

**Cowichan Tribes**  
**Consolidated Financial Statements**  
*March 31, 2018*

# Cowichan Tribes Contents

For the year ended March 31, 2018

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## **Management's Responsibility**

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To the Members of Cowichan Tribes:

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

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

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

The Finance and Audit Committee is established to provide Council with advice and recommendations to support Council's decision-making process respecting the financial administration of the First 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 financial statements.

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

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

July 24, 2018

original signed by Audrey Henry

General Manager

original signed by Yui Tromp

Comptroller

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## Independent Auditors' Report

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To the Members of Cowichan Tribes:

We have audited the accompanying consolidated financial statements of Cowichan Tribes, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial assets (net debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Cowichan Tribes as at March 31, 2018 and the results of its operations, changes in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Duncan, British Columbia

July 24, 2018

*MNP* LLP

Chartered Professional Accountants

**Cowichan Tribes**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2018*

	2018	2017
<b>Financial assets</b>		
Unrestricted cash	22,349,480	12,534,848
Accounts receivable (Note 3)	3,747,609	4,376,450
Restricted cash (Note 4)	1,205,344	1,099,573
Portfolio investments (Note 5)	5,093,190	5,176,604
Investment in Nation business enterprises and partnerships (Note 6)	4,954,681	3,485,702
Funds held in trust (Note 7)	1,307,384	1,332,161
	<b>38,657,688</b>	<b>28,005,338</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 8)	7,581,343	8,700,878
Deferred revenue (Note 9)	6,320,876	2,227,720
Long-term debt (Note 11)	20,083,385	20,999,028
	<b>33,985,604</b>	<b>31,927,626</b>
<b>Net financial assets (net debt)</b>	<b>4,672,084</b>	<b>(3,922,288)</b>
<b>Contingencies &amp; Commitments (Note 13)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	53,517,101	47,046,998
Inventory	20,046	20,515
Prepaid expenses	314,335	308,548
	<b>53,851,482</b>	<b>47,376,061</b>
<b>Accumulated surplus (Note 10)</b>	<b>58,523,566</b>	<b>43,453,773</b>

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

<u>original signed by William Seymour</u>	<b>Chief</b>	<u>original signed by Darin George</u>	<b>Councillor</b>
<u>original signed by Dora Wilson</u>	<b>Chair of Finance and Audit Committee</b>	<u>original signed by Yui Tromp</u>	<b>Comptroller</b>

**Cowichan Tribes**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2018*

	Schedules	2018 Budget (Note 12)	2018	2017
<b>Revenue</b>				
Indigenous Services Canada (Note 14)		23,945,877	34,488,885	24,686,733
First Nations Health Authority		5,195,128	4,946,783	5,412,403
Department of Fisheries and Oceans Canada		916,445	1,721,131	978,064
Canada Mortgage and Housing Corporation		370,000	360,797	426,511
Province of BC - other		2,945,140	4,773,519	3,467,979
Province of BC - Forestry Agreement		772,600	772,600	772,600
Province of BC - Host Local Government		690,000	815,006	773,717
Tobacco tax		2,996,832	3,087,990	2,978,268
Property tax		2,576,641	2,577,754	2,590,474
Community Improvement Fee		1,792,404	1,789,344	2,501,307
Other agencies		1,328,055	3,976,859	2,618,538
Rental, gravel and timber income		1,606,235	1,868,285	1,901,571
Coast Salish Employment and Training Society		624,940	873,548	1,227,092
Other income		1,186,703	1,800,999	1,409,569
Investment income (Note 17)		649,000	753,154	680,887
Licence fees		590,000	373,354	371,876
Quw'utsun Cultural and Conference Centre		-	-	325,709
Earnings from investment in Nation business enterprises and partnerships		-	1,375,352	322,610
		<b>48,186,000</b>	<b>66,355,360</b>	53,445,908
<b>Program expenses</b>				
Administration	3	6,701,173	9,364,281	9,438,752
Own Source Revenue	4	551,139	132,442	207,031
Lalum'utul' Smun'eem Child and Family Services	5	5,246,505	5,612,065	4,531,831
Quw'utsun Syuw'entst Lelum' Culture and Education Centre	6	13,315,942	13,043,603	12,623,845
Lulumexun Lands and Governance	7	3,399,679	3,883,912	3,576,283
Operations and Maintenance	8	1,932,526	2,478,081	2,399,446
Social Development	9	5,646,836	6,245,373	6,229,597
Sustainable Housing Development	10	1,718,818	1,564,712	2,088,412
Treaty Negotiations	11	476,413	459,640	546,345
Ts'ewulhtun Health Centre	12	6,444,575	7,378,671	6,717,648
Capital Projects	13	289,848	1,135,015	1,019,369
<b>Total expenditures</b> (Schedule 2)		<b>45,723,454</b>	<b>51,297,795</b>	49,378,559
<b>Surplus before other items</b>		<b>2,462,546</b>	<b>15,057,565</b>	4,067,349
<b>Other income</b>				
Contributed tangible capital asset (Schedule 1)		-	1,140,784	-
<b>Annual surplus</b>		<b>2,462,546</b>	<b>16,198,349</b>	4,067,349
<b>Accumulated surplus, beginning of year</b>		<b>43,453,773</b>	<b>43,453,773</b>	40,492,559
<b>Tobacco tax distribution to members</b>		<b>(1,200,000)</b>	<b>(1,128,556)</b>	(1,106,135)
<b>Accumulated surplus, end of year</b> (Note 10)		<b>44,716,319</b>	<b>58,523,566</b>	43,453,773

The accompanying notes are an integral part of these financial statements

**Cowichan Tribes**  
**Consolidated Statement of Change in Net Financial Assets (Net Debt)**  
*For the year ended March 31, 2018*

	<b>2018 Budget (Note 12)</b>	<b>2018</b>	<b>2017</b>
<b>Annual surplus</b>	<b>2,462,546</b>	<b>16,198,349</b>	4,067,349
Purchases of tangible capital assets	<b>(7,488,802)</b>	<b>(7,643,515)</b>	(5,871,250)
Contributed tangible capital asset	-	<b>(1,140,784)</b>	-
Amortization of tangible capital assets	-	<b>2,314,196</b>	2,089,856
Change in inventory	-	<b>469</b>	10,643
Change in prepaid expenses	-	<b>(5,787)</b>	8,521
Tobacco tax distribution to members	<b>(1,200,000)</b>	<b>(1,128,556)</b>	(1,106,135)
<b>Increase (decrease) in net financial assets</b>	<b>(6,226,256)</b>	<b>8,594,372</b>	(801,016)
<b>Net debt, beginning of year</b>	<b>(3,922,288)</b>	<b>(3,922,288)</b>	(3,121,272)
<b>Net financial assets (net debt), end of year</b>	<b>(10,148,544)</b>	<b>4,672,084</b>	(3,922,288)

