

Cowichan Tribes
Consolidated Financial Statements
March 31, 2020

Cowichan Tribes Contents

For the year ended March 31, 2020

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Management's Responsibility

To the Members of Cowichan Tribes:

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

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

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

The Finance and Audit Committee is established to provide Council with advice and recommendations to support Council's decision-making process respecting the financial administration of the Nation. It is appointed by Council. The committee is responsible for recommending to Council on the selection of an external auditor and on approval of the audited annual consolidated financial statements.

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

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

September 22, 2020

Signed by: Derick Thompson

_____ General Manager

Signed: Cameron Fulton

_____ Interim
Comptroller

Independent Auditor's Report

To the Members of Cowichan Tribes:

Opinion

We have audited the consolidated financial statements of Cowichan Tribes (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2020, and the results of its consolidated operations, changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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

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

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

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

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

Duncan, British Columbia

September 22, 2020

MNP LLP

Chartered Professional Accountants

Cowichan Tribes
Consolidated Statement of Financial Position
As at March 31, 2020

	2020	2019
Financial assets		
Cash and cash equivalents	12,068,112	15,878,553
Accounts receivable (Note 4)	6,283,587	6,410,770
Restricted cash (Note 5)	1,232,761	1,197,737
Term deposit (Note 3)	8,093,200	6,900,000
Portfolio investments (Note 6)	4,820,697	4,947,067
Investment in Nation business enterprises and partnerships (Note 7)	8,874,515	9,308,878
Funds held in trust (Note 8)	1,362,925	1,142,198
	42,735,797	45,785,203
Liabilities		
Accounts payable and accruals (Note 9)	7,118,409	9,744,606
Deferred revenue (Note 10)	3,811,584	4,513,402
Long-term debt (Note 11)	19,291,345	19,205,427
	30,221,338	33,463,435
Net financial assets	12,514,459	12,321,768
Contingencies and Commitments (Note 14)		
Subsequent event (Note 21)		
Non-financial assets		
Tangible capital assets (Schedule 1)	69,428,958	55,111,130
Prepaid expenses	360,067	321,661
	69,789,025	55,432,791
Accumulated surplus (Note 12)	82,303,484	67,754,559

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

Signed by: Chief William Seymour

Chief

Signed by: Cindy Jane Daniels

Councilor

Signed by: Stuart Pagaduan

**Chair of
Finance and
Audit
Committee**

Signed by: Cameron Fulton

**Interim
Comptroller**

The accompanying notes are an integral part of these financial statements

Cowichan Tribes
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2020

	Schedules	2020 Budget (Note 13)	2020	2019
Revenue				
Indigenous Services Canada (Note 15)		27,818,433	33,229,467	33,388,549
First Nations Health Authority		6,031,162	6,171,192	6,174,207
Department of Fisheries and Oceans Canada		1,540,306	2,040,055	2,037,557
Canada Mortgage and Housing Corporation		303,220	299,605	326,128
Province of British Columbia - other		5,397,592	4,567,579	4,532,760
Province of British Columbia - Forestry Agreement		772,600	772,600	772,600
Province of British Columbia - Host Local Government		700,000	847,326	836,371
Tobacco tax		3,540,067	3,574,187	3,540,067
Property tax		2,690,720	2,735,286	2,637,963
Community improvement fee		1,755,693	1,814,257	1,756,284
Other agencies		6,473,511	3,504,483	3,989,713
First Nations Education Steering Committee		1,025,394	1,319,765	1,280,488
Rental and lease income		1,638,631	1,802,452	1,902,024
Coast Salish Employment and Training Society		636,306	628,152	674,579
Other income		1,673,586	3,233,084	2,737,735
Investment income		721,500	1,397,111	774,283
Licence fees		650,000	167,051	371,284
Gaming revenue		-	1,487,529	-
Earnings (loss) from investment in Nation business enterprises and partnerships (Note 7)		-	(306,869)	4,205,472
		63,368,721	69,284,312	71,938,064
Program expenses				
Administration	3	13,306,474	12,380,739	12,524,611
Own Source Revenue	4	579,989	563,783	130,416
Lalum'utul' Smun'eem Child and Family Services	5	8,920,298	8,424,177	7,143,465
Quw'utsun Syuw'entst Lelum' Culture and Education Centre	6	17,298,296	16,001,425	15,554,262
Lulumexun Lands and Governance	7	6,553,296	9,026,763	6,091,870
Operations and Maintenance	8	2,502,263	3,036,887	2,906,987
Social Development	9	7,031,681	6,136,489	6,066,174
Sustainable Housing Development	10	1,990,249	1,775,769	1,793,732
Treaty Negotiations	11	485,376	397,343	477,878
Ts'ewulhtun Health Centre	12	7,605,658	6,888,178	7,713,337
Capital Projects	13	217,600	1,208,543	1,061,473
Total expenditures (Schedule 2)		66,491,180	65,840,096	61,464,205
Surplus before other items		(3,122,459)	3,444,216	10,473,859
Other income				
Gain on disposal of tangible capital assets		-	54,787	27,000
Contributed tangible capital asset (Schedule 1)		-	12,370,208	-
Annual surplus (deficit)		(3,122,459)	15,869,211	10,500,859
Accumulated surplus, beginning of year		67,754,559	67,754,559	58,523,566
Tobacco tax distribution to members		(1,320,025)	(1,320,286)	(1,269,866)
Accumulated surplus, end of year (Note 12)		63,312,075	82,303,484	67,754,559

