

Cowichan Tribes
Consolidated Financial Statements
March 31, 2023

Cowichan Tribes Contents

For the year ended March 31, 2023

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Management's Responsibility

To the Citizens 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 Citizens to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to each of the Chief and Council, the Finance and Audit Committee and management to discuss their audit findings.

July 25, 2023

Signed by: Dana Thorne

Chief
Administrative
Officer

Signed by: Yui Tromp

Chief
Financial
Officer

To the Citizens of Cowichan Tribes:

Qualified Opinion

We have audited the consolidated financial statements of Cowichan Tribes (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, 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, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, and the results of its consolidated operations, consolidated changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Audited financial statements for Costa Canna Production LLP, a Nation business partnership, for the year ended March 31, 2023, were not available as at the audit report date, the opinion has been qualified as a result. The March 31, 2022 financial statements had a qualified opinion issued due to no available financial statements at the audit report date. As a result, we are unable to determine whether adjustments are required to the following financial statement line items for the years ended March 31, 2023 and March 31, 2022: investment in Nation business enterprises and partnerships, income (loss) from investment in Nation business enterprises and partnerships, annual surplus (deficit) and accumulated surplus.

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 First 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 qualified opinion.

Other Information

Management is responsible for the other information. The other information comprises the annual report, which is expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 First 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 First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First 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 First 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 First 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 First 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 First 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.

MNP LLP

Nanaimo, British Columbia

July 25, 2023

Chartered Professional Accountants

MNP
LLP

Cowichan Tribes
Consolidated Statement of Financial Position
As at March 31, 2023

	2023	2022
		<i>Restated (Note 21)</i>
Financial assets		
Cash and cash equivalents	22,408,066	41,901,330
Accounts receivable (Note 4)	26,737,301	7,930,685
Restricted cash (Note 5)	1,560,469	1,497,190
Term deposit (Note 6)	28,935,522	8,824,568
Portfolio investments (Note 7)	4,425,849	4,574,027
Investment in Nation business enterprises and partnerships (Note 8)	18,124,862	18,884,874
Funds held in trust (Note 9)	732,606	710,980
	102,924,675	84,323,654
Liabilities		
Accounts payable and accruals (Note 10)	10,099,012	9,516,196
Deferred revenue (Note 11)	6,027,879	11,306,436
Long-term debt (Note 12)	17,016,749	26,558,865
	33,143,640	47,381,497
Net financial assets	69,781,035	36,942,157
Contingencies and commitments (Note 17)		
Non-financial assets		
Tangible capital assets (Schedule 1)	91,606,569	81,750,577
Prepaid expenses	253,285	155,516
	91,859,854	81,906,093
Accumulated surplus (Note 13)	161,640,889	118,848,250

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

_____ Signed by: Lydia Hwitsum	_____ Chief	_____ Signed by: Stephanie Atleo	_____ Councilor
_____ Signed by: Stuart Pagaduan	_____ Chair of Finance and Audit Committee	_____ Signed by: Yui Tromp	_____ Chief Financial Officer

Cowichan Tribes
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

	<i>Schedules</i>	<i>2023 Budget (Note 14)</i>	<i>2023</i>	<i>2022 Restated (Note 21)</i>
Revenue				
Indigenous Services Canada (Note 18)		45,990,607	52,940,457	49,871,494
First Nations Health Authority		6,188,558	6,952,284	6,898,211
Department of Fisheries and Oceans Canada		2,128,211	2,902,203	1,727,381
Canada Mortgage and Housing Corporation		259,890	905,859	5,019,693
Province of British Columbia - Other		5,758,756	24,257,264	6,144,982
Other income		5,549,176	9,433,445	6,621,625
Tobacco tax		4,113,720	4,162,271	4,018,564
Investment income		956,445	3,662,955	1,316,360
Property tax		3,050,996	3,042,782	2,842,372
Income from investment in Nation business enterprises and partnerships (Note 8)		2,000,056	2,916,633	853,883
Gaming revenue		971,882	2,154,730	914,735
Community improvement fee		2,131,400	1,987,770	1,819,710
Rental and lease income		2,127,454	1,929,865	1,823,407
Other agencies		1,371,245	1,736,532	1,090,623
First Nations Education Steering Committee		1,135,859	1,443,475	1,310,892
Province of British Columbia - Host Local Government		830,000	1,052,097	659,193
Province of British Columbia - Forestry Agreement		772,600	878,485	774,111
Coast Salish Employment and Training Society		638,566	773,449	685,805
Licence fees		27,200	9,840	25,260
		86,002,621	123,142,396	94,418,301
Program expenses				
Administration	3	13,419,335	18,619,778	12,545,949
Economic Development	4	728,058	5,746,725	2,543,914
Own Source Revenue	5	743,992	725,906	600,637
Lalum'utul' Smun'eem Child and Family Services	6	12,033,329	10,627,853	10,094,757
Quw'utsun Syuw'entst Lelum' Culture and Education Centre	7	19,342,211	15,964,494	16,085,629
Lulumexun Lands and Governance	8	6,010,292	6,438,501	7,482,363
Operations and Maintenance	9	2,540,583	2,391,165	3,355,665
Social Development	10	6,972,407	8,755,343	6,988,530
Sustainable Housing Development	11	3,235,881	2,499,811	3,464,635
Treaty Negotiations	12	467,120	537,391	324,040
Ts'ewulhtun Health Centre	13	9,974,044	6,319,857	5,947,443
Capital Projects	14	504,899	460,193	798,322
Total expenditures (Schedule 2)		75,972,151	79,087,017	70,231,884
Surplus before other items		10,030,470	44,055,379	24,186,417
Other income (expense)				
Gain on disposal of tangible capital assets		-	173,639	9,723
Gain (loss) on foreign exchange		-	61,586	(7,484)
		-	235,225	2,239
Annual surplus		10,030,470	44,290,604	24,188,656

Continued on next page

Cowichan Tribes
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2023

	<i>Schedules</i>	2023 <i>Budget</i> <i>(Note 14)</i>	2023	2022 <i>Restated</i> <i>(Note 21)</i>
Annual surplus <i>(Continued from previous page)</i>		10,030,470	44,290,604	24,188,656
Accumulated surplus, beginning of year		118,848,250	118,848,250	96,730,626
Prior period adjustment <i>(Note 21)</i>		-	-	(599,476)
Accumulated surplus, beginning of year, as restated		118,848,250	118,848,250	96,131,150
Tobacco tax distribution to citizens		(1,542,645)	(1,497,965)	(1,471,056)
Citizen distribution		-	-	(500)
Accumulated surplus, end of year <i>(Note 13)</i>		127,336,075	161,640,889	118,848,250