*The accompanying notes are an integral part of these financial statements*

**Cowichan Tribes**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	16,198,349	4,067,349
Non-cash items		
Amortization	2,314,196	2,089,856
Earnings from investment in Nation business enterprises and partnerships	(1,375,352)	(322,610)
Contributed tangible capital asset	(1,140,784)	-
	<b>15,996,409</b>	<b>5,834,595</b>
Changes in working capital accounts		
Accounts receivable	628,841	(463,111)
Inventory	469	10,643
Prepaid expenses	(5,787)	8,521
Accounts payable and accruals	(1,119,535)	4,728,111
Deferred revenue	4,093,156	1,692,461
	<b>19,593,553</b>	<b>11,811,220</b>
<b>Financing activities</b>		
Advances of long-term debt	-	229,980
Repayments of long-term debt	(915,643)	(876,941)
Tobacco tax distribution to members	(1,128,556)	(1,106,134)
	<b>(2,044,199)</b>	<b>(1,753,095)</b>
<b>Capital activities</b>		
Purchases of tangible capital assets	(7,643,515)	(5,871,250)
<b>Investing activities</b>		
Change in due from Nation business enterprises	516,604	211,051
Change in funds held in trust	24,777	38,166
Change in restricted cash	(105,771)	(34,527)
Change in portfolio investments	83,414	104,869
Investment in Nation business partnership	(610,231)	-
	<b>(91,207)</b>	<b>319,559</b>
<b>Increase in unrestricted cash</b>	<b>9,814,632</b>	<b>4,506,434</b>
<b>Unrestricted cash, beginning of year</b>	<b>12,534,848</b>	<b>8,028,414</b>
<b>Unrestricted cash, end of year</b>	<b>22,349,480</b>	<b>12,534,848</b>
<b>Supplementary cash flow information</b>		
Interest paid	605,835	606,029

*The accompanying notes are an integral part of these financial statements*



**1. Operations**

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

**2. Significant accounting policies**

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

***Basis of presentation***

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

***Segments***

The Nation conducts its business through a number of reportable segments as described in Note 16. 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.

***Unrestricted cash***

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

***Funds held in trust***

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

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

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

***Reporting entity consolidated***

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

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

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

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

Cowichan Tribes business enterprises and partnerships, owned or controlled by the Nation's Chief and Council but not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method.

Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

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

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

***Tangible capital assets***

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

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

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

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

***Investments***

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

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

***Asset classification***

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

***Long-lived assets***

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

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

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

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

***Measurement uncertainty***

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Inventories are valued at lower of cost and net realizable value using the first in, first out costing method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Expenditures that relate to on-going environmental and remediation programs are charged against surplus as incurred. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites for which the First Nation is responsible. A liability for contaminated sites reflects management's best estimate of the amount required to remediate the contaminated sites. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site remediation.

Changes to the underlying assumptions and estimates or legislative changes could have a material impact on the provision recognized.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the periods in which they become known.

***Liability for contaminated site***

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

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, 2018, no liability for contaminated site exists.

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

**Revenue recognition**

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

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

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

**Changes in Accounting Policies**

**PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions**

Effective April 1, 2017, the First Nation adopted the recommendations relating to PS 2200 *Related Party Disclosures* and PS 3420 *Inter-Entity Transactions*, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

These new Sections define a related party and establish disclosures required for related party transactions. Disclosure is required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, a material financial effect on the financial statements. They also establish standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

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

**PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights**

Effective April 1, 2017, the First Nation adopted the recommendations relating to PS 3210 *Assets*, PS 3320 *Contingent Assets*, and PS 3380 *Contractual Rights*, as set out in the CPA Canada Public Sector Accounting Handbook. Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated.

PS 3210 *Assets* provides additional guidance to clarify the definition of assets set out in PS 1000 *Financial Statement Concepts*.

PS 3320 *Contingent Assets* establishes disclosure standards on contingent assets.

PS 3380 *Contractual Rights* establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Section are as follows:

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

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

**Cowichan Tribes**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**3. Accounts receivable**

	2018	2017
Federal government and agencies	88,253	1,000,403
Indigenous Services Canada	732,579	401,459
Department of Fisheries and Oceans Canada	388,244	640,157
Province of B.C.	682,137	1,272,868
First Nation organizations	434,090	718,130
Other	566,969	300,158
Due from Nation's business enterprises	844,424	-
School District #79 and Vancouver Island University	10,913	43,275
	<b>3,747,609</b>	<b>4,376,450</b>

**4. Restricted cash**

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$93,680 (2017 - \$90,797) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation (CDIC) or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, these reserves were adequately funded (2017 - adequately funded).

Under the terms of the agreement with CMHC, excess revenues over expenditures for the Post 1996 phases may be retained in an operating reserve. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the CDIC or as may otherwise be approved by CMHC from time to time. At year end, the operating reserve was adequately funded (2017 - adequately funded).

Cowichan Tribes issued a debt instrument through the First Nation Finance Authority ("FNFA"). As a condition of this borrowing, a portion of the debenture proceeds are withheld by the FNFA as a debt reserve fund. The deposit at March 31, 2018 was \$526,718 (2017- \$514,835).

	2018	2017
Replacement and operating reserves	678,625	584,738
FNFA debt reserve	526,719	514,835
	<b>1,205,344</b>	<b>1,099,573</b>

**5. Portfolio investments**

	2018	2017
Mt. Hayes Storage Limited Partnership - 7.5% of issued partnership units	4,940,391	5,025,391
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.	143,533	141,947
All Nations Trust Company - 810 Class "A" shares	9,266	9,266
	<b>5,093,190</b>	<b>5,176,604</b>

**Cowichan Tribes**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**6. Investment in Nation business enterprises and partnership**

The First Nation has investments in the following entities:

			<i>2018</i>	
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
<b>Wholly-owned Businesses:</b>				
Cowichan Mini Mall Ltd. (54.88%)	55	51,477	(1,063,569)	(1,012,037)
Khowutzun Gaming Corporation	100	2,653,642	833,608	3,487,350
Khowutzun Development Corp.	2	346,545	(276,613)	69,934
Khowutzun Forest Services Ltd.	100	-	(8,466)	(8,366)
Mustimuhw Information Solutions Inc.	100	756,862	978,465	1,735,427
	<b>357</b>	<b>3,808,526</b>	<b>463,425</b>	<b>4,272,308</b>
<b>Business Partnerships – Modified Equity:</b>				
Khowutzun Forest Services LP	4,700	610,231	67,442	682,373
	<b>5,057</b>	<b>4,418,757</b>	<b>530,867</b>	<b>4,954,681</b>

			<i>2017</i>	
	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
<b>Wholly-owned Businesses:</b>				
Cowichan Mini Mall Ltd. (54.88%)	55	68,081	(1,047,174)	(979,038)
Khowutzun Gaming Corporation	100	2,653,642	528,453	3,182,195
Khowutzun Development Corp.	2	346,545	(291,039)	55,508
Khowutzun Forest Services Ltd.	100	-	(8,460)	(8,360)
Mustimuhw Information Solutions Inc.	100	756,862	74,550	831,512
	<b>357</b>	<b>3,825,130</b>	<b>(743,670)</b>	<b>3,081,817</b>
<b>Business Partnerships - Modified Equity:</b>				
Khowutzun Forest Services LP	4,700	-	399,185	403,885
	<b>5,057</b>	<b>3,825,130</b>	<b>(344,485)</b>	<b>3,485,702</b>

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

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

Khowutzun Gaming Corp. long-term debt consists of a mortgage that is repayable in monthly instalments of \$31,356, including interest at 3.39%, due on April 30, 2022.

