

**LAKE COWICHAN FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2017**

**LAKE COWICHAN FIRST NATION**  
**Index to Consolidated Financial Statements**  
**March 31, 2017**

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	Page(s)
<b>MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS</b>	1
<b>INDEPENDENT AUDITOR'S REPORT</b>	2
<b>STATEMENTS</b>	
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Changes in Net Financial Assets (Net Debt)	5
Consolidated Statement of Cash Flows	6
<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>	7-16

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Lake Cowichan First Nation as at March 31, 2017 and for the year then ended are the responsibility of management and have been approved by Chief and Executive Director on behalf of Council.

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

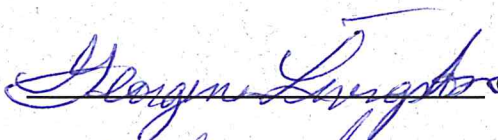
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

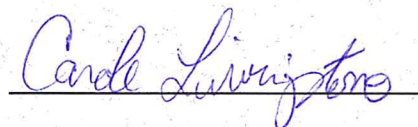
The Lake Cowichan First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

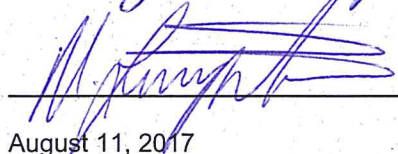
The Lake Cowichan First Nation Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Lee & Company, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Lake Cowichan First Nation and meet when required.

On behalf of Lake Cowichan First Nation:

 Chief

 Councillor

 Councillor  
August 11, 2017

\_\_\_\_\_  
Councillor





# LEE & COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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### TO THE MEMBERS OF LAKE COWICHAN FIRST NATION

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of LAKE COWICHAN FIRST NATION which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### Auditor's Responsibility

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

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

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

#### Opinion

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

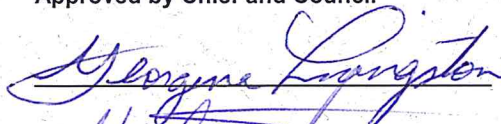
CHARTERED PROFESSIONAL ACCOUNTANTS

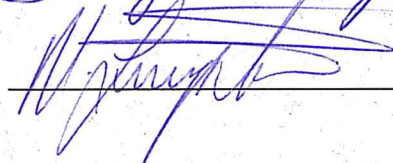
Victoria, BC  
August 11, 2017

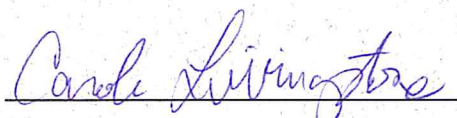
**LAKE COWICHAN FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2017**

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	909,404	348,823
Accounts receivable (Note 3)	34,414	116,038
Ottawa Trust funds (Note 4)	3,612	3,498
Portfolio investments (Note 5)	5,000	5,000
	<u>952,430</u>	<u>473,359</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	219,964	332,438
Deferred revenue (Note 7)	591,984	20,900
Deferred capital contributions (Note 8)	73,782	6,070
Long term debt (Note 9)	452,517	415,780
	<u>1,338,247</u>	<u>775,188</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>(385,817)</u>	<u>(301,829)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 10)	511,324	377,313
Prepaid expenses	5,263	3,022
	<u>516,587</u>	<u>380,335</u>
<b>ACCUMULATED SURPLUS (DEFICIT) (Note 12)</b>	<u>130,770</u>	<u>78,506</u>
Contingent liabilities (Note 15)		

Approved by Chief and Council

  
 \_\_\_\_\_ Chief

  
 \_\_\_\_\_ Councillor

  
 \_\_\_\_\_ Councillor

\_\_\_\_\_  
 \_\_\_\_\_ Councillor



**LAKE COWICHAN FIRST NATION**  
**Consolidated Statement of Operations**  
**For the year ended March 31, 2017**

	Budget (unaudited)	2017	2016
<b>REVENUE</b>			
Federal funding - Indigenous & Northern Affairs Canada	857,346	309,998	481,732
Federal funding - Canada Mortgage and Housing Corporation	18,226	18,226	18,226
Federal funding - Other	140,640	239,560	221,313
Provincial funding	35,000	69,756	35,000
Ottawa Trust	-	114	117
Rent	36,024	35,524	34,876
Other	376,704	344,896	292,433
	1,463,940	1,018,074	1,083,697
<b>EXPENSES</b>			
Governance and administration	160,513	245,517	200,581
Social development	48,412	56,299	26,390
Health services	67,000	99,546	89,532
Education and training	47,593	87,659	64,144
Public works	11,088	12,301	11,333
Lands and treaty	262,738	248,597	188,096
Economic development	758,884	102,335	324,095
Capital projects	34,485	32,499	-
Band housing	9,600	12,395	9,302
Social housing	25,650	21,413	40,802
Depreciation	19,000	47,249	40,037
	1,444,963	965,810	994,312
<b>ANNUAL SURPLUS (DEFICIT)</b>	18,977	52,264	89,385
<b>ACCUMULATED SURPLUS (DEFICIT), at beginning of year</b>		78,506	(10,879)
<b>ACCUMULATED SURPLUS (DEFICIT), at end of year (Note 12)</b>		130,770	78,506