Cowichan Tribes
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2023

	2023 Budget (Note 14)	2023	2022 Restated (Note 21)
Annual surplus			
Purchases of tangible capital assets	10,030,470	44,290,604	24,188,656
Amortization of tangible capital assets	(12,630,693)	(12,746,949)	(12,226,319)
Change in prepaid expenses	-	3,033,466	2,953,440
Tobacco tax distribution to citizens	(1,542,645)	(1,497,965)	(1,471,056)
Citizen distribution	-	-	(500)
Gain on disposal of tangible capital assets	-	(173,639)	(9,723)
Proceeds for disposal of tangible capital assets	-	31,130	985,266
Change in net financial assets	(4,142,868)	32,838,878	14,392,848
Net financial assets, beginning of year	36,942,157	36,942,157	22,549,309
Net financial assets, end of year	32,799,289	69,781,035	36,942,157

Cowichan Tribes
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022 Restated (Note 21)
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	44,290,604	24,188,656
Non-cash items		
Amortization	3,033,466	2,953,440
Gain on disposal of tangible capital assets	(173,639)	(9,723)
Earnings from investment in Nation business enterprises and partnerships	(2,916,633)	(853,883)
Accrued interest on term deposits	(160,522)	(99,568)
	44,073,276	26,178,922
Changes in working capital accounts		
Accounts receivable	(18,806,616)	239,792
Accounts payable and accruals	582,816	3,182,010
Deferred revenue	(5,278,557)	2,070,156
Prepaid expenses	(97,769)	(26,916)
	20,473,150	31,643,964
Financing activities		
Advances of long-term debt	-	34,444
Repayment of long-term debt	(9,542,116)	(1,229,143)
Tobacco tax distribution to citizens	(1,497,965)	(1,471,056)
Citizen distributions	-	(500)
Purchase of term deposits	(28,700,000)	(8,725,000)
Proceeds from disposal of term deposits	8,749,568	18,867,607
	(30,990,513)	7,476,352
Capital activities		
Purchases of tangible capital assets	(12,746,949)	(12,226,319)
Proceeds for disposal of tangible capital assets	31,130	985,266
	(12,715,819)	(11,241,053)
Investing activities		
Change in funds held in trust	(21,626)	(12,642)
Change in restricted cash	(63,279)	(221,614)
Change in portfolio investments	148,178	101,555
Advances to Nation business enterprises and partnerships	3,676,645	122,262
	3,739,918	(10,439)
Increase (decrease) in cash and cash equivalents	(19,493,264)	27,868,824
Cash and cash equivalents, beginning of year	41,901,330	14,032,506
Cash and cash equivalents, end of year	22,408,066	41,901,330
Supplementary cash flow information		
Interest paid	1,224,882	931,969

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, 2023

1. Operations

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

2. Change in accounting policies

Financial instruments

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

Asset retirement obligations

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Before Section PS 3280 was issued, there was no specific guidance in PSAB addressing the accounting for various types of asset retirement obligations. Section PS 3260 *Liability for Contaminated Sites* deals with liabilities associated with the contamination of sites. PS 3270 *Solid Waste Closure and Post-closure Liability* covers closure and post-closure liabilities associated with a currently operating or closed solid waste landfill site. These two Sections did not have an effect on the Nation's consolidated financial statements in previous years. Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset when certain criteria are met, as described in Note 3.

There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

3. 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.
- Khowutzun Development Corporation
- Khowutzun Development Limited Liability Partnership
- 0944623 BC Ltd.
- 0942071 BC Ltd.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

- Quw'utsun Kw'atl'kwa Fisheries Society.
- Quw'utsun Kw'atl'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.

Entities accounted for by the modified equity basis include:

- Costa Canna Limited Liability Partnership
- Costa Canna Production Limited Liability Partnership
- Cowichan Mini Mall Ltd.
- Khowutzun Gaming Corporation
- Khowutzun Forest Services Ltd.
- Khowutzun Forest Services Limited Partnership
- Mustimuhw Information Solutions Inc.
- Government Street Residential Suites Limited Liability Partnership
- Quw'utsun Kw'atl'kwa Limited Partnership

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

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
Electrical infrastructure	40 years
Lift stations infrastructure	40 years
Computer and software	3 years

Segments

The Nation conducts its business through a number of reportable segments as described in Note 19. 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.

Funds held in trust

Funds held in trust on behalf of Nation citizens 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 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.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

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.

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.

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.

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 and prepaid expenses.

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, 2023.

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, 2023, no liability for contaminated site exists.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

3. 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 consolidated 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 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 revenue 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 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 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 the community improvement fee, tobacco tax and property tax, is recognized when the service is provided or the amount is earned, 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.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the consolidated financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses, with the exception of gains and losses on externally restricted financial assets measured at fair value, which are recognized as an increase or decrease to the associated liability until the resources are used in accordance with their specified purpose. The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations; however, interest income on externally restricted financial assets is recognized as an increase or decrease to the associated liability until the resources are used in accordance with their specified purpose. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of consolidated financial position, accumulated annual surplus.

4. Accounts receivable

	2023	2022
Province of British Columbia	18,334,884	681,534
Other receivable	3,386,493	821,414
Indigenous Services Canada	2,323,392	2,959,030
Department of Fisheries and Oceans Canada	1,133,636	984,676
Canada Mortgage and Housing Corporation	554,824	710,675
Other government agencies	442,488	105,338
First Nation organizations	410,320	583,358
First Nation Health Authority	131,040	977,851
Due from Nation's business enterprises	20,224	106,809
	<hr/> 26,737,301	<hr/> 7,930,685

5. Restricted cash

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$89,410 (2022 - \$89,410) 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, the replacement reserve was under funded by \$194,453 (2022 - 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 under funded by \$285,535 (2022 - under funded \$149,575)).

Cowichan Tribes was 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.

	2023	2022
Replacement and operating reserves	944,215	913,176
FNFA debt reserve	616,254	584,014
	<hr/> 1,560,469	<hr/> 1,497,190

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

6. Term deposit

During the year, the Nation entered into the following one year renewable and redeemable Guaranteed Investment Certificates:

	2023	2022
1) \$75,000 GIC bearing interest at 1.00% per annum, maturing June 5, 2023	75,750	75,000
2) \$5,000,000 GIC bearing interest at 5.69% per annum, maturing February 20, 2024	5,029,619	-
3) \$5,000,000 GIC bearing interest at 5.69% per annum, maturing February 20, 2024	5,029,619	-
4) \$5,000,000 GIC bearing interest at 5.35% per annum, maturing February 20, 2025	5,027,849	-
5) \$5,000,000 GIC bearing interest at 5.35% per annum, maturing February 20, 2025	5,027,849	-
6) \$8,700,000 GIC bearing interest at 4.95% per annum, maturing February 20, 2026	8,744,836	-
7) Guaranteed Investment Certificate - matured April 29, 2022	-	8,749,568
	28,935,522	8,824,568

7. Portfolio investments

	2023	2022
Mt. Hayes Storage Limited Partnership - 7.5% of issued partnership units	4,267,765	4,417,391
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.	147,007	145,559
All Nations Trust Company - 810 Class "A" shares	10,967	10,967
BC First Nations Gaming Revenue Sharing Limited Partnership	110	110
	4,425,849	4,574,027