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

Khowutzun Gaming Corporation declared a dividend to Cowichan Tribes of \$500,000 on March 31, 2018.



**Cowichan Tribes**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

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

	<i>Cowichan Mini Mall Ltd. As at March 31, 2018</i>	<i>Khowutzun Gaming Corp. As at March 31, 2018</i>	<i>Khowutzun Development Corp. As at March 31, 2018</i>	<i>Khowutzun Forest Services Ltd. As at March 31, 2018</i>
<b>Assets</b>				
Cash	20,733	1,024,896	75,377	119
Accounts receivable	28,815	-	3,426	215
Inventory and prepaid expenses	353,813	-	1,368	-
Investments	-	897,589	-	62
Capital assets	830,818	5,056,045	8,526	-
Intangible assets	-	-	-	-
<b>Total assets</b>	<b>1,234,179</b>	<b>6,978,530</b>	<b>88,697</b>	<b>396</b>
Accounts payable and accruals	123,337	29,200	18,763	3,002
Deferred revenue	27,063	-	-	-
Loans and advances	-	-	-	5,760
Long-term debt	3,021,668	2,961,980	-	-
<b>Total liabilities</b>	<b>3,172,068</b>	<b>2,991,180</b>	<b>18,763</b>	<b>8,762</b>
<b>Net assets</b>	<b>(1,937,889)</b>	<b>3,987,350</b>	<b>69,934</b>	<b>(8,366)</b>
<b>Total revenue</b>	<b>616,053</b>	<b>1,277,295</b>	<b>197,870</b>	<b>2,467</b>
<b>Total expenses</b>	<b>645,930</b>	<b>472,140</b>	<b>183,444</b>	<b>2,474</b>
<b>Net income (loss)</b>	<b>(29,877)</b>	<b>805,155</b>	<b>14,426</b>	<b>(7)</b>

**Cowichan Tribes**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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

	<i>Mustimuhw Information Solutions Inc. As at March 31, 2018</i>	<i>Khowutzun Forest Services Limited Partnership As at March 31, 2018</i>
<b>Assets</b>		
Cash	1,230,563	509,764
Accounts receivable	1,914,999	169,618
Inventory and prepaid expenses	7,000	6,256
Investments	-	-
Capital assets	15,807	107,267
Intangible assets	58,686	-
<b>Total assets</b>	<b>3,227,055</b>	<b>792,905</b>
Accounts payable and accruals	1,082,603	110,532
Deferred revenue	312,201	-
Loans and advances	96,824	-
Long-term debt	-	-
<b>Total liabilities</b>	<b>1,491,628</b>	<b>110,532</b>
<b>Net assets</b>	<b>1,735,427</b>	<b>682,373</b>
<b>Total revenue</b>	<b>4,323,361</b>	<b>1,459,730</b>
<b>Total expenses</b>	<b>3,419,446</b>	<b>1,791,472</b>
<b>Net income (loss)</b>	<b>903,915</b>	<b>(331,742)</b>

The above figures for Cowichan Mini Mall Ltd. represent 100% of the assets, liabilities and earnings. The company has non-controlling shareholders who have a 45.12% interest in the company. They were allocated \$13,480 (2017 - \$13,241) of the current year loss.

**Cowichan Tribes**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**7. Funds held in trust**

Capital and 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.

	<b>2018</b>	2017
<b>Capital Trust</b>		
Balance, beginning and end of year	<b>336,793</b>	336,793
<b>Revenue Trust</b>		
Balance, beginning of year	<b>356,598</b>	406,725
Interest	<b>14,009</b>	13,442
Special (BC)	<b>11,316</b>	11,162
Land leases	<b>285,345</b>	275,269
	<b>667,268</b>	706,598
Less: Transfers to Nation	<b>350,000</b>	350,000
Balance, end of year	<b>317,268</b>	356,598
<b>Suspense</b>		
Balance, beginning of year	<b>638,770</b>	574,160
Interest	<b>14,553</b>	64,610
Balance, end of year	<b>653,323</b>	638,770
	<b>1,307,384</b>	1,332,161

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.

**8. Accounts payable and accruals**

	<b>2018</b>	2017
Accrued liabilities	<b>2,668,592</b>	1,702,490
Trade payable	<b>3,561,571</b>	6,591,718
Receiver General	<b>109,619</b>	112,010
Due from Nation's business enterprises	<b>1,241,561</b>	-
Indigenous Services Canada	<b>-</b>	294,660
	<b>7,581,343</b>	8,700,878

**Cowichan Tribes**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**9. Deferred revenue**

	2018	2017
ISC funds (see below)	5,971,024	2,181,983
Province of BC	309,852	-
Vancouver Island Health Authority	40,000	45,737
	6,320,876	2,227,720
 <b>ISC funds:</b>		
Opening balance of unspent funds	2,181,983	529,664
Amounts received during the year	9,034,702	4,030,098
Amounts spent on projects and recorded as revenue	(5,245,661)	(2,377,779)
	5,971,024	2,181,983

**10. Accumulated surplus**

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

Cowichan Tribes maintains the following funds:

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

Accumulated surplus consists of the following:

	2018	2017
Equity in Ottawa Trust Funds	1,307,384	1,332,161
Equity in tangible capital assets	31,845,690	28,503,987
Unrestricted surplus	20,415,811	10,131,923
Nation business enterprises surplus	4,954,681	3,485,702
	58,523,566	43,453,773

