,228,630
First Nations Health Authority	119,241	123,731	163,994
First nations education steering committee	432,290	1,280,488	769,631
Province of British Columbia - other	681,900	431,947	555,634
Other income	234,021	363,565	250,389
Coast Salish Employment and Training Society	234,000	255,292	406,249
Other agencies	174,695	181,560	276,259
Rental, gravel and timber income	2,500	17,286	7,410
	12,883,393	16,646,900	13,658,196
Expenses			
Amortization	-	223,995	187,937
Automotive	1,000	3,583	-
Community development	54,834	68,422	58,047
Contracted services	51,990	88,357	75,619
Furniture and equipment	17,908	20,646	44,305
Honouraria	53,542	22,505	21,773
Insurance	43,344	44,368	43,245
Licenses and fees	2,000	2,095	1,805
Meeting	8,614	9,733	7,588
Office	46,000	28,346	31,493
Rent and lease	6,334	-	-
Repairs and maintenance	84,885	108,318	78,145
Salaries and benefits	3,992,441	4,016,501	3,747,970
Supplies	331,598	345,904	303,956
Telephone and fax	18,700	18,374	18,423
Training	71,666	63,789	63,372
Travel	50,200	34,770	35,359
Tuition and student expenses	8,599,118	10,405,513	8,270,731
Utilities	54,400	49,043	53,835
	13,488,574	15,554,262	13,043,603
Surplus (deficit) before other items	(605,181)	1,092,638	614,593
Other income			
Gain on disposal of tangible capital assets	-	27,000	-
Annual surplus (deficit) before transfers	(605,181)	1,119,638	614,593
Transfers between programs	-	(32,023)	(375,942)
Annual surplus (deficit)	(605,181)	1,087,615	238,651

Cowichan Tribes
Lulumexun Lands and Governance
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget (Note 13)</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	416,571	2,661,805	5,732,424
Department of Fisheries and Oceans Canada	1,575,145	2,037,557	1,721,131
First Nations Health Authority	-	-	2,500
Property tax	2,577,754	2,637,963	2,577,754
Other income	166,515	856,335	532,097
Licence fees	564,010	371,284	373,354
Province of British Columbia - other	25,000	356,458	522,756
Rental, gravel and timber income	100,562	106,204	199,240
Other agencies	63,434	63,434	55,181
Investment income	1,800	27,472	1,770
	5,490,791	9,118,512	11,718,207
Expenses			
Amortization	-	112,037	111,307
Automotive	100,140	101,708	94,745
Community development	214,270	142,618	187,741
Consulting	702,730	1,270,921	218,329
Contracted services	345,994	596,942	265,549
Furniture and equipment	16,200	7,032	27,338
Honouraria	72,675	41,799	38,332
Insurance	74,080	75,652	79,872
Licenses and fees	24,050	456,809	7,172
Meeting	27,150	10,682	6,694
Office	275,905	127,917	124,084
Professional fees	112,300	42,131	62,277
Rent and lease	14,500	64,743	196,443
Repairs and maintenance	151,655	383,550	160,985
Salaries and benefits	2,115,461	2,331,230	2,059,413
Supplies	95,620	106,768	47,433
Telephone and fax	12,770	12,810	11,111
Training	56,767	6,527	16,838
Travel	47,711	55,672	35,034
Utilities	114,400	144,322	133,215
	4,574,378	6,091,870	3,883,912
Annual surplus before transfers	916,413	3,026,642	7,834,295
Transfers between programs	-	(1,382,726)	(1,238,402)
Annual surplus	916,413	1,643,916	6,595,893

Cowichan Tribes
Operations and Maintenance
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 13)	2019	2018
Revenue			
Indigenous Services Canada	683,875	745,924	677,362
Other income	32,950	42,771	36,517
Rent	20,000	16,020	18,039
	736,825	804,715	731,918
Expenses			
Amortization	-	781,820	703,789
Automotive	24,982	17,556	27,701
Community development	300,100	301,727	309,764
Consulting	-	360	-
Furniture and equipment	-	2,356	-
Insurance	26,020	27,750	32,583
Office	9,100	12,519	9,763
Repairs and maintenance	689,337	844,820	632,451
Salaries and benefits	684,623	757,121	626,446
Supplies	9,748	27,072	10,272
Telephone and fax	5,100	4,289	5,897
Training	18,045	5,203	1,158
Travel	29,776	44,933	35,952
Utilities	74,600	79,461	82,305
	1,871,431	2,906,987	2,478,081
Annual deficit before transfers	(1,134,606)	(2,102,272)	(1,746,163)
Transfers between programs	-	1,897,595	1,236,980
Annual deficit	(1,134,606)	(204,677)	(509,183)

Cowichan Tribes
Social Development

Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 13)	2019	2018
Revenue			
Indigenous Services Canada	5,532,925	6,148,187	5,908,580
Coast Salish Employment and Training Society	351,558	399,286	446,939
Other income	91,549	177,780	75,187
Investment income	1,000	3,993	1,839
	5,977,032	6,729,246	6,432,545
Expenses			
Amortization	-	7,333	37,989
Bank charges and interest	100	30	278
Community development	8,000	8,545	9,511
Contracted services	33,000	176,060	253,939
Furniture and equipment	3,000	3,318	3,176
Honouraria	1,000	101	-
Meeting	1,000	32,209	346
Office	20,000	3,729	15,633
Rent and lease	-	-	200
Repairs and maintenance	1,000	1,150	201
Salaries and benefits	1,014,643	1,189,507	1,035,558
Social assistance	4,785,117	4,259,459	4,541,777
Supplies	94,793	105,502	91,404
Telephone and fax	2,500	2,328	10,884
Training	148,427	221,116	218,191
Travel	27,616	50,152	24,625
Tuition and student expenses	1,661	5,635	1,661
	6,141,857	6,066,174	6,245,373
Annual surplus (deficit) before transfers	(164,825)	663,072	187,172
Transfers between programs	-	157,773	77,391
Annual surplus (deficit)	(164,825)	820,845	264,563