The accompanying notes are an integral part of these financial statements

Cowichan Tribes
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2020

	<i>2020 Budget (Note 13)</i>	<i>2020</i>	<i>2019</i>
Annual surplus (deficit)	(3,122,459)	15,869,211	10,500,859
Purchases of tangible capital assets	(4,431,773)	(4,852,164)	(4,102,861)
Contributed tangible capital asset	-	(12,370,208)	-
Amortization of tangible capital assets	-	2,636,451	2,508,833
Change in inventory	-	-	20,046
Change in prepaid expenses	-	(38,406)	(7,327)
Tobacco tax distribution to members	(1,320,025)	(1,320,286)	(1,269,866)
Gain on disposal of tangible capital assets	-	(54,787)	(27,000)
Proceeds for disposal of tangible capital assets	-	322,880	27,000
Change in net financial assets	(8,874,257)	192,691	7,649,684
Net financial assets, beginning of year	12,321,768	12,321,768	4,672,084
Net financial assets, end of year	3,447,511	12,514,459	12,321,768

The accompanying notes are an integral part of these financial statements

Cowichan Tribes
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	15,869,211	10,500,859
Non-cash items		
Amortization	2,636,451	2,508,833
Gain on disposal of tangible capital assets	(54,787)	(27,000)
Loss (earnings) from investment in Nation business enterprises and partnerships	306,869	(4,205,472)
Contributed tangible capital asset	(12,370,208)	-
	6,387,536	8,777,220
Changes in working capital accounts		
Accounts receivable	127,183	(2,663,161)
Accounts payable and accruals	(2,626,197)	2,163,263
Deferred revenue	(701,818)	(1,807,474)
Inventory	-	20,046
Prepaid expenses	(38,406)	(7,327)
	3,148,298	6,482,567
Financing activities		
Advances of long-term debt	926,128	-
Repayments of long-term debt	(840,210)	(877,958)
Tobacco tax distribution to members	(1,320,286)	(1,269,866)
Purchase of term deposit	(1,193,200)	(6,900,000)
	(2,427,568)	(9,047,824)
Capital activities		
Purchases of tangible capital assets	(4,852,164)	(4,102,861)
Proceeds for disposal of tangible capital assets	322,880	27,000
	(4,529,284)	(4,075,861)
Investing activities		
Dividend from Nation business enterprises	1,102,000	-
Advances to Nation business enterprises and partnerships	(847,506)	(150,000)
Change in due from Nation business enterprises	55,802	1,275
Change in funds held in trust	(220,727)	165,186
Change in restricted cash	35,024	7,607
Change in portfolio investments	(126,480)	146,123
	(1,887)	170,191
Decrease in cash and cash equivalents	(3,810,441)	(6,470,927)
Cash and cash equivalents, beginning of year	15,878,553	22,349,480
Cash and cash equivalents, end of year	12,068,112	15,878,553
Supplementary cash flow information		
Interest paid	583,221	593,732

The accompanying notes are an integral part of these financial statements

1. Operations

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

2. Significant accounting policies

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

Reporting entity consolidated

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

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

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

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

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

Cowichan Tribes maintains the following funds:

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

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

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

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

Entities accounted for by the modified equity basis include:

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

Basis of presentation

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

Cash and cash equivalents

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

Tangible capital assets

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

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

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

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

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

Segments

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

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

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

Funds held in trust

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

- Capital trust monies derived from non-renewable resource transactions on land or other Nation tangible capital assets.
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.
- Suspense trust monies are generated from completed projects awaiting reimbursement.

Investments

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

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

Long-lived assets

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

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

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

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

Measurement uncertainty

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

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

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

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

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.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

At each financial reporting date, the Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2020, 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 Nation is permitted to use the surpluses at its own discretion provided the terms and conditions of the agreement are met but must take responsibility for any deficits. In the case of contribution payments, any surpluses must be returned to ISC and deficits are recoverable.
- ii) **First Nation Capital and Revenue Trust Funds**
The First Nation recognizes revenues of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.
- iii) **Canada Mortgage and Housing Corporation ("CMHC")**
CMHC revenue is recognized as it become receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.
- iv) **Rental income**
Rental income is recorded in the year it is earned. At the end of each year, management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.
- v) **Department of Fisheries and Oceans ("DFO")**
Certain funding arrangements with DFO can result in surpluses being repaid or deficits being funded depending upon the year-end position of the program.
- vi) **First Nation Health Authority ("FNHA")**
FNHA revenue is recognized as it becomes receivable under the terms of the funding agreements.
- vii) **Revenue from own sources**
Revenue from own sources, such as the community improvement fee, tobacco tax and property tax, is recognized when the service is provided or the amount is earned, when the amount can be estimated and when collection is reasonably assured.
- ix) **Province of British Columbia ("BC")**
Province of BC revenue is recognized as it becomes receivable under the terms of the funding agreements.

3. Term deposit

During the year, the Nation entered into a \$1,000,000 one year renewable and redeemable Guaranteed Investment Certificate bearing interest at 2.90% per annum, maturing on May 31, 2020.

The Nation also holds a renewable and redeemable Guaranteed Investment Certificate bearing interest at 2.80% per annum, with a value of \$7,093,200, maturing on April 24, 2020.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

4. Accounts receivable

	2020	2019
Indigenous Services Canada	461,311	2,305,898
Other receivable	1,087,712	2,113,837
Due from Nation's business enterprises	667,884	1,112,627
First Nation organizations	771,140	508,223
Department of Fisheries and Oceans Canada	586,579	276,681
Other government agencies	2,181,366	79,164
Province of British Columbia	527,595	14,340
	6,283,587	6,410,770

5. Restricted cash

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$79,680 (2019 - \$85,513) 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 under funded \$31,661 (2019 - adequately funded).

Under the terms of the agreement with CMHC, excess revenues over expenditures for the Post 1996 phases may be retained in an operating reserve. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the CDIC or as may otherwise be approved by CMHC from time to time. At year end, the operating reserve was under funded \$40,886 (2019- adequately funded).