**Cowichan Tribes**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**11. Long-term debt**

	<i>2018</i>	<i>2017</i>
Non-social housing		
First Nations Finance Authority Loan, repayable in monthly instalments of \$46,312 including interest at 3.79%, secured by Tribes council resolution, Tobacco Tax, Community Improvement Fee and Host Local Government revenues, due June 2024	<b>9,266,972</b>	<b>9,465,052</b>
Royal Bank of Canada loan repayable in monthly payments of \$19,500 plus interest, fixed interest rate of 2.35% (2017 - 2.72%), through an interest rate swap, due January 2022; general security agreement constituting a first ranking interest to the Mount Hayes Storage Limited Partnership units and a second ranking interest over all other personal property of the Nation	<b>4,383,000</b>	<b>4,638,000</b>
<b>Total non-social housing</b>	<b>13,649,972</b>	<b>14,103,052</b>
All Nations Trust		
All Nations Trust, repayable in monthly installments of \$2,473 including interest at 1.97%, due December 2022; secured with Ministerial Guarantee from ISC	<b>263,121</b>	<b>287,819</b>
All Nations Trust, repayable in monthly installments of \$9,790 including interest at 2.35%, due September 2018; secured with Ministerial Guarantee from ISC	<b>58,323</b>	<b>172,972</b>
All Nations Trust, repayable in monthly installments of \$2,785 including interest at 1.82%, due September 2019; secured with Ministerial Guarantee from ISC	<b>202,315</b>	<b>231,781</b>
All Nations Trust, repayable in monthly installments of \$2,804 including interest at 1.11%, due April 2021; secured with Ministerial Guarantee from ISC	<b>260,056</b>	<b>290,640</b>
All Nations Trust, repayable in monthly installments of \$10,020 including interest at 2.04%, due March 2019; secured with Ministerial Guarantee from ISC	<b>1,626,902</b>	<b>1,713,139</b>
All Nations Trust, repayable in monthly installments of \$9,110 including interest at 1.08%, due August 2020; secured with Ministerial Guarantee from ISC	<b>1,727,684</b>	<b>1,817,856</b>
All Nations Trust, repayable in monthly installments of \$2,533 including interest at 1.67%, due June 2018; secured with Ministerial Guarantee from ISC	<b>522,124</b>	<b>543,630</b>
All Nations Trust, repayable in monthly installments of \$4,152 including interest at 2.35%, due September 2018; secured with Ministerial Guarantee from ISC	<b>810,852</b>	<b>841,328</b>
All Nations Trust, repayable in monthly installments of \$1,971 including interest at 2.11%, due January 2019; secured with Ministerial Guarantee from ISC	<b>397,509</b>	<b>412,638</b>
All Nations Trust, repayable in monthly installments of \$2,325 including interest at 1.44%, due February 2022; secured with a Ministerial Guarantee from ISC	<b>564,527</b>	<b>584,173</b>
<b>Total social housing</b>	<b>6,433,413</b>	<b>6,895,976</b>
<b>Total long-term debt</b>	<b>20,083,385</b>	<b>20,999,028</b>

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

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

2019	818,429
2020	765,560
2021	771,681
2022	777,820
2023	783,753

**RBC Loan:**

The notional amount of the interest rate swap is \$5,716,000 with a five year swap term, maturing on January 18, 2022 at which time the swap can be renewed at market rates and terms based upon the one month bankers' acceptance rate. The fixed interest rate of 2.35% (2017 - 2.72%) is comprised of a swap rate of 1.60% and a stamping fee of 0.75%.

The loan is secured by an assignment of a put option in respect of the Mount Hayes Storage Limited Partnership units. The book value of the secured asset is \$4,940,391 (2017 - \$5,025,391). 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, 2018 Cowichan Tribes was in compliance with the covenants and expects to be in compliance for the next fiscal year.

An interest rate swap is a financial contract between two parties who agree to exchange fixed rate interest payments for floating rate payments on a predetermined notional amount and term. Cowichan Tribes has entered into a swap agreement with RBC to manage the interest rate exposure associated with its loan. The carrying amount of the RBC loan approximates its fair value based on minimal change in the bankers acceptance rate between issuance and March 31, 2018.

**12. Budget information**

Budget figures represent the budget adopted by Cowichan Tribes on March 28, 2017. 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.

	<i>2018</i>
Adopted budget deficit	<b>(6,474,605)</b>
Capital acquisition	<b>7,488,802</b>
Debt repayments	<b>949,202</b>
Loan proceeds	<b>(992,401)</b>
Member distribution	<b>1,200,000</b>
Transfers to Nation businesses and other adjustments	<b>291,548</b>
<b>Budgeted surplus</b>	<b>2,462,546</b>

**13. Contingencies & Commitments**

- a) Cowichan Tribes has guaranteed various member loans, amounting to \$1,428,509 for on-reserve housing.
- b) Cowichan Tribes is a member of Hul'qumi'num Treaty Group, incorporated under the Society Act, and indirectly responsible for its net debt. The Hul'qumi'num Treaty Group has entered into Negotiations Support Agreements on behalf of its members and carried out treaty negotiations with Canada and British Columbia. Under the terms of the agreements, Hul'qumi'num Treaty Group is indebted to Canada. As at March 31, 2018, the indebtedness was \$36,116,118 (2017 - \$34,649,468). If Cowichan Tribes is liable under the Negotiation Support Agreement, the amount is subject to redetermination and consequently indeterminable; and accordingly excluded from these consolidated financial statements. The indebtedness to Canada was due February 2017. An indefinite extension exists. Once the treaty negotiations have been completed, Cowichan Tribes will be awarded with the portion of the treaty funds. The recovery of the funds will be recorded once the treaty negotiations have been fully completed.
- c) Cowichan Tribes is a defendant in several lawsuits and is involved in various actions related to land leases, environmental damages, third party liability, garnishment, indemnification, compensatory damages and contract breach. Management cannot determine whether any claims will be successful and cannot estimate the potential loss, if any.
- d) Cowichan Tribes has guaranteed the mortgage of Khowutzun Gaming Corporation. The balance of the mortgage at March 31, 2018 was \$2,961,980 (2017 - \$3,226,575). As at March 31, 2018, the nation has no liability associated with his guarantee.
- e) Cowichan Tribes received current year funding from Indigenous Services Canada under Set Contributions whose terms require unspent funding to be returned to the funder. The amount of funding that could be returned to the funder is \$374,030. A liability will be recorded when ISC has completed their financial statement review and detail financial statement review report is received by Cowichan Tribes.
- f) Cowichan Tribes incurred landfill closure and post-closure expenses and has commenced litigation against the Cowichan Valley Regional District ("CVRD") to recover costs associated with remediating the reserve from contamination. A Statement of Defence has been filed by the CVRD. In addition, a separate claim has been filed against the CVRD and the Government of Canada for contamination of the reserve. This second claim was served on the parties and the Nation is engaged in settlement negotiations with the CVRD to settle both claims. The recovery will be recorded once the lawsuit has been settled.
- g) There are numerous potential contaminated sites on reserve. The future costs of remediation are undeterminable and a reasonable estimate cannot be made. The liabilities, if any, and related recoveries will be recorded when they become measurable.
- h) The Nation has various capital projects that are currently in progress and has committed \$2,592,250 to various contractors.
- i) Cowichan Tribes has a specific claim against Canada regarding the wrongful pre-emption of lands in Cowichan Reserve No. 1 by a settler, Mr. Brennan. Canada has accepted liability and has offered financial compensation of \$2,682,907. A settlement agreement has been approved by Council and been subject to a band membership ratification vote, which failed to get sufficient turnout. In the meantime, Canada decided to revise its Specific Claims Policy to account for the Specific Claims Tribunal decision *Huu-ay-aht First Nations v Canada* (Minister of Indian Affairs and Northern Development), 2016 SCTC 14, which calls for a more equitable approach to compensating claimants for loss of use of land. The Nation is currently waiting for Canada to release the revised policy to determine whether it will lead to a higher settlement for this claim, which is expected.