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

8. Investment in Nation business enterprises and partnerships

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>2023 Total investment</i>
Controlled Businesses:				
Cowichan Mini Mall Ltd. (54.88%)	55	577,000	(1,255,076)	(678,021)
Khowutzun Gaming Corporation	100	2,648,000	4,254,765	6,902,865
Khowutzun Forest Service Ltd	100	-	(14,676)	(14,576)
Mustimuhw Information Solutions Inc	100	759,174	205,505	964,779
Khowutzun Freegro Tree Shelters LLP (owned 71% by Khowutzun Development Corporation)	250,000	-	45,912	295,912
	250,355	3,984,174	3,236,430	7,470,959
Business Partnerships – Modified Equity:				
Costa Canna LLP (51.00%)	909	426,105	833,228	1,260,242
Costa Canna Production LLP (51.00%)	714	6,277,178	(693,456)	5,584,436
Government Street Residential Suites LLP (50.10%)	-	-	(1,043,270)	(1,043,270)
Khowutzun Forest Service LP	4,700	610,231	1,725,293	2,340,224
Quw'utsun Kw'atl'kwa LP	1,000	1,200,892	1,310,379	2,512,271
	7,323	8,514,406	2,132,174	10,653,903
	257,678	12,498,580	5,368,604	18,124,862

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

				2022
	Investment cost	Loans / advances	Cumulative share of earnings (loss)	Total investment
Controlled Businesses:				
Cowichan Mini Mall Ltd. (54.88%)	55	577,000	(1,248,902)	(671,847)
Khowutzun Gaming Corporation	100	2,648,000	2,571,120	5,219,220
Khowutzun Forest Service Ltd	100	-	(12,537)	(12,437)
Mustimuhw Information Solutions Inc.	100	759,142	1,439,480	2,198,722
Khowutzun Freegro Tree Shelters LLP (owned 71% by Khowutzun Development Corporation)	250,000	-	140,977	390,977
	250,355	3,984,142	2,890,138	7,124,635
Business Partnerships - Modified Equity:				
Costa Canna LLP (51.00%)	909	667,000	489,359	1,157,268
Costa Canna Production LLP (51.00%)	714	6,126,526	(807,797)	5,319,443
Government Street Residential Suites LLP (50.10%)	1,265,000	777,444	(57,932)	1,984,512
Khowutzun Forest Service LP	4,700	610,231	987,319	1,602,250
Quw'utsun Kw'atl'kwa LP	1,000	1,273,743	422,023	1,696,766
	1,272,323	9,454,944	1,032,972	11,760,239
	1,522,678	13,439,086	3,923,110	18,884,874

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, and a promissory note with Cowichan Tribes for \$577,000, repayable as funds become available, including interest at prime plus 0.80%.

Khowutzun Gaming Corporation long-term debt consists of a mortgage that is repayable in monthly instalments of \$29,098, bearing interest at 7.45%, due on April 30, 2025.

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

Costa Canna LLP long-term debt consists of a loan payable to the Nation for retail store expansion. The term loan was established June 17, 2021, bearing interest at prime rate plus 2.0% (2022 - prime rate plus 2%) beginning April 10, 2021 (Wilkinson Road retail location), and January 15, 2021 (Colwood retail location), with no fixed terms of repayment but no legal right to defer settlement for a period beyond 12 months.

Khowutzun Freegro Tree Shelters LLP long-term debt consists of a non interest bearing loan repayable in monthly instalments of \$833, due on August 22, 2024.

Prime rate at March 31, 2023 was 6.70% (2022 - 2.70%).

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

8. 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. (Unaudited)</i> <i>As at March 31, 2023</i>	<i>Khowutzun Gaming Corp (Unaudited)</i> <i>As at March 31, 2023</i>	<i>Khowutzun Forest Services Ltd (Unaudited)</i> <i>As at March 31, 2023</i>
Assets			
Cash	134,188	710,604	170
Accounts receivable	26,700	675	100
Prepaid expenses	35,416	-	-
Investments	-	3,361,159	227
Inventory	-	-	-
Tangible assets	549,051	4,258,722	-
Due from related parties	-	-	-
Intangible assets	-	-	-
Total assets	745,355	8,331,160	497
Liabilities			
Accounts payable and accruals	83,538	2,500	3,003
Deferred revenue	63,966	-	-
Due to related parties	20,000	-	12,073
Loans and advances	-	-	-
Long-term debt	2,964,697	1,425,795	-
Total liabilities	3,132,201	1,428,295	15,076
Net assets	(2,386,846)	6,902,865	(14,579)
Total revenue	848,115	2,101,696	81
Total expenses	859,363	418,051	2,220
Net income (loss)	(11,248)	1,683,645	(2,139)

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

	<i>Mustimuhw Information Solutions Inc (Unaudited)</i> As at March 31, 2023	<i>Costa Canna LLP (Unaudited)</i> As at March 31, 2023	<i>Government Street Residential Suites LLP (Unaudited)</i> As at December 31, 2022	<i>Khowutzun Forest Service LP (Unaudited)</i> As at March 31, 2023
Assets				
Cash	1,034,733	847,061	2,534,600	1,946,892
Accounts receivable	586,444	9,013	898,636	75,754
Prepaid expenses	48,280	1,593	301,437	-
Investments	1,500,000	-	-	-
Inventory	-	392,397	-	-
Tangible assets	4,335	1,475,138	17,668,329	629,023
Due from related parties	-	365,000	100	44,918
Intangible assets	-	-	-	7,504
Total assets	3,173,792	3,090,202	21,403,102	2,704,091
Liabilities				
Accounts payable and accruals	660,609	176,287	335,768	356,938
Deferred revenue	1,499,069	-	-	-
Due to related parties	49,334	428,959	-	-
Loans and advances	-	861,545	-	-
Long-term debt	552,312	-	20,532,530	6,667
Total liabilities	2,761,324	1,466,791	20,868,298	363,605
Net assets	412,468	1,623,411	534,804	2,340,486
Total revenue	4,596,513	8,376,121	2,081,320	3,736,289
Total expenses	4,178,161	7,388,144	1,431,083	2,998,241
Net income (loss)	418,352	987,977	650,237	738,048

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

	<i>Quw'utsun</i> <i>Kw'atl'kwa LP</i> <i>(Unaudited)</i> <i>As at December</i> <i>31, 2022</i>	<i>Khawutzun</i> <i>Freegro Tree</i> <i>Shelters LLP</i> <i>(Unaudited)</i> <i>As at March 31,</i> <i>2023</i>
Assets		
Cash	2,042,491	138,358
Accounts receivable	4,427	7,985
Prepaid expenses	44,750	-
Investments	-	-
Inventory	-	105,925
Tangible assets	385,638	85,776
Due from related parties	-	40,011
Intangible assets	579,080	100,000
Total assets	3,056,386	478,055
Liabilities		
Accounts payable and accruals	55,171	62,280
Deferred revenue	-	-
Due to related parties	19,811	-
Loans and advances	1,669,895	-
Long-term debt	-	1,111
Total liabilities	1,744,877	63,391
Net assets	1,311,509	414,664
Total revenue	1,729,294	500,106
Total expenses	840,849	656,655
Net income (loss)	888,445	(156,549)

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. The non-controlling shareholders were allocated \$5,075 of the current year loss (2022 - \$28,602 of earnings).