**LAKE COWICHAN FIRST NATION**  
**Consolidated Statement of Changes in Net Financial Assets (Net Debt)**  
**For the year ended March 31, 2017**

	Budget (unaudited)	2017	2016
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>18,977</b>	<b>52,264</b>	<b>89,385</b>
Tangible capital assets			
Acquisition of tangible capital assets	-	(181,261)	-
Proceeds on disposal of tangible capital assets	-	-	-
Amortization of tangible capital assets	19,000	47,249	40,037
Write-downs on tangible capital assets	-	-	-
(Gain) loss on disposal of tangible capital assets	-	-	-
	<u>19,000</u>	<u>(134,012)</u>	<u>40,037</u>
Acquisition of supplies inventories	-	-	-
Acquisition of prepaid expense	(4,000)	(3,990)	(1,286)
Transfer from (to) reserves	-	-	-
Consumption of supplies inventories	-	-	-
Use of prepaid expense	<u>3,022</u>	<u>1,750</u>	<u>959</u>
	<u>(978)</u>	<u>(2,240)</u>	<u>(327)</u>
<b>CHANGE IN NET FINANCIAL ASSETS (NET DEBT)</b>	<b>36,999</b>	<b>(83,988)</b>	<b>129,095</b>
<b>NET FINANCIAL ASSETS (NET DEBT), at beginning of year</b>		<b>(301,829)</b>	<b>(430,924)</b>
<b>NET FINANCIAL ASSETS (NET DEBT), at end of year</b>		<b>(385,817)</b>	<b>(301,829)</b>

**LAKE COWICHAN FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**For the year ended March 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	52,264	89,385
Items not affecting cash		
Amortization of tangible capital assets	47,249	40,037
(Gain) loss on disposal of tangible capital assets	-	-
Transfers from (to) reserves	-	-
Change in non-cash charges to operations		
Accounts receivable	81,625	(75,947)
Ottawa Trust funds	(114)	(117)
Prepaid expenses	(2,240)	(326)
Accounts payable and accrued liabilities	(112,475)	232,520
Deferred revenue	638,796	(15,982)
Reserve funds	(12,542)	-
	<u>692,563</u>	<u>269,570</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on disposal of tangible capital assets	-	-
Acquisition of tangible capital assets	(181,261)	-
	<u>(181,261)</u>	<u>-</u>
<b>INVESTING TRANSACTIONS</b>		
Portfolio investments	-	-
<b>FINANCING TRANSACTIONS</b>		
Long term debt	36,738	(26,805)
<b>INCREASE (DECREASE) IN CASH DURING YEAR</b>	<u>548,040</u>	<u>242,765</u>
<b>CASH, at beginning of year</b>	<u>348,823</u>	<u>106,059</u>
<b>CASH, at end of year</b>	<u>896,863</u>	<u>348,824</u>
<b>REPRESENTED BY:</b>		
Cash (bank indebtedness)	909,404	345,823
Cash - restricted by CMHC	-	3,000
	<u>909,404</u>	<u>348,823</u>



**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of accounting**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

**b. Reporting Entity and Principles of Financial Reporting**

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

- Lake Cowichan First Nation Government Administration
- Lake Cowichan First Nation Trusts Fund
- CMHC Housing Program

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

Incorporated business entities, which are owned or controlled by Lake Cowichan First Nation and which are dependent on the First Nation for their continuing operations, are consolidated in the consolidated financial statements. These include:

- Ts'uubaa-asatx Development Corporation - inactive

Incorporated business entities, which are owned or controlled by Lake Cowichan First Nation and which are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Investments in non-controlled entities and subject to significant influence are included in the consolidated financial statements using the modified equity method.

Investments in non-controlled entities and not subject to significant influence are recorded at cost. These include:

- Hul'q'humi'num Fisheries Limited Partnership - 20% interest

**c. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short term cash commitments.

**d. Financial Instruments**

The carrying amounts for accounts receivable, grants receivable and accounts payable and accrued liabilities approximate fair value because of the short-term nature of these instruments.