**Cowichan Tribes**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**14. ISC funding reconciliation**

	<b>2018</b>	<b>2017</b>
Funding provided by ISC	<b>37,817,749</b>	26,642,073
Less: ISC recoveries during the year	<b>(4,712)</b>	(10,861)
Less: proposed ISC recoveries	-	(294,660)
Add: additional funding for Child and Family Services	<b>452,845</b>	-
Add: reimbursements by ISC	<b>12,044</b>	-
Add: Cowichan Tribes invoice for Risk Management and Monitoring	-	2,500
	<b>38,277,926</b>	26,339,052
<b>Add: Deferred amount from prior year</b>		
Six plex Trestle Road (CPMS 9-00126172)	<b>1,324,800</b>	-
Flood Mitigation (CPMS 9-00126204)	<b>172,683</b>	-
Renovations and additions (CPMS 9-00126934)	<b>250,000</b>	-
Street lighting (CPMS 11535)	<b>105,950</b>	-
Quamichan culvert replacement (CPMS 11802)	<b>167,846</b>	-
Quw'utusn Smun'eem expansion (CPMS 9-0012)	<b>14,255</b>	-
Wilson Road Water (CPMS 3404)	<b>27,035</b>	-
Three system water study (CPMS 10727)	<b>103,200</b>	201,604
Tyup Road low pressure sewer (CPMS 11558)	<b>16,214</b>	215,842
Housing subsidies (CPMS 11683)	-	450
Trestle Road sewer (CPMS 11429)	-	111,768
	<b>2,181,983</b>	529,664
<b>Less: Amounts deferred to subsequent year</b>		
Tommy Road water (CPMS 10727)	<b>(1,333,276)</b>	-
Boys Road sewer (CPMS 4506)	<b>(3,892,791)</b>	-
Koksilah River crossing (CPMS 11922 & ICMS 9-00124506)	<b>(426,663)</b>	-
Flood Mitigation (CPMS 9-00126204)	<b>(199,685)</b>	(172,683)
Renovations and additions (CPMS 9-00126934)	<b>(118,609)</b>	(250,000)
Three system water study (CPMS 10727)	-	(103,200)
Six plex Trestle Road (CPMS 9-00126172)	-	(1,324,800)
Tyup Road low pressure sewer (CPMS 11558)	-	(16,214)
Wilson Road water (CPMS 3404)	-	(27,035)
Street lighting (CPMS 11535)	-	(105,950)
Quamichan culvert replacement (CPMS 11802)	-	(167,846)
Quw'utusn Smun'eem expansion (CPMS 9-0012)	-	(14,255)
	<b>(5,971,024)</b>	(2,181,983)
	<b>34,488,885</b>	24,686,733

**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. Segments**

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

**Administration:**

This segment reports general operations, support, activities related to the growth of revenue producing projects and financial management of Cowichan Tribes.

**Own Source Revenue:**

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

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

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

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

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

**Lulumexun Lands and Governances:**

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

**Operations and Maintenance:**

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

**Social Development:**

This segment includes revenue and expenses relating to the social assistance of members, including revenue and expenses relating to the National Child Benefit Reinvestment program and the Coast Salish Employment and Training Society funding and related expenditures..

**Treaty Negotiations:**

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

**Ts'ewulhtun Health Centre:**

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

**Capital Projects:**

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

**17. Related party transactions**

Investment Income	<b>488,683</b>
Contracted services	<b>2,433,664</b>
Transfers to Nation business enterprises and partnerships	<b>167,548</b>

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.

**18. Comparative figures**

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

**Cowichan Tribes**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**

*For the year ended March 31, 2018*

	<i>Land</i>	<i>Buildings and houses</i>	<i>Vehicles &amp; Boats</i>	<i>Furniture &amp; equipment</i>	<i>Water</i>	<i>Sewer</i>	<i>Subtotal</i>
<b>Cost</b>							
Balance, beginning of year	5,287,093	51,093,148	2,851,934	5,799,387	2,023,747	5,155,080	72,210,389
Acquisition of tangible capital assets	-	2,584,290	161,549	472,408	2,767,198	966,986	6,952,431
Contributed tangible capital asset	-	-	-	-	-	-	-
Balance, end of year	5,287,093	53,677,438	3,013,483	6,271,795	4,790,945	6,122,066	79,162,820
<b>Accumulated amortization</b>							
Balance, beginning of year	-	21,659,093	1,806,312	5,025,342	760,961	522,557	29,774,265
Annual amortization	-	1,339,807	182,431	144,017	124,275	156,030	1,946,560
Balance, end of year	-	22,998,900	1,988,743	5,169,359	885,236	678,587	31,720,825
<b>Net book value of tangible capital assets</b>	<b>5,287,093</b>	<b>30,678,538</b>	<b>1,024,740</b>	<b>1,102,436</b>	<b>3,905,709</b>	<b>5,443,479</b>	<b>47,441,995</b>
2017 Net book value of tangible capital assets	5,287,093	29,434,055	1,045,622	774,045	1,262,786	4,632,523	42,436,124

**Cowichan Tribes**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**

*For the year ended March 31, 2018*

	<i>Subtotal</i>	<i>Roads</i>	<i>Dikes</i>	<i>Electrical</i>	<i>Lift stations</i>	<i>2018</i>	<i>2017</i>
<b>Cost</b>							
Balance, beginning of year	72,210,389	5,348,464	6,597,134	255,576	701,425	85,112,988	79,241,738
Acquisition of tangible capital assets	6,952,431	81,000	358,484	251,600	-	7,643,515	5,871,250
Contributed tangible capital asset	-	-	1,140,784	-	-	1,140,784	-
Balance, end of year	<b>79,162,820</b>	<b>5,429,464</b>	<b>8,096,402</b>	<b>507,176</b>	<b>701,425</b>	<b>93,897,287</b>	85,112,988
<b>Accumulated amortization</b>							
Balance, beginning of year	29,774,265	3,152,129	4,705,653	32,617	401,326	38,065,990	35,976,134
Annual amortization	1,946,560	135,737	202,411	11,952	17,536	2,314,196	2,089,856
Balance, end of year	<b>31,720,825</b>	<b>3,287,866</b>	<b>4,908,064</b>	<b>44,569</b>	<b>418,862</b>	<b>40,380,186</b>	38,065,990
<b>Net book value of tangible capital assets</b>	<b>47,441,995</b>	<b>2,141,598</b>	<b>3,188,338</b>	<b>462,607</b>	<b>282,563</b>	<b>53,517,101</b>	47,046,998
2017 Net book value of tangible capital assets	42,436,124	2,196,335	1,891,481	222,959	300,099	47,046,998	