Cowichan Tribes was issued a debt instrument through the First Nation Finance Authority ("FNFA"). As a condition of this borrowing, a portion of the debenture proceeds are withheld by the FNFA as a debt reserve fund.

	2020	2019
Replacement and operating reserves	662,541	650,266
FNFA debt reserve	570,220	547,471
	1,232,761	1,197,737

6. Portfolio investments

	2020	2019
Mt. Hayes Storage Limited Partnership - 7.5% of issued partnership units	4,666,391	4,793,391
First Uwhunshun Investments Ltd. - 10,000 shares (represents a 10% ownership interest) and non-interest bearing advances with no terms of repayment. No security over the advance.	144,930	144,410
All Nations Trust Company - 810 Class "A" shares	9,266	9,266
BC First Nations Gaming Revenue Sharing Limited Partnership	110	-
	4,820,697	4,947,067

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

7. Investment in Nation business enterprises and partnerships

The Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
<i>2020</i>				
Controlled Businesses:				
Cowichan Mini Mall Ltd. (54.88%)	55	627,813	(1,220,029)	(592,161)
Khowutzun Gaming Corporation	100	2,653,642	1,772,990	4,426,732
Khowutzun Development Corp	2	670,300	(464,793)	205,509
Khowutzun Forest Service Ltd	100	-	(8,229)	(8,129)
Mustimuhw Information Solutions Inc	100	756,862	918,871	1,675,833
	357	4,708,617	998,810	5,707,784
Business Partnerships – Modified Equity:				
Costa Canna LLP (51.00%)	150,000	73,140	50,492	273,632
Khowutzun Forest Services LP	4,700	610,231	2,278,168	2,893,099
	155,057	5,391,988	3,327,470	8,874,515

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Cumulative share of earnings (loss)</i>	<i>Total investment</i>
<i>2019</i>				
Controlled Businesses:				
Cowichan Mini Mall Ltd. (54.88%)	55	50,197	(1,141,764)	(1,091,512)
Khowutzun Gaming Corporation	100	2,653,642	1,862,300	4,516,042
Khowutzun Development Corp	2	346,545	(304,308)	42,239
Khowutzun Forest Service Ltd	100	-	(7,965)	(7,865)
Mustimuhw Information Solutions Inc.	100	756,862	536,784	1,293,746
	357	3,807,246	945,047	4,752,650
Business Partnerships - Modified Equity:				
Khowutzun Forest Services LP	4,700	610,231	3,791,297	4,406,228
Costa Canna LLP (51.00%)	150,000	-	-	150,000
	155,057	4,417,477	4,736,344	9,308,878

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

Cowichan Mini Mall Ltd. long-term debt consists of a mortgage repayable in monthly instalments of \$23,022, including interest at 5%, due July 1, 2023.

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

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

Khowutzun Forest Services Limited Partnership long-term debt consists of a loan repayable in monthly instalments of \$14,412, including interest at 8% due on August 5, 2023.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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

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

	<i>Cowichan Mini Mall Ltd. (Unaudited) As at March 31, 2020</i>	<i>Khowutzun Gaming Corp (Unaudited) As at March 31, 2020</i>	<i>Khowutzun Development Corp (Unaudited) As at March 31, 2020</i>	<i>Khowutzun Forest Services Ltd (Unaudited) As at March 31, 2020</i>
Assets				
Cash	90,043	1,219,649	195,534	216
Accounts receivable	121,517	-	44,328	100
Inventory and prepaid expenses	293,243	-	-	-
Investments	-	890,222	338,790	283
Inventory	-	-	-	-
Tangible assets	692,069	4,714,962	12,495	-
Total assets	1,196,872	6,824,833	591,147	599
Liabilities				
Accounts payable and accruals	116,908	10,507	111,761	3,004
Deferred revenue	44,443	-	-	-
Due to related parties	-	5,642	597,633	5,724
Loans and advances	-	-	-	-
Long-term debt	3,258,505	2,387,595	-	-
Total liabilities	3,419,856	2,403,744	709,394	8,728
Net assets	(2,222,984)	4,421,089	(118,247)	(8,129)
Total revenue	637,977	1,437,605	340,146	2,400
Total expenses	780,588	424,915	500,631	2,664
Net income (loss)	(142,611)	1,012,690	(160,485)	(264)

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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

	<i>Mustimuhw Information Solutions Inc (Unaudited) As at March 31, 2020</i>	<i>Khowutzun Forest Services Limited Partnership (Unaudited) As at March 31, 2020</i>	<i>Costa Canna LLP (Unaudited) As at March 31, 2020</i>
Assets			
Cash	3,266,922	2,297,166	142,209
Accounts receivable	1,344,214	267,022	5,000
Inventory and prepaid expenses	18,903	-	21,853
Investments	-	-	-
Inventory	-	-	133,971
Tangible assets	9,405	1,119,356	211,648
Total assets	4,639,444	3,683,544	514,681
Liabilities			
Accounts payable and accruals	1,770,315	258,029	121,555
Deferred revenue	1,050,761	-	-
Due to related parties	142,535	-	-
Loans and advances	550,000	-	-
Long-term debt	-	532,096	-
Total liabilities	3,513,611	790,125	121,555
Net assets	1,125,833	2,893,419	393,126
Total revenue	4,307,521	753,277	1,397,792
Total expenses	3,967,173	2,266,557	1,290,666
Net income (loss)	340,348	(1,513,280)	107,126

The above figures for Cowichan Mini Mall Ltd. represent 100% of the assets, liabilities and earnings. The company has non-controlling shareholders who have a 45.12% interest in the company. The non-controlling shareholders were allocated \$64,346 (2019 - \$64,288) of the current year loss.