Cowichan Tribes
Sustainable Housing Development
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 13)	2019	2018
Revenue			
Indigenous Services Canada	-	237,286	1,590,935
Canada Mortgage and Housing Corporation	370,000	326,128	360,797
Rent	971,100	966,290	975,044
Other income	10,858	23,169	11,609
Investment income	7,500	14,260	9,177
	1,359,458	1,567,133	2,947,562
Expenses			
Automotive	36,600	30,461	37,768
Community development	13,520	21,427	57,687
Consulting	10,000	9,171	-
Furniture and equipment	3,000	168,787	34,004
Honouraria	12,500	4,800	8,550
Insurance	158,000	146,989	154,434
Interest on long-term debt	-	106,666	112,357
Meeting	11,984	1,213	1,376
Office	59,415	47,699	70,866
Professional fees	14,000	9,975	15,727
Repairs and maintenance	524,007	308,968	259,646
Salaries and benefits	794,232	894,262	763,631
Supplies	17,100	14,336	12,727
Telephone and fax	13,000	16,722	18,203
Training	6,500	6,952	9,038
Travel	3,500	4,435	8,216
Utilities	-	869	482
	1,677,358	1,793,732	1,564,712
Annual surplus (deficit) before transfers	(317,900)	(226,599)	1,382,850
Transfers between programs	-	917,547	783,717
Annual surplus (deficit)	(317,900)	690,948	2,166,567

Cowichan Tribes
Treaty Negotiations

Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 13)	2019	2018
Revenue			
Other agencies - Hul'qumi'num Treaty Group	532,000	532,000	532,000
Other income	-	2,939	-
	532,000	534,939	532,000
Expenses			
Bank charges and interest	-	-	53
Community development	2,400	1,157	1,231
Contracted services	50,300	39,811	55,887
Furniture and equipment	-	1,335	3,619
Honouraria	92,500	51,612	56,476
Meeting	26,393	12,081	14,167
Professional fees	28,800	29,417	32,918
Salaries and benefits	270,120	327,415	274,262
Supplies	7,475	7,885	9,463
Telephone and fax	500	553	2,693
Training	8,000	1,915	3,280
Travel	5,000	4,697	5,591
	491,488	477,878	459,640
Annual surplus before transfers	40,512	57,061	72,360
Transfers between programs	-	(121,118)	(64,332)
Annual surplus (deficit)	40,512	(64,057)	8,028

Cowichan Tribes
Ts'ewulhtun Health Centre

Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 13)	2019	2018
Revenue			
Indigenous Services Canada	363,688	460,700	335,691
First Nations Health Authority	5,420,960	6,049,476	4,774,609
Other income	1,096,000	812,748	440,749
Other agencies	155,494	219,132	165,498
Province of British Columbia - other	85,000	78,513	31,470
	7,121,142	7,620,569	5,748,017
Expenses			
Amortization	-	74,301	43,646
Automotive	86,270	48,252	46,550
Bank charges and interest	36	1,032	304
Community development	1,443,532	443,439	334,221
Consulting	5,000	175,134	71,083
Contracted services	402,394	593,641	625,050
Furniture and equipment	14,700	79,795	154,902
Honouraria	55,493	47,063	61,715
Insurance	133,309	104,169	110,962
Licenses and fees	35,925	38,938	52,657
Meeting	17,350	14,038	18,553
Office	35,345	10,186	20,013
Professional fees	22,000	7,132	6,860
Rent and lease	6,146	8,401	4,675
Repairs and maintenance	67,000	36,703	59,598
Salaries and benefits	4,829,855	5,216,646	5,042,485
Supplies	338,713	549,184	369,183
Telephone and fax	52,900	42,850	102,064
Training	109,210	68,086	80,561
Travel	123,465	120,151	141,672
Tuition and student expenses	500	180	1,415
Utilities	29,500	34,016	30,502
	7,808,643	7,713,337	7,378,671
Annual deficit before transfers	(687,501)	(92,768)	(1,630,654)
Transfers between programs	-	426,146	378,024
Annual surplus (deficit)	(687,501)	333,378	(1,252,630)

Cowichan Tribes
Capital Projects

Schedule 13 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget (Note 13)	2019	2018
Revenue			
Indigenous Services Canada	3,781,618	2,498,756	3,602,638
Other income - Boys Road	-	170,000	30,000
	3,781,618	2,668,756	3,632,638
Expenses			
Amortization	-	848,796	837,108
Automotive	7,500	4,694	2,994
Community development	3,500	159	71,068
Consulting	-	32,151	2,592
Contracted services	1,200	-	-
Furniture and equipment	1,000	485	3,780
Insurance	1,500	1,571	-
Licenses and fees	6,000	-	-
Meeting	5,000	437	1,198
Office	2,000	10,348	9,121
Professional fees	20,800	9,769	199
Repairs and maintenance	1,000	18,284	19,369
Salaries and benefits	256,000	125,087	183,087
Supplies	6,500	5,120	4,862
Telephone and fax	2,500	1,690	-
Training	5,000	1,390	(681)
Travel	3,000	1,492	318
	322,500	1,061,473	1,135,015
Surplus before other items	3,459,118	1,607,283	2,497,623
Other income (expense)			
Contributed tangible capital asset	-	-	1,140,784
Surplus before transfers	3,459,118	1,607,283	3,638,407
Transfers between programs	-	120,909	(444,282)
Annual surplus	3,387,641	1,728,192	3,194,125