**Cowichan Tribes**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2018*

	<b>2018 Budget (Note 12)</b>	<b>2018</b>	<b>2017</b>
<b>Consolidated expenses by object</b>			
Amortization	-	2,314,196	2,089,856
Automotive	199,172	240,701	204,286
Bank charges and interest	4,536	18,170	23,035
Community development	1,285,092	1,181,950	1,263,921
Consulting	950,388	597,535	886,777
Contracted services (Note 17)	2,475,253	5,809,602	3,827,332
Furniture and equipment	177,186	412,898	407,867
Honouraria	617,714	543,499	518,299
Insurance	468,842	484,749	495,094
Interest on long-term debt	494,939	605,835	606,029
Licenses and fees	97,420	191,971	140,426
Meeting	174,922	81,967	97,064
Office	425,113	411,304	303,365
Professional fees	1,207,075	1,402,962	1,385,264
Rent and lease	193,305	201,884	188,559
Repairs and maintenance	1,981,894	1,277,019	1,999,307
Salaries and benefits	19,251,014	19,592,896	18,902,393
Social assistance and living allowances	5,606,347	5,757,623	5,339,398
Supplies	1,426,100	1,261,460	1,448,441
Telephone and fax	158,218	286,425	160,526
Training	566,124	495,802	894,899
Transfers to Nation business enterprises and partnerships (Note 17)	-	167,548	268,726
Travel	425,779	452,648	513,895
Tuition and student expenses	7,250,396	7,135,505	7,030,595
Utilities	286,625	371,646	383,205
	<b>45,723,454</b>	<b>51,297,795</b>	<b>49,378,559</b>

**Cowichan Tribes  
Administration**

**Schedule 3 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018 Budget (Note 12)</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Indigenous Services Canada	1,451,619	1,550,067	1,456,774
First Nations Health Authority	-	5,680	-
Other agencies	-	2,178,289	1,084,034
Earnings from investment in Nation business enterprises and partnerships	-	1,375,352	322,610
Province of BC - other	-	939,645	103,144
Rental, gravel and timber income	550,000	383,206	507,468
Other income	203,338	356,388	420,414
Investment income (Note 17)	89,100	222,801	161,090
Coast Salish Employment and Training Society	-	20,360	-
Quw'utsun Cultural and Conference Centre	-	-	325,709
	<b>2,294,057</b>	<b>7,031,788</b>	<b>4,381,243</b>
<b>Expenses</b>			
Amortization	-	311,346	244,574
Bank charges and interest	4,100	17,367	22,091
Community development	156,664	125,565	232,137
Consulting	715,000	226,334	466,936
Contracted services	65,561	2,487,479	1,212,885
Furniture and equipment	26,100	115,273	84,374
Honouraria	357,614	339,060	318,435
Insurance	27,221	43,952	59,060
Interest on long-term debt	-	377,939	377,939
Licenses and fees	41,500	130,338	70,126
Meeting	63,592	31,506	30,943
Office	79,831	83,647	71,572
Professional fees	1,004,161	1,284,674	1,223,240
Rent and lease	140,900	-	179,210
Repairs and maintenance	9,404	44,666	203,173
Salaries and benefits	3,611,876	3,128,700	3,736,876
Supplies	168,818	173,299	352,800
Telephone and fax	39,202	63,530	41,661
Training	95,800	84,515	80,985
Transfers to Nation business enterprises and partnerships (Note 17)	-	167,548	268,726
Travel	89,729	76,983	99,228
Utilities	4,100	50,560	61,781
	<b>6,701,173</b>	<b>9,364,281</b>	<b>9,438,752</b>
<b>Annual deficit before transfers</b>	<b>(4,407,116)</b>	<b>(2,332,493)</b>	<b>(5,057,509)</b>
<b>Transfers between programs</b>	<b>4,975,151</b>	<b>5,204,527</b>	<b>3,911,974</b>
<b>Annual surplus (deficit)</b>	<b>568,035</b>	<b>2,872,034</b>	<b>(1,145,535)</b>

**Cowichan Tribes**  
**Own Source Revenue**

**Schedule 4 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2018*

	<b>2018 Budget (Note 12)</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Tobacco tax	2,996,832	3,087,990	2,978,268
Community Improvement Fee	1,792,404	1,789,344	2,501,307
Province of BC - Host Local Government	690,000	815,006	773,717
Province of BC - Forestry Agreement	772,600	772,600	772,600
Investment income	550,200	517,567	510,746
Rental, gravel and timber income	-	285,345	275,269
Province of BC - other	-	11,316	11,192
	<b>6,802,036</b>	<b>7,279,168</b>	<b>7,823,099</b>
<b>Expenses</b>			
Bank charges and interest	200	167	227
Community development	17,500	12,803	36,643
Contracted services	5,000	-	-
Interest on long-term debt	494,939	115,539	115,567
Professional fees	1,000	-	-
Repairs and maintenance	32,500	2,500	19,978
Salaries and benefits	-	-	1,077
Supplies	-	1,433	33,539
	<b>551,139</b>	<b>132,442</b>	<b>207,031</b>
<b>Annual surplus before transfers</b>	<b>6,250,897</b>	<b>7,146,726</b>	<b>7,616,068</b>
<b>Transfers between programs</b>	<b>(5,099,842)</b>	<b>(5,250,937)</b>	<b>(5,399,797)</b>
<b>Annual surplus</b>	<b>1,151,055</b>	<b>1,895,789</b>	<b>2,216,271</b>

**Cowichan Tribes**  
**Lalum'utul' Smun'eem Child and Family Services**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<i>2018 Budget (Note 12)</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada	2,616,340	3,862,558	2,866,876
Province of BC - other	2,250,122	2,712,699	2,483,054
Other income	25,000	68,064	2,600
	<b>4,891,462</b>	<b>6,643,321</b>	5,352,530
<b>Expenses</b>			
Amortization	-	81,074	89,559
Automotive	20,837	33,937	7,515
Bank charges and interest	100	-	30
Community development	181,450	75,847	50,057
Consulting	72,000	79,198	23,272
Contracted services	1,524,495	2,046,080	1,610,050
Furniture and equipment	13,700	26,501	26,728
Honouraria	37,000	17,593	11,831
Insurance	23,327	19,700	19,385
Licenses and fees	10,700	-	27,372
Meeting	9,000	538	543
Office	45,200	43,691	34,742
Professional fees	10,200	308	-
Rent and lease	22,550	566	-
Repairs and maintenance	23,700	20,139	13,016
Salaries and benefits	2,827,116	2,731,344	2,355,589
Supplies	239,305	237,429	161,307
Telephone and fax	16,200	53,621	13,562
Training	31,835	18,848	3,445
Travel	95,040	88,894	64,696
Tuition and student expenses	21,200	16,009	1,010
Utilities	21,550	20,748	18,122
	<b>5,246,505</b>	<b>5,612,065</b>	4,531,831
<b>Annual surplus(deficit) before transfers</b>	<b>(355,043)</b>	<b>1,031,256</b>	820,699
<b>Transfers between programs</b>	<b>(263,568)</b>	<b>(306,744)</b>	(124,321)
<b>Annual surplus (deficit)</b>	<b>(618,611)</b>	<b>724,512</b>	696,378