The above figures for Khowutzun Development Corp. represent 100% of the assets, liabilities and earnings. The company also owns 71% of partnership units for Khowutzun Freegro LLP. Khowutzun Development Corp. was allocated \$88,790 of the current year net income.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

8. Funds held in trust

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

	2020	2019
Capital Trust		
Balance, beginning	186,865	336,793
Less: Transfers to Nation	-	149,928
<hr/>		
Balance, end of year	186,865	186,865
<hr/>		
Revenue Trust		
Balance, beginning of year	290,357	317,268
Interest	10,012	12,369
Special (BC)	11,285	11,260
Land leases	185,988	299,133
Transfer from suspense	-	327
<hr/>		
	497,642	640,357
Less: Transfers to Nation	-	350,000
<hr/>		
Balance, end of year	497,642	290,357
<hr/>		
Suspense		
Balance, beginning of year	664,976	653,323
Interest	13,442	11,980
Transfer to revenue trust	-	(327)
<hr/>		
Balance, end of year	678,418	664,976
<hr/>		
	1,362,925	1,142,198
<hr/>		

Ottawa Trust Funds

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily government by Sections 63 to 69 of the *Indian Act*.

9. Accounts payable and accruals

	2020	2019
Accrued liabilities	121,266	3,648,428
Trade payables	6,756,246	4,895,611
Receiver General	-	124,275
Due from Nation's business enterprises	240,897	1,076,292
<hr/>		
	7,118,409	9,744,606
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Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

10. Deferred revenue

	2020	2019
Indigenous Services Canada	3,430,835	4,220,226
Province of British Columbia	251,227	259,155
Other	129,522	34,021
	3,811,584	4,513,402

11. Long-term debt

	2020	2019
Non-social housing		
First Nations Finance Authority Loan, repayable in monthly instalments of \$46,312 including interest at 3.79%, secured by Tribes council resolution, Tobacco Tax, Community Improvement Fee and Host Local Government, due June 2024	8,846,726	9,060,969
Royal Bank of Canada loan repayable in monthly payments of \$22,000 plus interest, fixed interest rate of 2.30% (2019 - 2.73%), through an interest swap, due January 2022; general security agreement constituting a first ranking interest to the Mount Hayes Storage Limited Partnership units and a second ranking interest over all other personal property of the Nation	3,851,000	4,121,000
Bank of Montreal demand loan, repayable in interest only payments for 24 months after first advance, bearing interest at plus 0.25%, secured by a general security agreement	600,000	-
All Nations Trust		
Phase P: Loan - repayable at \$2,473 per month including interest at 1.97% per annum; term maturity date of December 1, 2022	213,177	238,389
Phase R: Loan - repayable at \$2,776 per month including interest at 1.69% per annum; term maturity date of August 1, 2024	141,720	172,311
Phase S: Loan - repayable at \$2,804 per month including interest at 1.11% per annum; term maturity date of April 1, 2021	197,866	229,130
Phase T: Loan - repayable at \$10,091 per month including interest at 2.14% per annum; term maturity date of March 1, 2024	1,449,802	1,538,897
Phase U: Loan - repayable at \$9,110 per month including interest at 1.08% per annum; term maturity date of August 1, 2020	1,544,438	1,636,535
Phase V: Loan - repayable at \$2,735 per month including interest at 2.50% per annum; term maturity date of June 1, 2023	481,038	501,585

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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

Phase W:

Loan - repayable at \$4,218 per month including interest at 2.52% per annum; term maturity date of September 1, 2023	748,552	779,924
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Phase X:

Loan - repayable at \$1,991 per month including interest at 2.22% per annum; term maturity date of January 1, 2024	366,500	382,088
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Phase Y:

Loan - repayable at \$2,325 per month including interest at 1.44% per annum; term maturity date of January 1, 2022	524,398	544,599
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First advance - No set repayment terms	326,128	-
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	19,291,345	19,205,427
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Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal
2021	1,694,291
2022	774,512
2023	781,005
2024	787,623
2025	774,797
<hr/>	<hr/>
	4,812,228

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 2.30% (2019 - 2.73%) is comprised of a swap rate of 1.55% 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 \$4,666,391 (2019 - \$4,793,391). 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, 2020, 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, 2020.

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

12. Accumulated surplus

Accumulated surplus consists of the following:

	<i>2020</i>	<i>2019</i>
Equity in Ottawa Trust Funds	1,362,925	1,142,198
Equity in tangible capital assets	50,906,551	35,806,476
Nation business enterprises surplus	8,874,625	9,308,878
Replacement reserve fund	694,202	528,548
Unrestricted surplus	20,465,181	20,968,459
	82,303,484	67,754,559

13. Budget information

Budget figures represent the budget adopted by Cowichan Tribes on March 26, 2019. 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>2020</i>
Adopted budget deficit	(11,608,108)
Adjustments to original budget throughout the year	1,715,048
Capital acquisition	4,431,773
Debt repayments	1,018,803
Budgeted annual deficit before member distributions	(4,442,484)
Member distribution	1,320,025
Budgeted annual deficit per statement of operations and accumulated surplus	(3,122,459)