The above figures for Costa Canna LLP represent 100% of the assets, liabilities and earnings. The company has non-controlling shareholders who have a 50.99% interest in the company. The non-controlling shareholders were allocated \$484,108 (2022 - \$284,653) of the current year earnings.

The above figures for Government Street Residential Suites LLP represent 100% of the assets, liabilities and earnings. The company has non-controlling shareholders who have a 49.90% interest in the company. The non-controlling shareholders were allocated \$324,465 of the current year earnings (2022 - \$25,071 of loss).

Khawutzun Development Corporation (the "Corporation") is consolidated into the Nation. The Corporation owns 71% of the partnership units of Khawutzun Freegro Tree Shelters LLP ("KFTS LLP"). The Corporation's total investment in KFTS LLP at March 31, 2023 is \$295,912 (2022 - \$390,977), which includes an allocation of \$95,065 (2022 - \$139,221) of the current year net loss.

Financial statements for Costa Canna Production LLP for the year ended March 31, 2023 were not available as of the Nation's audit report date. Therefore, no financial information is available for this entity and the Nation's audit report is qualified due to this limitation.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

9. Funds held in trust

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

	2023	2022
Revenue Trust		
Balance, beginning of year	11,443	12,001
Interest	144	74
Special (BC)	11,426	11,369
First Nation Land Management - Revenue release	(11,587)	(12,001)
Balance, end of year	11,426	11,443
Suspense		
Balance, beginning of year	699,537	686,337
Interest	21,643	13,200
Balance, end of year	721,180	699,537
	732,606	710,980

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*.

10. Accounts payable and accruals

	2023	2022
Trade payables	8,345,737	7,204,884
Accrued liabilities	1,753,275	2,311,312
	10,099,012	9,516,196

11. Deferred revenue

	2023	2022
Indigenous Services Canada	3,949,444	9,229,649
Government Street Residential Suites LLP	1,233,056	1,245,833
Prepaid property tax	774,900	824,000
Other	70,479	6,954
	6,027,879	11,306,436

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

12. Long-term debt

	2023	2022
Non-social housing		
First Nations Finance Authority Loan, repayable in monthly instalments of \$46,312 including interest at 3.79%, secured by Cowichan Tribes Council resolution, Tobacco Tax, Community Improvement Fee and Host Local Government, due June 2024	8,151,194	8,392,188
Royal Bank of Canada loan repayable in monthly instalments of \$24,000 (2022 - \$22,000) plus interest, at a fixed interest rate of 3.36% (2022 - 3.36%), through an interest swap, due March 2032; 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	3,032,000	3,290,000
Bank of Montreal loan repayable in monthly instalments of \$34,568 including interest at prime plus 0.25%, paid in full	-	7,157,010
Bank of Montreal loan repayable in monthly instalments of \$6,881 including interest at prime plus 0.25%, paid in full	-	1,424,817
Tale'awtxw Aboriginal Capital Corporation interest free loan, repayable in monthly instalments of \$833, due September 22, 2024	1,111	34,444
All Nations Trust		
Phase P: Loan - repayable at \$2,580 (2022 - \$2,473) per month including interest at 3.70% (2022 - 1.97%) per annum, term maturity date of December 1, 2027, secured by buildings with a net book value of \$423,446 (2022 - \$443,584)	134,734	161,218
Phase R: Loan - repayable at \$2,777 per month including interest at 1.69% per annum, term maturity date of August 1, 2024, secured by buildings with a net book value of \$466,863 (2022 - \$489,186)	46,606	78,844
Phase S: Loan - repayable at \$2,817 per month including interest at 1.30% per annum, term maturity date of April 1, 2026, secured by buildings with a net book value of \$487,736 (2022 - \$509,660)	102,133	134,389
Phase T: Loan - repayable at \$10,091 per month including interest at 2.14% per annum, term maturity date of March 1, 2024, secured by buildings with a net book value of \$2,061,545 (2022 - \$2,141,272)	1,170,560	1,265,606
Phase U: Loan - repayable at \$8,848 per month including interest at 0.68% per annum, term maturity date of August 1, 2025, secured by buildings with a net book value of \$1,955,296 (2022 - \$2,027,587)	1,255,761	1,353,047
Phase V: Loan - repayable at \$2,735 per month including interest at 2.50% per annum, term maturity date of June 1, 2023, secured by buildings with a net book value of \$519,755 (2022 - \$537,353)	416,131	438,297

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

Phase W:

Loan - repayable at \$4,218 per month including interest at 2.52% per annum, term maturity date of September 1, 2023, secured by buildings with a net book value of \$586,575 (2022 - \$605,674) 649,403 683,269

Phase X:

Loan - repayable at \$1,991 per month including interest at 2.22% per annum, term maturity date of January 1, 2024, secured by buildings with a net book value of \$479,172 (2022 - \$494,620) 317,540 334,215

Phase Y:

Loan - repayable at \$2,424 per month including interest at 1.88% per annum, term maturity date of February 1, 2027, secured by buildings with a net book value of \$701,847 (2022 - \$722,586) 462,922 483,130

Phase Z:

Loan - repayable at \$5,082 per month including interest at 0.71% per annum, term maturity date of November 1, 2025, secured by buildings with a net book value of \$1,403,701 (2022 - \$1,442,348) 1,276,654 1,328,391

17,016,749 26,558,865

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
2024	435,669
2025	422,900
2026	415,493
2027	367,350
2028	362,964
	<hr/>
	2,004,376

RBC Loan:

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, 2023.

The notional amount of the interest rate swap is \$3,242,000 with a 10-year swap term, maturing on March 22, 2032 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 3.36% (2022 - 3.36%) is comprised of a swap rate of 2.61% and 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 \$4,267,765 (2022 - \$4,417,391). 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, 2023, Cowichan Tribes was in compliance with the covenants and expects to be in compliance for the next fiscal year.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

13. Accumulated surplus

Accumulated surplus consists of the following:

	2023	2022
Equity in Ottawa Trust Funds	732,606	710,980
Equity in tangible capital assets	77,622,932	67,097,983
Nation business enterprises surplus	18,124,862	18,884,874
Replacement & operating reserve funds	1,424,203	772,502
Unrestricted surplus	<u>63,736,286</u>	31,381,911
	161,640,889	118,848,250

14. Budget information

Budget figures represent the budget adopted by Cowichan Tribes on March 22, 2022. 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.

	2023
Adopted budget surplus	35,260,868
Adjustments to original budget throughout the year	(3,527,525)
Prior year surplus carryforward	(40,788,847)
Capital acquisition	12,630,693
Debt repayments	1,161,168
Tobacco tax citizen distributions	1,542,645
Transfers to Nation businesses	<u>3,751,468</u>
Budgeted annual surplus per consolidated statement of operations and accumulated surplus	10,030,470

15. 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.