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

*For the year ended March 31, 2018*

	<b>2018 Budget (Note 12)</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Indigenous Services Canada	11,057,298	11,228,630	11,024,307
First Nations Health Authority	116,333	163,994	116,333
Other agencies	593,536	1,045,890	753,620
Province of BC - other	670,018	555,634	735,589
Coast Salish Employment and Training Society	234,000	406,249	234,000
Other income	153,295	250,389	155,949
Rental, gravel and timber income	2,500	7,410	-
	<b>12,826,980</b>	<b>13,658,196</b>	<b>13,019,798</b>
<b>Expenses</b>			
Amortization	-	187,937	206,836
Automotive	5,000	-	709
Community development	58,785	44,208	57,361
Consulting	-	-	34,685
Contracted services	67,700	75,619	57,445
Furniture and equipment	27,825	44,305	68,956
Honouraria	34,700	21,773	19,215
Insurance	43,211	43,245	43,113
Licenses and fees	2,715	1,805	1,434
Living allowances	1,249,832	1,168,150	968,643
Meeting	10,400	7,588	1,367
Office	32,700	31,493	29,358
Rent and lease	6,828	-	-
Repairs and maintenance	99,325	78,145	81,867
Salaries and benefits	3,883,597	3,747,970	3,640,279
Supplies	407,246	303,956	276,552
Telephone and fax	16,880	18,423	14,802
Training	57,152	63,372	31,889
Travel	41,350	35,359	28,913
Tuition and student expenses	7,225,696	7,116,420	7,003,197
Utilities	45,000	53,835	57,224
	<b>13,315,942</b>	<b>13,043,603</b>	<b>12,623,845</b>
<b>Annual surplus (deficit) before transfers</b>	<b>(488,962)</b>	<b>614,593</b>	<b>395,953</b>
<b>Transfers between programs</b>	<b>(381,336)</b>	<b>(375,942)</b>	<b>(182,430)</b>
<b>Annual surplus (deficit)</b>	<b>(870,298)</b>	<b>238,651</b>	<b>213,523</b>



**Cowichan Tribes**  
**Lulumexun Lands and Governance**  
**Schedule 7 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<i>2018 Budget (Note 12)</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada	194,361	5,732,424	896,656
Department of Fisheries and Oceans Canada	916,445	1,721,131	978,064
First Nations Health Authority	-	2,500	-
Property tax	2,576,641	2,577,754	2,590,474
Other income	432,882	532,097	307,017
Province of BC - other	25,000	522,756	75,000
Licence fees	590,000	373,354	371,876
Rental, gravel and timber income	70,720	199,240	45,814
Other agencies	84,629	55,181	90,542
Investment income	1,700	1,770	1,859
	<b>4,892,378</b>	<b>11,718,207</b>	<b>5,357,302</b>
<b>Expenses</b>			
Amortization	-	111,307	118,119
Automotive	96,590	94,745	110,679
Community development	192,050	187,741	164,754
Consulting	115,388	218,329	334,837
Contracted services	342,153	265,549	166,734
Furniture and equipment	12,500	27,338	43,794
Honouraria	33,000	38,332	32,379
Insurance	57,433	79,872	56,551
Licenses and fees	24,050	7,172	19,980
Meeting	26,061	6,694	30,364
Office	113,870	124,084	64,027
Professional fees	99,139	62,277	81,218
Rent and lease	7,000	196,443	3,629
Repairs and maintenance	152,281	160,985	117,233
Salaries and benefits	1,819,561	2,059,413	1,897,266
Supplies	99,750	47,433	61,873
Telephone and fax	11,150	11,111	12,387
Training	34,223	16,838	44,491
Travel	43,680	35,034	71,345
Utilities	119,800	133,215	144,623
	<b>3,399,679</b>	<b>3,883,912</b>	<b>3,576,283</b>
<b>Annual surplus before transfers</b>	<b>1,492,699</b>	<b>7,834,295</b>	<b>1,781,019</b>
<b>Transfers between programs</b>	<b>(1,823,496)</b>	<b>(1,238,402)</b>	<b>(1,209,042)</b>
<b>Annual surplus (deficit)</b>	<b>(330,797)</b>	<b>6,595,893</b>	<b>571,977</b>

**Cowichan Tribes**  
**Operations and Maintenance**  
**Schedule 8 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<i>2018 Budget (Note 12)</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada	555,179	677,362	643,706
Other income	24,500	36,517	60,286
Rent	15,015	18,039	14,583
	<b>594,694</b>	<b>731,918</b>	<b>718,575</b>
<b>Expenses</b>			
Amortization	-	703,789	555,386
Automotive	6,075	27,701	9,193
Community development	277,265	309,764	293,955
Contracted services	-	-	1,010
Insurance	30,090	32,583	29,643
Office	7,117	9,763	9,516
Repairs and maintenance	898,995	632,451	773,500
Salaries and benefits	603,615	626,446	600,497
Supplies	5,549	10,272	10,915
Telephone and fax	5,000	5,897	5,238
Training	8,545	1,158	11,270
Travel	26,300	35,952	29,506
Utilities	63,975	82,305	69,817
	<b>1,932,526</b>	<b>2,478,081</b>	<b>2,399,446</b>
<b>Annual deficit before transfers</b>	<b>(1,337,832)</b>	<b>(1,746,163)</b>	<b>(1,680,871)</b>
<b>Transfers between programs</b>	<b>1,383,111</b>	<b>1,236,980</b>	<b>1,109,784</b>
<b>Annual surplus (deficit)</b>	<b>45,279</b>	<b>(509,183)</b>	<b>(571,087)</b>

**Cowichan Tribes**  
**Social Development**

**Schedule 9 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2018*

	<i>2018 Budget (Note 12)</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada	4,946,310	5,908,580	5,131,063
Coast Salish Employment and Training Society	390,940	446,939	993,092
Other income	85,007	75,187	92,370
Investment income	1,000	1,839	1,059
	<b>5,423,257</b>	<b>6,432,545</b>	<b>6,217,584</b>
<b>Expenses</b>			
Amortization	-	37,989	17,796
Bank charges and interest	100	278	657
Community development	8,457	9,511	5,827
Contracted services	2,500	253,939	2,400
Furniture and equipment	-	3,176	6,209
Honouraria	900	-	908
Meeting	1,000	346	2,062
Office	15,000	15,633	2,349
Professional fees	-	-	1,125
Rent and lease	6,440	200	-
Repairs and maintenance	974	201	467
Salaries and benefits	994,115	1,035,558	1,127,643
Social assistance	4,314,515	4,541,777	4,324,237
Supplies	94,500	91,404	114,529
Telephone and fax	3,000	10,884	4,237
Training	178,060	218,191	565,552
Travel	25,775	24,625	28,793
Tuition and student expenses	1,500	1,661	24,806
	<b>5,646,836</b>	<b>6,245,373</b>	<b>6,229,597</b>
<b>Annual surplus (deficit) before transfers</b>	<b>(223,579)</b>	<b>187,172</b>	<b>(12,013)</b>
<b>Transfers between programs</b>	<b>156,707</b>	<b>77,391</b>	<b>(7,666)</b>
<b>Annual surplus (deficit)</b>	<b>(66,872)</b>	<b>264,563</b>	<b>(19,679)</b>