14. Contingencies and Commitments

- a) Cowichan Tribes has guaranteed various member loans, amounting to \$2,086,418 (2019 - \$1,660,722) for on-reserve housing.
- b) Cowichan Tribes is a defendant in several lawsuits and is involved in various actions related to land leases, environmental damages, third party liability, garnishment, indemnification, compensatory damages and contract breach. Management cannot determine whether any claims will be successful and cannot estimate the potential loss, if any.
- c) Cowichan Tribes has guaranteed the mortgage of Khowutzun Gaming Corporation. The balance of the mortgage at March 31, 2020 was \$2,387,595 (2019 - \$2,679,564). As at March 31, 2020, the Nation has no liability associated with this guarantee.
- d) These consolidated financial statements are subject to review by the Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews. Any liabilities resulting from these reviews will be accounted for as an expense at the time of resolution.
- e) Cowichan Tribes incurred landfill closure and post-closure expenses and has commenced litigation against the Cowichan Valley Regional District ("CVRD") to recover costs associated with remediating the reserve from contamination. A Statement of Defence has been filed by the CVRD. In addition, a separate claim has been filed against the CVRD and the Government of Canada for contamination of the reserve. This second claim was served on the parties and the Nation is engaged in settlement negotiations with the CVRD to settle both claims. The recovery will be recorded once the lawsuit has been settled.
- f) There are numerous potential contaminated sites on reserve. The future costs of remediation are undeterminable and a reasonable estimate cannot be made. The liabilities, if any, and related recoveries will be recorded when they become measurable.
- g) Cowichan Tribes has a specific claim against Canada regarding the wrongful pre-emption of lands in Cowichan Reserve No. 1 by a settler, Mr. Brennan. Canada has accepted liability and has offered financial compensation of \$2,682,907. A settlement agreement has been approved by Council and been subject to a band 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, 2020

15. ISC funding reconciliation

	2020	2019
Funding provided by ISC	33,459,132	31,645,751
Less: ISC recoveries during the year	(566,211)	(8,000)
Less: adjustment for 2018 for Child and Family Services additional funding	(452,845)	-
	32,440,076	31,637,751
Add: Deferred amount from prior year		
Tommy Road water (CPMS 10727)	168,922	1,333,276
Boys Road sewer (CPMS 4506)	3,787,202	3,892,791
Koksilah River crossing (CPMS 11922 & ICMS 9-00124506)	262,905	426,663
Riverbottom Road water (ICMS 9-00126177)	1,197	-
Flood Mitigation (CPMS 9-00126204)	-	199,685
Renovations and additions (CPMS 9-00126934)	-	118,609
	4,220,226	5,971,024
Less: Amounts deferred to subsequent year		
Boys Road sewer (CPMS 4506)	(3,430,835)	(3,787,202)
Tommy Road water (CPMS 10727)	-	(168,922)
Riverbottom Road water (ICMS 9-00126177)	-	(1,197)
Koksilah River crossing (CPMS 11922 & ICMS 9-00124506)	-	(262,905)
	(3,430,835)	(4,220,226)
	33,229,467	33,388,549

16. Economic dependence

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

17. Segments

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

Administration:

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

Own Source Revenue:

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

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

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

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

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

Lulumexun Lands and Governances:

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

Operations and Maintenance:

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

Social Development:

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

Treaty Negotiations:

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

Ts'ewulhtun Health Centre:

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

Capital Projects:

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

Cowichan Tribes
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

18. Related party transactions

Mt. Hayes Storage Limited Partnership	
Investment income	505,705
Interest income	33,514
Mustimuhw Information Solutions Inc.	
Contracted services	2,267,145
Khowutzun Development Corp.	
Other income	77,091
Transfers	223,756
Chances Cowichan	
Taxation income	176,432
Cowichan Mini Mall	
Taxation income	385,624
Khowutzun Heritage Centre	
Hydro expense	8,636

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

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

19. Comparative figures

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

20. Significant event

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

21. Subsequent event

Subsequent to year-end, the Nation entered into a loan agreement with Bank of Montreal for \$8,400,000 to finance the purchase of a cannabis cultivation and processing business.

Cowichan Tribes
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2020

	<i>Land</i>	<i>Buildings and houses</i>	<i>Vehicles & Boats</i>	<i>Furniture & equipment</i>	<i>Water</i>	<i>Sewer</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	5,287,093	54,148,412	3,425,459	6,502,033	6,097,045	7,419,469	82,879,511
Acquisition of tangible capital assets	13,253,986	1,452,987	294,062	207,852	890,822	345,903	16,445,612
Disposal of tangible capital assets	-	(322,880)	-	-	-	-	(322,880)
Balance, end of year	18,541,079	55,278,519	3,719,521	6,709,885	6,987,867	7,765,372	99,002,243
Accumulated amortization							
Balance, beginning of year	-	24,335,086	2,121,207	5,383,985	1,042,162	867,051	33,749,491
Annual amortization	-	1,364,439	259,467	242,164	179,197	197,112	2,242,379
Accumulated amortization on disposals	-	(54,787)	-	-	-	-	(54,787)
Balance, end of year	-	25,644,738	2,380,674	5,626,149	1,221,359	1,064,163	35,937,083
Net book value of tangible capital assets	18,541,079	29,633,781	1,338,847	1,083,736	5,766,508	6,701,209	63,065,160
2019 Net book value of tangible capital assets	5,287,093	29,813,326	1,304,252	1,118,048	5,054,883	6,552,418	49,130,020

Cowichan Tribes
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2020

	<i>Subtotal</i>	<i>Roads</i>	<i>Dikes</i>	<i>Electrical</i>	<i>Lift stations</i>	<i>2020</i>	<i>2019</i>
Cost							
Balance, beginning of year	82,879,511	5,429,464	8,377,058	507,176	701,425	97,894,634	93,897,287
Acquisition of tangible capital assets	16,445,612	-	776,760	-	-	17,222,372	4,102,861
Disposal of tangible capital assets	(322,880)	-	-	-	-	(322,880)	(105,514)
Balance, end of year	99,002,243	5,429,464	9,153,818	507,176	701,425	114,794,126	97,894,634
Accumulated amortization							
Balance, beginning of year	33,749,491	3,423,603	5,117,492	56,521	436,397	42,783,504	40,380,186
Annual amortization	2,242,379	135,737	228,846	11,952	17,537	2,636,451	2,508,833
Accumulated amortization on disposals	(54,787)	-	-	-	-	(54,787)	(105,515)
Balance, end of year	35,937,083	3,559,340	5,346,338	68,473	453,934	45,365,168	42,783,504
Net book value of tangible capital assets	63,065,160	1,870,124	3,807,480	438,703	247,491	69,428,958	55,111,130
2019 Net book value of tangible capital assets	49,130,020	2,005,861	3,259,566	450,655	265,028	55,111,130	