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, 2023

17. Contingencies and commitments

- a) Cowichan Tribes has guaranteed various citizen loans, amounting to \$1,933,399 (2022 - \$2,144,946) for on-reserve housing.
- b) 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.
- c) Cowichan Tribes has guaranteed the mortgage of Khowutzun Gaming Corporation. The balance of the mortgage at March 31, 2023 was \$1,425,795 (2022 - \$1,772,469). As at March 31, 2023, the Nation has no liability associated with this guarantee.
- d) 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.
- 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.
- g) 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 citizenship 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.
- h) On December 22, 2021, the Federal Court of Canada has approved a settlement between Canada and certain First Nations and their citizens who were subject to a drinking water advisory that lasted at least one year between November 20, 1995, and June 20, 2021. Cowichan Tribes and its citizens are eligible to participate in the settlement class. First Nations have until December 2, 2022, to confirm their acceptance by submitting a Band Council Resolution. The Nation is unable to reasonably estimate a value or range of outcomes for the settlement as it is in part based on individual impacted citizens' claims which can be filed up to March 7, 2023.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

18. ISC funding reconciliation

	2023	2022
Funding provided by ISC	48,176,261	54,091,003
Less: ISC recoveries during the year	(49,074)	(426,297)
Add: Reimbursements by ISC	-	1,269,614
Add: Contribution for CFS 2019/2020	-	694,778
	48,127,187	55,629,098
Add: Deferred amount from prior year		
Low Pressure Sewer Systems (ICMS 9-00120595 & CPMS 4506)	8,033,451	-
Boys Road sewer (CPMS 4506)	700,900	3,337,015
Asset Management Plan - Phase 2 (ICMS 9-00128905)	28,365	3,082
Flood Mitigation (CPMS 9-00126204)	-	93,064
Housing subsidies (ICMS 9-00128593 & ICMS 9-00129131)	-	38,325
Quw'utusn Smun'eem expansion (CPMS 9-0012)	-	559
	8,762,716	3,472,045
Less: Amounts deferred to subsequent year		
Low Pressure Sewer Systems (ICMS 9-00120595 & CPMS 4506)	(3,447,708)	(8,033,451)
Boys Road sewer (CPMS 4506)	(391,344)	(700,899)
Asset Management Plan - Phase 2 (ICMS 9-00128905)	(110,394)	(28,365)
Flood Mitigation (CPMS 9-00126204)	-	(466,934)
	(3,949,446)	(9,229,649)
	52,940,457	49,871,494

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

19. 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.

Economic Development:

This segment reports revenue generated from economic development activities including income pick up for GBEs.

Own Source Revenue:

This segment reports 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 citizens of Cowichan Tribes.

Lulumexun Lands and Governance:

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

Sustainable Housing Development:

This segment includes revenue and expenses relating to band owned and social housing of the citizens of the Nation.

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, 2023

20. Related party transactions

	2023	2022
Mustimuhw Information Solutions Inc.		
Contracted services	1,201,278	152,526
Quw'utsun Kw'atl'kwa Limited Partnership		
Contracted services	-	14,812
Cowichan Mini Mall Ltd.		
Taxation income	156,702	122,932
Rent Expense	5,459	-
	162,161	122,932
Chances Cowichan		
Taxation income	135,768	142,693
Penalties and interest	-	14,743
Licenses and fees	90	90
	135,858	157,526
	1,499,297	447,796

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.

21. Prior period adjustment

During the year, the Nation determined that a building had been recorded in the land category of Schedule 1 - Consolidated Schedule of Tangible Capital Assets and had not been amortized since acquisition. The aggregate effect in the prior year, as of March 31, 2021, included an increases amortization by \$75,934 and accumulated amortization of \$674,410, resulting in a decrease in opening accumulated surplus of \$599,476.

Cowichan Tribes
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Land</i>	<i>Buildings & Houses</i>	<i>Vehicles & Boats</i>	<i>Furniture & Equipment</i>	<i>Water</i>	<i>Sewer</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	16,747,918	69,698,041	3,180,417	2,254,005	10,906,967	8,282,087	111,069,435
Acquisition of tangible capital assets	200,381	5,377,686	1,315,049	144,950	1,018,501	4,680,287	12,736,854
Disposal of tangible capital assets	-	-	-	(103,244)	-	-	(103,244)
Transfers	-	-	-	(59,183)	-	-	(59,183)
Balance, end of year	16,948,299	75,075,727	4,495,466	2,236,528	11,925,468	12,962,374	123,643,862
Accumulated amortization							
Balance, beginning of year	-	28,835,615	1,740,101	1,371,795	1,710,453	1,481,514	35,139,478
Annual amortization	-	1,536,961	339,895	131,773	298,137	205,661	2,512,427
Accumulated amortization on disposals	-	-	-	(102,113)	-	-	(102,113)
Adjustments	-	-	(143,640)	-	-	-	(143,640)
Transfers	-	-	-	(59,149)	-	-	(59,149)
Balance, end of year	-	30,372,576	1,936,356	1,342,306	2,008,590	1,687,175	37,347,003
Net book value of tangible capital assets	16,948,299	44,703,151	2,559,110	894,222	9,916,878	11,275,199	86,296,859
	2022						
Net book value of tangible capital assets	16,747,918	40,862,426	1,440,316	882,210	9,196,514	6,800,573	75,929,957

Cowichan Tribes
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Subtotal</i>	<i>Roads</i>	<i>Dikes</i>	<i>Electrical</i>	<i>Lift stations</i>	<i>Computer & Software</i>
Cost						
Balance, beginning of year	111,069,435	5,429,464	9,310,372	478,075	701,425	700,846
Acquisition of tangible capital assets	12,736,854	-	-	-	-	10,095
Disposal of tangible capital assets	(103,244)	-	-	-	-	-
Transfers	(59,183)	-	-	-	-	59,183
Balance, end of year	123,643,862	5,429,464	9,310,372	478,075	701,425	770,124
Accumulated amortization						
Balance, beginning of year	35,139,478	3,830,814	5,807,754	84,898	489,006	587,089
Annual amortization	2,512,427	135,737	232,760	11,952	17,536	123,055
Accumulated amortization on disposals	(102,113)	-	-	-	-	-
Adjustments	(143,640)	-	-	-	-	-
Transfers	(59,149)	-	-	-	-	59,149
Balance, end of year	37,347,003	3,966,551	6,040,514	96,850	506,542	769,293
Net book value of tangible capital assets	86,296,859	1,462,913	3,269,858	381,225	194,883	831
Net book value of tangible capital assets	2022	75,929,957	1,598,650	3,502,618	393,177	212,419
						113,757

Cowichan Tribes

Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2023

2023

2022

Cost			
Balance, beginning of year		127,689,617	122,140,030
Acquisition of tangible capital assets		12,746,949	12,226,319
Disposal of tangible capital assets		(103,244)	(6,676,733)
Transfers		-	-
 Balance, end of year		140,333,322	127,689,617
 Accumulated amortization			
Balance, beginning of year		45,939,040	48,686,789
Annual amortization		3,033,466	2,953,440
Accumulated amortization on disposals		(102,113)	(5,701,189)
Adjustments		(143,640)	-
Transfers		-	-
 Balance, end of year		48,726,753	45,939,040
 Net book value of tangible capital assets		91,606,569	81,750,577
 Net book value of tangible capital assets	2022		81,750,577