**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

**e. Tangible capital assets**

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

Band/Social Housing	20 years
Computer	5 years
Equipment	3-5 years
Vehicle	5 years
Boat	3 years

In the year of acquisition, 50% of the normal amortization is recorded. Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use. Construction in progress is not amortized until construction is substantially complete and the assets are ready for use.

**g. Reserve funds**

Reserve funds represent the replacement and operating reserve funds required under the terms of the agreement with Canada Mortgage and Housing Corporation.

**h. Revenue Recognition**

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing that the transfers are authorized, all eligibility criteria have been met by the Nation, and reasonable estimates of the amounts can be made. Government transfers received for which the Nation has not met all eligibility requirements are recorded as revenue. Government transfers include financial transfer agreement payments, band trust revenue payments, contribution arrangements, and other federal and provincial grants.

Grant revenue is recognized in the financial statements as the related expenditures are incurred and when the terms and conditions of the funding are satisfied. Other income is recorded as revenue when earned.

**i. Use of Estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumption used in estimating provisions for accrued liabilities and estimating the useful lives of tangible capital assets. Actual results could differ from those estimates.



**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2017**

**2. CASH AND CASH EQUIVALENTS**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Lake Cowichan First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Operating Fund. Cash and cash equivalents is comprised of the following:

	2017	2016
Unrestricted - Operating	909,404	345,823
Restricted - CMHC	-	3,000
	<u>909,404</u>	<u>348,823</u>

**3. ACCOUNTS RECEIVABLE**

	2017	2016
Federal government		
Indigenous & Northern Affairs Canada	-	-
Other government organizations	25,345	56,724
Canada Mortgage and Housing Corporation	1,519	1,519
	<u>26,864</u>	<u>58,243</u>
Members		
Rent	2,154	3,454
Social housing	1,466	2,412
	<u>3,620</u>	<u>5,866</u>
Other	3,930	51,929
	<u>34,414</u>	<u>116,038</u>

**4. OTTAWA TRUST FUNDS**

	March 31, 2016	Additions	Withdrawals	March 31, 2017
Revenue	1,633	114	-	1,747
Capital	1,865	-	-	1,865
	<u>3,498</u>	<u>114</u>	<u>-</u>	<u>3,612</u>

The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.



**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2017**

**5. PORTFOLIO INVESTMENTS**

	<u>2017</u>	<u>2016</u>
Hul'Q'Umn Num Fisheries Limited Partnership - 20% interest	<u>5,000</u>	<u>5,000</u>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2017</u>	<u>2016</u>
Indigenous & Northern Affairs Canada	1,558	11,488
Trade payables	194,036	189,629
Accrued salaries and benefits payable	5,315	4,602
Canada Revenue Agency - Source deductions	5,916	4,948
Other accrued liabilities	<u>13,139</u>	<u>121,771</u>
	<u>219,964</u>	<u>332,438</u>

**7. DEFERRED REVENUE**

The changes in the deferred contributions balance for the year are as follows:

	Balance March 31, 2016	Funding Received 2017	Revenue Recognized 2017	Balance March 31, 2017
Indigenous & Northern Affairs Canada - Water & Sewer Extension	-	634,884	42,900	591,984
Island Health	2,500	-	2,500	-
First Nations Health Authority	18,400	-	18,400	-
	<u>20,900</u>	<u>634,884</u>	<u>63,800</u>	<u>591,984</u>

**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2017**

**8. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions represent the unamortized amount of grants received for the purchase or development of tangible capital assets. Deferred capital contributions are amortized on the same basis as the related tangible capital assets.

	Balance March 31, 2016	Funding Received 2017	Revenue Recognized 2017	Balance March 31, 2017
Indigenous & Northern Affairs Canada - Water & Sewer Extension	-	42,900	-	42,900
Department of Fisheries and Oceans Canada	6,070	-	6,070	-
Tale'awtxw Aboriginal Capital Corporation	-	46,324	15,442	30,882
	6,070	89,224	21,512	73,782

**9. LONG TERM DEBT**

	2017	2016
All Nations Trust - mortgage repayable at \$2,119 per month including interest @ 2.08%, maturing February 1, 2034. Secured by a ministerial guarantee from Indigenous & Northern Affairs Canada and a first mortgage on three housing units.	362,537	380,272
Ford Credit Canada Ltd. - auto loan repayable at \$789 per month including interest at 1.99% per annum. Secured by vehicle, maturing December 19, 2019.	26,039	35,508
Tale'awtxw Aboriginal Capital Corporation loan, payments of \$769 per month including interest at 12.0% per annum, matures July 5, 2019, secured by a general security agreement.	29,705	-
Tale'awtxw Aboriginal Capital Corporation loan, payments of \$701 per month including interest at 8.0% per annum, matures February 15, 2022, secured by a general security agreement.	34,236	-
	452,517	415,780