Cowichan Tribes
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2020

	<i>2020 Budget (Note 13)</i>	<i>2020</i>	<i>2019</i>
Consolidated expenses by object			
Amortization	-	2,636,451	2,508,833
Automotive	493,311	198,759	222,177
Bank charges and interest	30,600	22,805	25,543
Community development	1,557,662	1,168,007	1,406,820
Consulting	2,847,857	4,541,048	2,047,871
Contracted services (Note 18)	7,616,619	6,480,226	7,092,519
Furniture and equipment	183,893	243,885	343,892
Honouraria	763,684	594,005	568,592
Insurance	472,062	574,567	465,280
Interest on long-term debt	487,939	583,222	593,732
Licenses and fees	2,354,135	1,708,135	1,380,160
Meeting	144,089	57,196	100,692
Office	476,005	308,376	299,089
Professional fees	1,464,338	4,124,843	2,135,599
Rent and lease	249,347	203,040	169,248
Repairs and maintenance	2,211,050	1,614,714	1,874,317
Salaries and benefits	25,160,608	22,684,500	21,985,558
Social assistance and living allowances	4,801,167	4,191,565	4,259,459
Supplies	1,978,695	1,519,278	1,746,655
Telephone and fax	224,600	195,313	182,688
Training	907,997	501,989	426,891
Transfers to Nation business enterprises and partnerships	223,756	223,756	242,656
Travel	641,915	527,748	613,371
Tuition and student expenses	10,845,521	10,607,786	10,433,603
Utilities	354,330	328,882	338,960
	66,491,180	65,840,096	61,464,205

**Cowichan Tribes
Administration**
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020 <i>Budget</i> <i>(Note 13)</i>	2020	2019
Revenue			
Indigenous Services Canada	1,615,165	1,973,466	1,930,841
First Nations Health Authority	1,000	5,000	1,000
Earnings (loss) from investment in Nation business enterprises and partnerships <i>(Note 7)</i>	-	(306,869)	4,205,472
Other agencies	5,494,250	2,508,148	2,993,588
Rental, gravel and timber income	350,000	272,250	497,090
Other income	596,000	610,743	240,299
Investment income	142,900	798,461	205,839
Province of British Columbia - other	-	-	59,696
Coast Salish Employment and Training Society	-	-	20,000
Gaming revenue	-	1,487,529	-
	8,199,315	7,348,728	10,153,825
Expenses			
Amortization	-	356,232	375,105
Bank charges and interest	30,200	20,017	24,284
Community development	244,263	120,160	216,102
Consulting	1,233,506	669,441	438,757
Contracted services	3,381,391	1,334,567	3,122,644
Furniture and equipment	31,000	67,701	40,767
Honouraria	388,993	369,911	372,440
Insurance	13,000	26,014	37,398
Interest on long-term debt	-	1,025	377,939
Licenses and fees	2,252,365	1,612,023	881,927
Meeting	23,500	10,589	16,932
Office	59,100	115,854	45,549
Professional fees	961,000	3,789,835	2,033,465
Rent and lease	43,207	24,181	86,043
Repairs and maintenance	11,904	94,033	126,946
Salaries and benefits	3,940,010	3,164,400	3,564,799
Supplies	174,812	189,922	243,868
Telephone and fax	52,240	62,179	59,581
Training	81,290	23,664	33,400
Transfers to Nation business enterprises and partnerships	223,756	223,756	242,656
Travel	156,337	90,915	174,029
Utilities	4,600	14,320	9,980
	13,306,474	12,380,739	12,524,611
Annual deficit before other items	(5,107,159)	(5,032,011)	(2,370,786)
Other income (expense)			
Contributed tangible capital asset	-	12,370,208	-
Annual surplus (deficit) before transfers	(5,107,159)	7,338,197	(2,370,786)
Transfers between programs	-	3,732,972	3,924,890
Annual surplus (deficit)	(5,107,159)	11,071,169	1,554,104

Cowichan Tribes
Own Source Revenue
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020 Budget (Note 13)	2020	2019
Revenue			
Tobacco tax	3,540,067	3,574,187	3,540,067
Community improvement fee	1,755,693	1,814,257	1,756,284
Province of British Columbia - Host Local Government	700,000	847,326	836,371
Province of British Columbia - Forestry Agreement	772,600	772,600	772,600
Investment income	550,200	549,232	522,719
Rental, gravel and timber income	-	185,988	299,133
Province of British Columbia - other	-	11,285	11,587
	7,318,560	7,754,875	7,738,761
Expenses			
Bank charges and interest	200	163	167
Community development	15,150	68,980	3,707
Contracted services	76,700	7,220	11,743
Interest on long-term debt	487,939	483,741	109,127
Professional fees	-	3,679	-
Supplies	-	-	5,672
	579,989	563,783	130,416
Annual surplus before transfers	6,738,571	7,191,092	7,608,345
Transfers between programs	-	(4,312,302)	(5,630,363)
Annual surplus	6,738,571	2,878,790	1,977,982

Cowichan Tribes
Lalum'utul' Smun'eem Child and Family Services
Schedule 5 - Schedule of Revenue and Expenses