Cowichan Tribes
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2023

	2023 <i>Budget</i> <i>(Note 14)</i>	2023	2022
Consolidated expenses by object			
Amortization	20,000	3,033,466	2,953,440
Automotive	158,740	213,756	168,888
Bank charges and interest	23,400	34,864	33,423
Community development	1,515,507	1,376,943	752,944
Consulting	4,027,364	4,431,476	4,168,651
Contracted services <i>(Note 20)</i>	9,186,458	12,261,782	8,228,933
Furniture and equipment	363,178	1,041,145	805,530
Honouraria	939,159	685,432	637,161
Insurance	674,469	792,078	713,235
Interest on long-term debt	970,644	1,224,882	931,969
Licenses and fees	427,097	412,947	664,885
Meeting	236,623	58,229	15,867
Office	221,147	193,187	174,639
Professional fees	4,318,817	5,388,353	4,504,143
Rent and lease	356,752	502,933	335,973
Repairs and maintenance	2,829,305	2,143,635	2,684,536
Salaries and benefits	30,113,903	24,974,120	24,005,215
Social assistance and living allowances	5,062,130	6,935,752	5,664,321
Supplies	2,104,427	1,496,162	1,179,414
Telephone and fax	243,602	224,782	229,688
Training	886,908	443,345	190,648
Transfers to Nation business enterprises and partnerships	-	196,142	503,559
Travel	440,566	591,245	316,822
Tuition and student expenses	10,537,750	10,067,344	10,033,465
Utilities	314,205	363,017	334,535
	75,972,151	79,087,017	70,231,884

Cowichan Tribes
Administration
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 14)	2023	2022
Revenue			
Indigenous Services Canada	1,392,409	3,558,568	4,252,957
Department of Fisheries and Oceans Canada	500,295	584,838	500,297
First Nations Health Authority	-	-	154,185
Province of British Columbia	-	14,015,000	24,965
Other income	366,806	1,860,104	187,424
Investment income	250,000	1,358,772	539,030
Other agencies	50,000	422,156	12,780
Earnings from investment in Nation business enterprises and partnerships	-	189,000	-
Rental, gravel and timber income	-	51,492	-
Gaming revenue	600,000	-	-
	3,159,510	22,039,930	5,671,638
Expenses			
Amortization	-	2,874,111	450,995
Automotive	49,700	53,928	44,526
Bank charges and interest	22,700	22,361	24,872
Community development	250,520	202,403	144,811
Consulting	1,396,396	774,137	807,571
Contracted services	523,390	2,485,347	648,750
Furniture and equipment	88,860	491,177	245,962
Honouraria	574,900	399,246	434,092
Insurance	33,700	110,966	25,471
Interest on long-term debt	-	346,119	-
Licenses and fees	239,702	180,019	383,188
Meeting	141,600	21,621	7,420
Office	63,250	31,303	41,347
Professional fees	3,725,955	4,727,297	4,142,378
Rent and lease (recovery)	18,550	49,886	(5,402)
Repairs and maintenance	48,260	26,313	36,035
Salaries and benefits	5,724,852	5,047,885	4,647,989
Supplies	226,970	162,588	248,411
Telephone and fax	85,010	113,773	73,663
Training	51,300	32,200	33,469
Transfers to Nation business enterprises and partnerships	-	230,500	-
Travel	67,220	167,717	47,418
Tuition and student expenses	15,000	429	-
Utilities	71,500	68,452	62,983
	13,419,335	18,619,778	12,545,949
Annual surplus (deficit) before other items	(10,259,825)	3,420,152	(6,874,311)
Other income (expense)			
Gain on disposal of capital assets	-	173,639	9,723
Gain (loss) on foreign exchange	-	61,586	(7,484)
	-	235,225	2,239
Annual surplus (deficit) before transfers	(10,259,825)	3,655,377	(6,872,072)
Transfers between programs	-	6,034,810	11,602,849
Annual surplus (deficit)	(10,259,825)	9,690,187	4,730,777

Cowichan Tribes
Economic Development
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 14)	2023	2022
Revenue			
Indigenous Services Canada	223,756	237,551	229,582
Other income	664,423	4,603,899	1,540,157
Province of British Columbia	-	3,000,000	-
Earnings from investment in Nation business enterprises and partnerships	2,000,056	2,727,633	853,883
Rental, gravel and timber income	421,840	438,350	438,277
Investment income (loss)	124,133	(349,351)	217,155
	3,434,208	10,658,082	3,279,054
Expenses			
Amortization	20,000	159,355	80,960
Automotive	-	243	-
Bank charges and interest	100	12,115	7,928
Community development	-	255,089	22,918
Consulting	-	2,900	-
Contracted services	27,800	3,585,826	369,345
Furniture and equipment	-	52,495	103,688
Honouraria	-	16,652	28,161
Insurance	21,400	34,376	58,459
Interest on long-term debt	318,450	275,462	375,181
Licenses and fees	113,590	135,748	180,519
Office	-	113,841	51,745
Professional fees	38,033	255,639	100,920
Rent and lease	420	9,878	7,680
Repairs and maintenance	185,000	49,053	55,244
Salaries and benefits	-	812,816	571,975
Supplies	115	29,150	2,264
Telephone and fax	-	5,259	7,258
Training	-	8,324	6,277
Transfers to (from) Nation business enterprises and partnerships	-	(173,726)	499,451
Travel	-	56,952	9,880
Utilities	3,150	49,278	4,061
	728,058	5,746,725	2,543,914
Annual surplus before transfers	2,706,150	4,911,357	735,140
Transfers between programs	-	17,324,214	90,148
Annual surplus	2,706,150	22,235,571	825,288

Cowichan Tribes
Own Source Revenue
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 <i>Budget</i> <i>(Note 14)</i>	2023	2022
Revenue			
Indigenous Services Canada	-	-	377,689
Tobacco tax	4,113,720	4,162,271	4,018,564
Property tax	3,050,996	3,042,782	2,842,372
Investment income	573,700	2,570,362	532,004
Gaming revenue	371,882	2,154,730	914,735
Community improvement fee	2,131,400	1,987,770	1,819,710
Province of British Columbia - Host Local Government	830,000	1,052,097	659,193
Province of British Columbia - Forestry Agreement	772,600	878,485	774,111
Other income	70,000	36,264	102,456
Licence fees	11,000	9,840	9,895
	11,925,298	15,894,601	12,050,729
Expenses			
Bank charges and interest	350	209	402
Community development	100,150	118,495	111,221
Consulting	145,553	-	-
Contracted services	-	90,000	-
Interest on long-term debt	487,939	509,852	459,296
Licenses and fees	-	-	20,000
Professional fees	10,000	7,350	9,450
Repairs and maintenance	-	-	202
Telephone and fax	-	-	66
	743,992	725,906	600,637
Annual surplus before transfers	11,181,306	15,168,695	11,450,092
Transfers between programs	-	(11,487,987)	(7,089,896)
Annual surplus	11,181,306	3,680,708	4,360,196