**Cowichan Tribes**  
**Sustainable Housing Development**  
**Schedule 10 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<i>2018 Budget (Note 12)</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
Indigenous Services Canada	-	1,590,935	21,122
Canada Mortgage and Housing Corporation	370,000	360,797	426,511
Rent	968,000	975,044	1,058,438
Other income	15,000	11,609	20,092
Investment income	7,000	9,177	6,134
	<b>1,360,000</b>	<b>2,947,562</b>	<b>1,532,297</b>
<b>Expenses</b>			
Automotive	26,900	37,768	38,225
Community development	8,294	57,687	21,947
Consulting	12,000	-	6,780
Furniture and equipment	200	34,004	68,294
Honouraria	7,100	8,550	3,150
Insurance	156,100	154,434	161,541
Interest on long-term debt	-	112,357	112,523
Meeting	11,284	1,376	632
Office	40,400	70,866	66,893
Professional fees	7,400	15,727	12,276
Repairs and maintenance	675,340	259,646	699,061
Salaries and benefits	738,700	763,631	846,656
Supplies	16,100	12,727	24,157
Telephone and fax	13,000	18,203	14,830
Training	5,000	9,038	11,265
Travel	1,000	8,216	182
Utilities	-	482	-
	<b>1,718,818</b>	<b>1,564,712</b>	<b>2,088,412</b>
<b>Annual surplus (deficit) before transfers</b>	<b>(358,818)</b>	<b>1,382,850</b>	<b>(556,115)</b>
<b>Transfers between programs</b>	<b>805,541</b>	<b>783,717</b>	<b>997,282</b>
<b>Annual surplus</b>	<b>446,723</b>	<b>2,166,567</b>	<b>441,167</b>

**Cowichan Tribes**  
**Treaty Negotiations**

**Schedule 11 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018 Budget (Note 12)</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Other agencies - Hul'qumi'num Treaty Group	532,000	532,000	532,000
	<b>532,000</b>	<b>532,000</b>	532,000
<b>Expenses</b>			
Bank charges and interest	-	53	-
Community development	1,900	1,231	2,085
Contracted services	54,800	55,887	144,225
Furniture and equipment	4,000	3,619	2,014
Honouraria	79,050	56,476	49,641
Meeting	32,835	14,167	15,724
Office	-	-	2,158
Professional fees	63,675	32,918	47,220
Salaries and benefits	224,798	274,262	263,781
Supplies	6,955	9,463	8,429
Telephone and fax	800	2,693	657
Training	4,000	3,280	5,470
Travel	3,600	5,591	4,941
	<b>476,413</b>	<b>459,640</b>	546,345
<b>Annual surplus (deficit) before transfers</b>	<b>55,587</b>	<b>72,360</b>	(14,345)
<b>Transfers between programs</b>	<b>(40,587)</b>	<b>(64,332)</b>	(48,221)
<b>Annual surplus (deficit)</b>	<b>15,000</b>	<b>8,028</b>	(62,566)

**Cowichan Tribes**  
**Ts'ewulhtun Health Centre**  
**Schedule 12 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<i>2018 Budget (Note 12)</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>			
First Nations Health Authority	5,078,795	4,774,609	5,296,070
Indigenous Services Canada	335,871	335,691	372,763
Other income	247,681	440,749	350,842
Other agencies	117,890	165,498	158,342
Province of BC - other	-	31,470	60,000
	<b>5,780,237</b>	<b>5,748,017</b>	<b>6,238,017</b>
<b>Expenses</b>			
Amortization	-	43,646	60,253
Automotive	43,770	46,550	37,965
Bank charges and interest	36	304	30
Community development	381,727	286,526	279,632
Consulting	36,000	71,083	5,701
Contracted services	412,544	625,050	617,376
Furniture and equipment	82,861	154,902	107,498
Honouraria	68,350	61,715	82,740
Insurance	129,960	110,962	125,802
Licenses and fees	18,455	52,657	21,514
Meeting	19,750	18,553	15,316
Office	74,147	20,013	18,404
Professional fees	17,000	6,860	19,022
Rent and lease	9,587	4,675	5,720
Repairs and maintenance	84,375	59,598	71,475
Salaries and benefits	4,304,636	5,042,485	4,388,134
Social assistance	42,000	47,695	46,519
Supplies	382,377	369,183	401,887
Telephone and fax	52,986	102,064	53,152
Training	151,509	80,561	140,533
Travel	98,305	141,672	186,043
Tuition and student expenses	2,000	1,415	1,582
Utilities	32,200	30,502	31,350
	<b>6,444,575</b>	<b>7,378,671</b>	<b>6,717,648</b>
<b>Annual deficit before transfers</b>	<b>(664,338)</b>	<b>(1,630,654)</b>	<b>(479,631)</b>
<b>Transfers between programs</b>	<b>385,718</b>	<b>378,024</b>	<b>472,947</b>
<b>Annual deficit</b>	<b>(278,620)</b>	<b>(1,252,630)</b>	<b>(6,684)</b>

**Cowichan Tribes**  
**Capital Projects**

**Schedule 13 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018 Budget (Note 12)</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Indigenous Services Canada	2,788,899	3,602,638	2,273,466
Other income	-	30,000	-
	<b>2,788,899</b>	<b>3,632,638</b>	<b>2,273,466</b>
<b>Expenses</b>			
Amortization	-	837,108	797,333
Community development	1,000	71,068	119,523
Consulting	-	2,592	14,565
Contracted services	500	-	15,207
Furniture and equipment	10,000	3,780	-
Insurance	1,500	-	-
Meeting	1,000	1,198	113
Office	16,848	12,116	4,348
Professional fees	4,500	198	1,162
Repairs and maintenance	5,000	18,688	19,537
Salaries and benefits	243,000	183,087	44,596
Supplies	5,500	4,862	2,452
Travel	1,000	318	245
Utilities	-	-	288
	<b>289,848</b>	<b>1,135,015</b>	<b>1,019,369</b>
<b>Surplus before other items</b>	<b>2,499,051</b>	<b>2,497,623</b>	<b>1,254,097</b>
<b>Other income</b>			
Contributed tangible capital asset	-	1,140,784	-
<b>Annual surplus before transfers</b>	<b>2,499,051</b>	<b>3,638,407</b>	<b>1,254,097</b>
<b>Transfers between programs</b>	<b>(97,399)</b>	<b>(444,282)</b>	<b>(479,490)</b>
<b>Annual surplus</b>	<b>2,401,652</b>	<b>3,194,125</b>	<b>774,607</b>