For the year ended March 31, 2020

	2020 Budget (Note 13)	2020	2019
Revenue			
Indigenous Services Canada	3,554,245	6,035,530	4,712,019
Province of British Columbia - other	4,831,592	3,755,805	3,594,558
Other income	-	36,113	48,130
	8,385,837	9,827,448	8,354,707
Expenses			
Amortization	-	101,280	85,446
Automotive	190,000	9,842	15,924
Bank charges and interest	100	-	30
Community development	377,099	123,316	199,517
Consulting	157,562	169,616	121,376
Contracted services	2,528,906	2,886,719	2,463,321
Furniture and equipment	17,200	51,044	19,371
Honouraria	86,300	31,710	28,273
Insurance	32,100	28,891	27,383
Licenses and fees	5,900	23,879	392
Meeting	33,000	1,430	3,368
Office	44,700	22,428	12,795
Professional fees	10,500	907	3,711
Rent and lease	102,550	78,982	10,060
Repairs and maintenance	89,700	46,491	45,579
Salaries and benefits	4,380,784	4,037,398	3,562,990
Supplies	498,735	492,232	335,343
Telephone and fax	48,200	26,805	23,490
Training	76,335	116,079	18,512
Travel	146,877	148,086	123,040
Tuition and student expenses	40,200	4,817	22,274
Utilities	53,550	22,225	21,270
	8,920,298	8,424,177	7,143,465
Annual surplus (deficit) before transfers	(534,461)	1,403,271	1,211,242
Transfers between programs	-	(602,923)	(278,631)
Annual surplus (deficit)	(534,461)	800,348	932,611

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

For the year ended March 31, 2020

	<i>2020 Budget (Note 13)</i>	<i>2020</i>	<i>2019</i>
Revenue			
Indigenous Services Canada	14,000,034	14,876,518	13,993,031
First Nations Health Authority	122,649	125,186	123,731
First Nations Education Steering Committee	1,025,394	1,319,765	1,280,488
Province of British Columbia - other	461,000	603,305	431,947
Other income	367,653	405,937	363,565
Coast Salish Employment and Training Society	239,741	219,924	255,292
Other agencies	174,695	169,712	181,560
Rental, gravel and timber income	5,000	5,195	17,286
	16,396,166	17,725,542	16,646,900
Expenses			
Amortization	-	234,107	223,995
Automotive	5,000	687	3,583
Community development	79,655	66,351	68,422
Consulting	25,000	-	-
Contracted services	127,903	81,431	88,357
Furniture and equipment	45,012	22,997	20,646
Honouraria	101,616	65,335	22,505
Insurance	47,254	46,785	44,368
Licenses and fees	2,780	1,901	2,095
Meeting	17,886	3,934	9,733
Office	48,600	26,515	28,346
Professional fees	-	4,940	-
Rent and lease	5,000	575	-
Repairs and maintenance	155,221	67,681	108,318
Salaries and benefits	4,894,420	4,343,534	4,016,501
Supplies	625,169	274,376	345,904
Telephone and fax	48,300	21,323	18,374
Training	148,509	51,420	63,789
Travel	64,605	36,594	34,770
Tuition and student expenses	10,800,216	10,602,405	10,405,513
Utilities	56,150	48,534	49,043
	17,298,296	16,001,425	15,554,262
Annual surplus (deficit) before other items	(902,130)	1,724,117	1,092,638
Other income			
Gain on disposal of tangible capital assets	-	-	27,000
Annual surplus (deficit) before transfers	(902,130)	1,724,117	1,119,638
Transfers between programs	-	(281,909)	(32,023)
Annual surplus (deficit)	(902,130)	1,442,208	1,087,615

Cowichan Tribes
Lulumexun Lands and Governance
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020 <i>Budget</i> <i>(Note 13)</i>	2020	2019
Revenue			
Department of Fisheries and Oceans Canada	1,540,306	2,040,055	2,037,557
Indigenous Services Canada	264,361	1,131,419	2,661,805
First Nations Health Authority	-	2,455	-
Property tax	2,690,720	2,735,286	2,637,963
Other income	299,870	1,759,856	856,335
Rental, gravel and timber income	376,670	362,235	106,204
Licence fees	650,000	167,051	371,284
Other agencies	63,434	101,147	63,434
Province of British Columbia - other	25,000	98,889	356,458
Investment income	15,000	28,029	27,472
	5,925,361	8,426,422	9,118,512
Expenses			
Amortization	-	135,974	112,037
Automotive	105,092	93,189	101,708
Community development	199,698	102,144	142,618
Consulting	1,305,549	3,479,286	1,270,921
Contracted services	676,256	1,538,851	596,942
Furniture and equipment	16,900	30,335	7,032
Honouraria	44,275	46,991	41,799
Insurance	70,513	76,518	75,652
Licenses and fees	54,200	27,940	456,809
Meeting	28,826	18,128	10,682
Office	222,205	84,714	127,917
Professional fees	447,663	280,975	42,131
Rent and lease	89,575	82,022	64,743
Repairs and maintenance	139,254	76,168	383,550
Salaries and benefits	2,809,181	2,621,950	2,331,230
Supplies	120,316	113,363	106,768
Telephone and fax	13,560	16,816	12,810
Training	25,256	16,473	6,527
Travel	64,077	69,512	55,672
Utilities	120,900	115,414	144,322
	6,553,296	9,026,763	6,091,870
Annual surplus (deficit) before transfers	(627,935)	(600,341)	3,026,642
Transfers between programs	-	(1,058,024)	(1,382,726)
Annual surplus (deficit)	(627,935)	(1,658,365)	1,643,916

Cowichan Tribes
Operations and Maintenance
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget (Note 13)</i>	<i>2020</i>	<i>2019</i>
Revenue			
Indigenous Services Canada	756,472	830,962	745,924
Other income	41,100	59,007	42,771
Rent	16,500	55,687	16,020
	814,072	945,656	804,715
Expenses			
Amortization	-	838,658	781,820
Automotive	72,000	22,672	17,556
Community development	299,417	323,104	301,727
Consulting	-	-	360
Furniture and equipment	30,000	6,711	2,356
Insurance	28,958	31,930	27,750
Office	9,000	8,656	12,519
Repairs and maintenance	1,145,231	883,582	844,820
Salaries and benefits	767,461	779,413	757,121
Supplies	11,800	12,071	27,072
Telephone and fax	4,700	3,899	4,289
Training	15,240	248	5,203
Travel	41,226	40,203	44,933
Utilities	77,230	85,740	79,461
	2,502,263	3,036,887	2,906,987
Annual deficit before transfers	(1,688,191)	(2,091,231)	(2,102,272)
Transfers between programs	-	1,288,283	1,897,595
Annual deficit	(1,688,191)	(802,948)	(204,677)