Cowichan Tribes
Lalum'utul' Smun'eem Child and Family Services
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 14)	2023	2022
Revenue			
Indigenous Services Canada	13,544,476	15,547,669	13,084,922
Province of British Columbia	4,566,159	5,529,214	4,571,902
Other income	10,000	1,182	31,251
	18,120,635	21,078,065	17,688,075
Expenses			
Amortization	-	-	106,831
Automotive	5,000	20,750	17,386
Bank charges and interest	100	100	50
Community development	261,500	69,369	48,125
Consulting	370,000	1,648,038	860,095
Contracted services	5,689,647	3,855,619	3,889,046
Furniture and equipment	99,000	81,902	24,129
Honouraria	86,500	40,507	48,761
Insurance	30,200	26,053	22,373
Licenses and fees	7,000	7,656	2,924
Meeting	10,500	68	-
Office	35,800	18,491	10,859
Professional fees	10,000	533	2,698
Rent and lease	113,380	129,980	136,715
Repairs and maintenance	135,500	136,269	108,436
Salaries and benefits	4,509,511	4,034,215	4,444,371
Supplies	450,000	432,979	236,612
Telephone and fax	41,000	29,351	40,049
Training	32,500	4,532	2,065
Travel	98,691	41,723	62,836
Tuition and student expenses	19,500	15,050	6,834
Utilities	28,000	34,668	23,562
	12,033,329	10,627,853	10,094,757
Annual surplus before transfers	6,087,306	10,450,212	7,593,318
Transfers between programs	-	(696,289)	(1,458,019)
Annual surplus	6,087,306	9,753,923	6,135,299

Cowichan Tribes
Quw'utsun Syuw'entst Lelum' Culture and Education Centre
Schedule 7 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2023

	2023 Budget (Note 14)	2023	2022
Revenue			
Indigenous Services Canada	15,294,615	15,825,938	16,476,520
First Nations Health Authority	125,184	130,186	257,083
First Nations Education Steering Committee	1,135,859	1,443,475	1,310,892
Province of British Columbia	695,000	593,675	691,496
Other income	446,128	359,717	479,824
Other agencies	380,000	349,647	342,531
Coast Salish Employment and Training Society	234,000	242,000	247,487
Rental, gravel and timber income	15,000	15,327	20,911
Investment income	-	-	18,503
	18,325,786	18,959,965	19,845,247
Expenses			
Amortization	-	-	241,482
Community development	74,820	42,510	35,924
Consulting	315,000	27,242	21,751
Contracted services	903,251	586,568	806,164
Furniture and equipment	64,350	135,987	46,451
Honouraria	88,750	55,542	32,809
Insurance	52,763	55,054	51,712
Licenses and fees	6,460	5,436	5,099
Meeting	25,223	8,267	2,171
Office	21,250	8,861	19,888
Professional fees	245,000	75,949	38,468
Rent and lease	-	-	40
Repairs and maintenance	143,750	91,131	89,512
Salaries and benefits	5,910,215	4,344,886	4,292,842
Supplies	664,850	328,611	265,894
Telephone and fax	31,200	21,677	25,016
Training	192,140	20,066	4,111
Travel	53,700	56,080	31,199
Tuition and student expenses	10,500,700	10,048,287	10,025,144
Utilities	48,789	52,340	49,952
	19,342,211	15,964,494	16,085,629
Annual surplus (deficit) before transfers	(1,016,425)	2,995,471	3,759,618
Transfers between programs	-	(1,093,500)	(505,252)
Annual surplus (deficit)	(1,016,425)	1,901,971	3,254,366

Cowichan Tribes
Lulumexun Lands and Governance
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 14)	2023	2022
Revenue			
Department of Fisheries and Oceans Canada	1,627,916	2,317,365	1,227,084
Indigenous Services Canada	603,790	650,875	180,069
Other income	1,076,049	2,130,175	4,034,003
Province of British Columbia	112,597	464,000	621,826
Rental, gravel and timber income	194,390	333,159	304,738
Other agencies	169,500	153,250	107,129
Licence fees	16,200	-	15,365
Investment income	-	33	354
	3,800,442	6,048,857	6,490,568
Expenses			
Amortization	-	-	158,970
Automotive	5,330	22,127	14,557
Bank charges and interest	-	25	57
Community development	5,800	20,016	10,251
Consulting	1,659,915	1,774,680	2,079,482
Contracted services	618,029	894,552	1,785,840
Furniture and equipment	31,598	133,843	286,157
Honouraria	47,320	51,541	37,055
Insurance	62,666	60,583	101,344
Licenses and fees	25,800	17,101	43,357
Meeting	20,600	14,323	1,770
Office	7,312	3,427	23,727
Professional fees	229,289	239,086	168,160
Rent and lease	138,530	205,519	124,008
Repairs and maintenance	63,630	31,337	71,262
Salaries and benefits	2,839,672	2,766,151	2,337,674
Supplies	57,186	47,617	91,210
Telephone and fax	11,240	6,797	16,926
Training	49,110	42,065	25,229
Travel	60,505	50,351	34,831
Utilities	76,760	57,360	70,496
	6,010,292	6,438,501	7,482,363
Annual deficit before transfers	(2,209,850)	(389,644)	(991,795)
Transfers between programs	-	(1,714,099)	449,719
Annual deficit	(2,209,850)	(2,103,743)	(542,076)

Cowichan Tribes
Operations and Maintenance
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 14)	2023	2022
Revenue			
Indigenous Services Canada	771,533	1,460,613	1,427,703
Rent	34,500	66,898	35,027
Other income	36,979	37,936	56,796
Coast Salish Employment and Training Society	-	-	7,550
	843,012	1,565,447	1,527,076
Expenses			
Amortization	-	-	788,015
Automotive	30,000	18,140	26,245
Community development	187,277	211,515	212,854
Contracted services	12,500	5,186	390
Furniture and equipment	13,000	17,926	17,486
Insurance	12,250	11,816	35,523
Licenses and fees	250	24,612	60
Meeting	350	648	298
Office	500	2,793	2,800
Repairs and maintenance	1,146,525	975,892	1,187,022
Salaries and benefits	1,016,000	923,700	921,729
Supplies	17,105	35,264	14,416
Telephone and fax	4,000	7,361	5,533
Training	3,000	10,793	100
Travel	51,500	88,834	66,291
Utilities	46,326	56,685	76,903
	2,540,583	2,391,165	3,355,665
Annual deficit before transfers	(1,697,571)	(825,718)	(1,828,589)
Transfers between programs	-	917,706	1,701,541
Annual surplus (deficit)	(1,697,571)	91,988	(127,048)