Anticipated annual principal repayments over the next five years and thereafter are as follows:

2018	40,199
2019	41,721
2020	40,965
2021	34,104
2022	27,294
Thereafter	268,234

	2017	2016
Interest expense for the year on long-term debt	12,646	8,521



**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2017**

**10. TANGIBLE CAPITAL ASSETS**

	<b>COST</b>				<b>ACCUMULATED AMORTIZATION</b>				<b>NET BOOK VALUE</b>
	Balance March 31, 2016	Additions	Disposals	Balance March 31, 2017	Balance March 31, 2016	Adjustments	Amortization	Balance March 31, 2017	March 31, 2017
Band Housing	181,790	-	-	181,790	181,790	-	-	181,790	-
Computer Equipment	7,483	-	-	7,483	7,483	-	-	7,483	-
Equipment	3,000	64,336	-	67,336	3,000	-	-	3,000	64,336
Motor Vehicle	46,831	74,025	-	120,856	15,189	-	16,579	31,768	89,088
Boat	18,212	-	-	18,212	12,142	-	6,070	18,212	-
Social Housing	491,999	-	-	491,999	152,399	-	24,600	176,999	315,000
Construction in Progress	-	42,900	-	42,900	-	-	-	-	42,900
<b>TOTAL</b>	<b>749,315</b>	<b>181,261</b>	<b>-</b>	<b>930,576</b>	<b>372,003</b>	<b>-</b>	<b>47,249</b>	<b>419,252</b>	<b>511,324</b>

Construction in Progress - Lake Cowichan First Nation is extending its water & sewer line to support and promote development along its waterfront. Construction is budgeted at \$962,177 and is expected to be completed by October 2017.

	<b>COST</b>				<b>ACCUMULATED AMORTIZATION</b>				<b>NET BOOK VALUE</b>
	Balance March 31, 2015	Additions	Disposals	Balance March 31, 2016	Balance March 31, 2015	Adjustments	Amortization	Balance March 31, 2016	March 31, 2016
Band Housing	181,790	-	-	181,790	181,790	-	-	181,790	-
Computer Equipment	7,483	-	-	7,483	7,483	-	-	7,483	-
Equipment	3,000	-	-	3,000	3,000	-	-	3,000	-
Motor Vehicle	46,831	-	-	46,831	5,823	-	9,366	15,189	31,642
Boat	18,212	-	-	18,212	6,071	-	6,071	12,142	6,070
Social Housing	491,999	-	-	491,999	127,798	-	24,600	152,398	339,601
Construction in Progress	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>749,315</b>	<b>-</b>	<b>-</b>	<b>749,315</b>	<b>331,965</b>	<b>-</b>	<b>40,037</b>	<b>372,002</b>	<b>377,313</b>



**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2017**

**11. EXPENSES BY OBJECT**

The following is a summary of expenses by object.

	<b>2017</b>	<b>2016</b>
Amortization	<b>47,249</b>	40,037
Debt servicing and interest	<b>13,334</b>	9,580
Education and training	<b>38,330</b>	18,988
Other	<b>190,339</b>	143,344
Professional fees	<b>314,941</b>	395,139
Social assistance	<b>4,447</b>	6,469
Travel	<b>31,397</b>	31,623
Wages and benefits	<b>325,773</b>	349,132
	<b>965,810</b>	994,312

**12. ACCUMULATED SURPLUS (DEFICIT)**

	<b>Operating</b>	<b>Trust</b>	<b>CMHC Housing</b>	<b>2017 Total</b>	<b>2016</b>
Accumulated Surplus (Deficit), at the beginning of year	<b>125,286</b>	<b>3,498</b>	<b>(50,278)</b>	<b>78,506</b>	(10,879)
Annual Surplus (Deficit)	<b>53,513</b>	<b>114</b>	<b>(1,363)</b>	<b>52,264</b>	89,385
Accumulated Surplus (Deficit), at the beginning of year	<b>178,799</b>	<b>3,612</b>	<b>(51,641)</b>	<b>130,770</b>	78,506

**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2017**

**13. SEGMENT DISCLOSURE**

Lake Cowichan First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the period are as follows:

	<b>Governance and Administration</b>		<b>Social Development</b>		<b>Health Services</b>		<b>Education and Training</b>		<b>Public Works</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>										
Federal funding - Indigenous & Northern Affairs Canada	113,201	162,095	39,372	25,729	-	-	23,893	22,575	11,087	11,333
Federal funding - Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	-	-
Federal funding - Other	21,500	23,400	-	-	133,217	125,413	63,773	53,464	-	-
Provincial funding	34,756	-	-	-	-	-	-	-	-	-
Ottawa Trust	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-	-	-
Other	10,528	24,114	-	-	2,500	-	-	-	180	-
	<b>179,985</b>	<b>209,609</b>	<b>39,372</b>	<b>25,729</b>	<b>135,717</b>	<b>125,413</b>	<b>87,666</b>	<b>76,039</b>	<b>11,267</b>	<b>11,333</b>
<b>EXPENSES</b>										
Wages and benefits	71,401	60,158	34,470	16,061	56,291	62,092	41,176	35,147	-	4,018
Debt servicing	1,151	1,522	-	-	-	-	-	-	-	-
Amortization	8,986	8,986	-	-	-	-	-	-	-	-
Other Expenses	172,965	138,900	21,829	10,329	43,255	27,440	46,483	28,997	12,301	7,315
	<b>254,503</b>	<b>209,566</b>	<b>56,299</b>	<b>26,390</b>	<b>99,546</b>	<b>89,532</b>	<b>87,659</b>	<b>64,144</b>	<b>12,301</b>	<b>11,333</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(74,518)</b>	<b>43</b>	<b>(16,927)</b>	<b>(661)</b>	<b>36,171</b>	<b>35,881</b>	<b>7</b>	<b>11,895</b>	<b>(1,034)</b>	<b>-</b>

**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2017**

**13. SEGMENT DISCLOSURE (Continued)**

	<b>Lands and Treaty</b>		<b>Economic Development</b>		<b>Capital Projects</b>		<b>Band Housing</b>		<b>Social Housing</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>										
Federal funding - Indigenous & Northern Affairs Canada	9,960	-	78,000	260,000	34,485	-	-	-	-	-
Federal funding - Canada Mortgage and Housing Corporation	-	-	-	-	-	-	-	-	18,226	18,226
Federal funding - Other	21,070	19,036	-	-	-	-	-	-	-	-
Provincial funding	35,000	35,000	-	-	-	-	-	-	-	-
Ottawa Trust	114	117	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	9,100	8,452	26,424	26,424
Other	314,447	268,316	17,241	-	-	-	-	-	-	3
	<b>380,591</b>	<b>322,469</b>	<b>95,241</b>	<b>260,000</b>	<b>34,485</b>	<b>-</b>	<b>9,100</b>	<b>8,452</b>	<b>44,650</b>	<b>44,653</b>
<b>EXPENSES</b>										
Wages and benefits	107,152	122,918	11,576	46,636	-	-	307	-	3,400	2,100
Debt servicing	-	-	4,521	-	-	-	-	-	7,662	8,058
Amortization	13,663	6,451	-	-	-	-	-	-	24,600	24,600
Other Expenses	141,445	65,178	86,238	277,459	32,499	-	12,088	9,302	10,351	30,644
	<b>262,260</b>	<b>194,547</b>	<b>102,335</b>	<b>324,095</b>	<b>32,499</b>	<b>-</b>	<b>12,395</b>	<b>9,302</b>	<b>46,013</b>	<b>65,402</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>118,331</b>	<b>127,922</b>	<b>(7,094)</b>	<b>(64,095)</b>	<b>1,986</b>	<b>-</b>	<b>(3,295)</b>	<b>(850)</b>	<b>(1,363)</b>	<b>(20,749)</b>



**LAKE COWICHAN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**For the year ended March 31, 2017**

**14. TREATY NEGOTIATIONS**

Treaty negotiations for Lake Cowichan First Nation are being carried on by the Hul'qumi'num Treaty Group. As at March 31, 2017, the Treaty Group is responsible to repay in excess of \$34,649,468 to the Federal Government for advances made under the treaty process.

**15. CONTINGENT LIABILITY**

- a) The First Nation has a contingent liability of \$491,999 for various on-reserve housing loan guarantees.
- b) The First Nation entered into forgivable loan agreements with CMHC for the On-Reserve Residential Rehabilitation Assistance Program (RRAP). These loans are forgivable over three to four years if the First Nation comply with the terms and conditions of the RRAP loans. The loans become payable with interest rates varying between 3.125% to 3.750% should the First Nation fail to comply.

**16. ECONOMIC DEPENDENCE**

The First Nation receives a majority portion of its revenue pursuant to a funding arrangement with Indigenous & Northern Affairs Canada.

**17. BUDGET FIGURES**

The budget figures were not audited nor reviewed but compiled from information provided by First Nation management.

**18. COMPARATIVE FIGURES**

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