Cowichan Tribes
Social Development
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 14)	2023	2022
Revenue			
Indigenous Services Canada	5,819,589	9,146,857	9,147,364
Coast Salish Employment and Training Society	404,566	531,449	430,768
Investment income	2,000	24,306	2,618
Other income	-	15,805	49
	6,226,155	9,718,417	9,580,799
Expenses			
Amortization	-	-	38,025
Bank charges and interest	100	-	-
Community development	3,500	6,037	638
Consulting	-	8,094	-
Contracted services	60,000	8,001	-
Furniture and equipment	7,220	9,312	4,442
Honouraria	1,400	1,574	1,178
Licenses and fees	-	1,243	-
Meeting	3,500	3,446	642
Office	23,956	3,507	5,656
Rent and lease	20,000	19,086	19,745
Salaries and benefits	1,236,302	1,150,690	1,073,758
Social assistance	5,062,130	6,935,752	5,664,321
Supplies	83,299	152,801	63,697
Telephone and fax	8,000	3,917	6,519
Training	443,200	305,490	103,539
Transfers to Nation business enterprises and partnerships	-	139,367	4,108
Travel	18,750	3,449	1,382
Tuition and student expenses	1,050	3,577	880
	6,972,407	8,755,343	6,988,530
Annual surplus (deficit) before transfers	(746,252)	963,074	2,592,269
Transfers between programs	-	348,292	(36,675)
Annual surplus (deficit)	(746,252)	1,311,366	2,555,594

Cowichan Tribes
Sustainable Housing Development
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 <i>Budget</i> <i>(Note 14)</i>	2023	2022
Revenue			
Canada Mortgage and Housing Corporation	259,890	905,859	1,035,645
Indigenous Services Canada	20,800	578,763	488,788
Rent	1,291,724	1,024,640	1,024,453
Other income	715,056	286,890	27,427
Investment income	6,612	58,832	6,697
	2,294,082	2,854,984	2,583,010
Expenses			
Amortization	-	-	874,242
Automotive	28,210	32,562	31,607
Bank charges and interest	50	30	90
Community development	214,140	6,647	4,938
Consulting	93,500	66,627	167,713
Contracted services	292,580	78,380	-
Furniture and equipment	19,150	18,839	38,535
Honouraria	4,500	2,850	3,600
Insurance	209,940	219,779	181,624
Interest on long-term debt	70,965	93,450	97,491
Licenses and fees	3,345	1,190	2,644
Meeting	-	3,408	-
Office	13,520	7,941	15,430
Professional fees	19,540	28,013	22,022
Repairs and maintenance	1,076,140	786,256	1,033,660
Salaries and benefits	1,126,401	1,100,854	933,523
Supplies	15,610	15,986	17,459
Telephone and fax	11,860	9,621	12,019
Training	11,500	1,891	299
Travel	12,250	11,435	10,335
Utilities	12,680	14,052	17,404
	3,235,881	2,499,811	3,464,635
Annual surplus (deficit) before transfers	(941,799)	355,173	(881,625)
Transfers between programs	-	796,176	316,979
Annual surplus (deficit)	(941,799)	1,151,349	(564,646)

Cowichan Tribes
Treaty Negotiations
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 14)	2023	2022
Revenue			
Other agencies - Hul'qumi'num Treaty Group	532,000	532,000	532,000
Expenses			
Bank charges and interest	-	25	25
Community development	3,300	192,040	1,887
Contracted services	50,700	7,131	29,691
Furniture and equipment	5,500	2,852	1,195
Honouraria	60,900	15,436	17,923
Licenses and fees	-	214	-
Meeting	23,250	2,930	-
Office	-	43	-
Professional fees	25,000	50,451	19,699
Salaries and benefits	278,000	260,532	244,609
Supplies	9,620	4,337	8,313
Telephone and fax	600	-	-
Training	6,250	130	509
Travel	4,000	1,270	189
	467,120	537,391	324,040
Annual surplus (deficit) before transfers	64,880	(5,391)	207,960
Transfers between programs	-	(329,481)	(185,283)
Annual surplus (deficit)	64,880	(334,872)	22,677

Cowichan Tribes
Ts'ewulhtun Health Centre
Schedule 13 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 14)	2023	2022
Revenue			
First Nations Health Authority	6,063,374	6,822,098	6,486,943
Indigenous Services Canada	488,904	547,564	639,432
Other agencies	239,745	279,479	96,183
Other income	84,500	101,376	149,029
Province of British Columbia	385,000	75,720	103,513
	7,261,523	7,826,237	7,475,100
Expenses			
Amortization	-	-	65,561
Automotive	35,000	66,005	34,367
Community development	413,900	252,272	158,775
Consulting	47,000	44,369	107,855
Contracted services	1,008,561	564,845	573,352
Furniture and equipment	34,000	96,563	33,702
Honouraria	74,889	102,084	33,582
Insurance	250,050	272,378	235,745
Licenses and fees	30,850	38,878	26,915
Meeting	10,600	3,519	3,566
Office	55,500	2,978	3,154
Professional fees	12,500	-	-
Rent and lease	65,872	88,584	53,187
Repairs and maintenance	30,500	47,384	103,163
Salaries and benefits	7,079,900	4,266,129	4,146,412
Supplies	577,972	286,798	230,075
Telephone and fax	48,692	26,775	41,469
Training	97,508	17,855	15,050
Travel	72,250	112,259	51,208
Tuition and student expenses	1,500	-	607
Utilities	27,000	30,182	29,698
	9,974,044	6,319,857	5,947,443
Annual surplus (deficit) before transfers	(2,712,521)	1,506,380	1,527,657
Transfers between programs	-	680,529	640,257
Annual surplus (deficit)	(2,712,521)	2,186,909	2,167,914

Cowichan Tribes
Capital Projects
Schedule 14 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2023

	2023 Budget (Note 14)	2023	2022
Revenue			
Indigenous Services Canada	7,830,735	5,386,060	3,566,467
Canada Mortgage and Housing Corporation	-	-	3,984,048
Province of British Columbia	-	579,655	131,280
Other income	2,079,235	97	13,209
Rental, gravel and timber income	170,000	-	-
	10,079,970	5,965,812	7,695,004
Expenses			
Amortization	-	-	148,359
Automotive	5,500	-	200
Community development	600	550	604
Consulting	-	85,390	124,185
Contracted services	-	100,328	126,355
Furniture and equipment	500	249	3,782
Insurance	1,500	1,072	985
Interest on long-term debt	93,290	-	-
Licenses and fees	100	850	179
Meeting	1,000	-	-
Office	59	2	33
Professional fees	3,500	4,034	349
Salaries and benefits	393,050	266,261	390,333
Supplies	1,700	31	1,062
Telephone and fax	2,000	252	1,170
Training	400	-	-
Travel	1,700	1,174	1,252
Utilities (recovery)	-	-	(526)
	504,899	460,193	798,322
Annual surplus before transfers	9,575,071	5,505,619	6,896,682
Transfers between programs	-	(10,780,368)	(5,267,142)
Annual surplus (deficit)	9,575,071	(5,274,749)	1,629,540