Cowichan Tribes
Social Development
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget (Note 13)</i>	<i>2020</i>	<i>2019</i>
Revenue			
Indigenous Services Canada	6,114,096	5,735,532	6,148,187
Coast Salish Employment and Training Society	396,565	408,228	399,286
Other income	68,000	78,399	177,780
Investment income	3,000	4,738	3,993
	6,581,661	6,226,897	6,729,246
Expenses			
Amortization	-	41,566	7,333
Bank charges and interest	100	2,574	30
Community development	4,500	7,997	8,545
Contracted services	180,000	136,255	176,060
Furniture and equipment	6,688	3,787	3,318
Honouraria	7,900	1,164	101
Meeting	3,500	12,544	32,209
Office	17,500	4,317	3,729
Rent and lease	-	9,237	-
Repairs and maintenance	1,500	516	1,150
Salaries and benefits	1,411,387	1,334,359	1,189,507
Social assistance	4,801,167	4,191,565	4,259,459
Supplies	138,024	105,966	105,502
Telephone and fax	2,800	4,024	2,328
Training	418,357	252,954	221,116
Travel	33,653	27,380	50,152
Tuition and student expenses	4,605	284	5,635
	7,031,681	6,136,489	6,066,174
Annual surplus (deficit) before transfers	(450,020)	90,408	663,072
Transfers between programs	-	(21,938)	157,773
Annual surplus (deficit)	(450,020)	68,470	820,845

Cowichan Tribes
Sustainable Housing Development
Schedule 10 - Schedule of Revenue and Expenses

For the year ended March 31, 2020

	2020 Budget (Note 13)	2020	2019
Revenue			
Indigenous Services Canada	308,175	715,903	237,286
Canada Mortgage and Housing Corporation	303,220	299,605	326,128
Rent	890,461	921,098	966,290
Other income	29,000	24,872	23,169
Investment income	10,400	16,651	14,260
	1,541,256	1,978,129	1,567,133
Expenses			
Automotive	35,550	39,361	30,461
Community development	16,575	27,957	21,427
Consulting	35,000	84,528	9,171
Contracted services	30,000	5,995	-
Furniture and equipment	12,000	7,352	168,787
Honouraria	12,500	4,738	4,800
Insurance	152,500	156,073	146,989
Interest on long-term debt	-	98,456	106,666
Licenses and fees	3,965	641	-
Meeting	10,384	-	1,213
Office	53,670	30,379	47,699
Professional fees	10,000	22,159	9,975
Repairs and maintenance	615,740	350,470	308,968
Salaries and benefits	943,015	901,390	894,262
Supplies	21,850	12,741	14,336
Telephone and fax	10,600	15,722	16,722
Training	11,000	5,312	6,952
Travel	5,500	3,618	4,435
Utilities	10,400	8,877	869
	1,990,249	1,775,769	1,793,732
Annual surplus (deficit) before transfers	(448,993)	202,360	(226,599)
Transfers between programs	-	980,590	917,547
Annual surplus (deficit)	(448,993)	1,182,950	690,948

Cowichan Tribes
Treaty Negotiations
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020 Budget (Note 13)	2020	2019
Revenue			
Other agencies - Hul'qumi'num Treaty Group	532,000	532,000	532,000
Other income	-	-	2,939
	532,000	532,000	534,939
Expenses			
Bank charges and interest	-	25	-
Community development	1,050	7,843	1,157
Contracted services	14,000	10,963	39,811
Furniture and equipment	2,000	1,380	1,335
Honouraria	71,200	38,300	51,612
Meeting	8,143	1,072	12,081
Office	-	2,110	-
Professional fees	28,675	20,942	29,417
Salaries and benefits	349,208	297,450	327,415
Supplies	5,000	9,568	7,885
Telephone and fax	600	309	553
Training	3,500	2,145	1,915
Travel	2,000	5,236	4,697
	485,376	397,343	477,878
Annual surplus before transfers	46,624	134,657	57,061
Transfers between programs	-	(47,813)	(121,118)
Annual surplus (deficit)	46,624	86,844	(64,057)

Cowichan Tribes
Ts'ewulhtun Health Centre
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>2020 Budget (Note 13)</i>	<i>2020</i>	<i>2019</i>
Revenue			
Indigenous Services Canada	383,622	696,159	460,700
First Nations Health Authority	5,907,513	6,038,551	6,049,476
Other income	271,963	250,656	812,748
Other agencies	209,132	193,475	219,132
Province of British Columbia - other	80,000	98,294	78,513
	6,852,230	7,277,135	7,620,569
Expenses			
Amortization	-	63,776	74,301
Automotive	80,169	27,679	48,252
Bank charges and interest	-	25	1,032
Community development	317,755	319,802	443,439
Consulting	91,240	46,507	175,134
Contracted services	601,463	478,226	593,641
Furniture and equipment	23,093	36,269	79,795
Honouraria	50,900	35,857	47,063
Insurance	126,237	206,957	104,169
Licenses and fees	34,925	41,726	38,938
Meeting	18,850	8,669	14,038
Office	21,130	13,142	10,186
Professional fees	6,500	749	7,132
Rent and lease	9,015	8,042	8,401
Repairs and maintenance	52,500	95,774	36,703
Salaries and benefits	5,463,642	4,980,270	5,216,646
Supplies	382,989	309,333	549,184
Telephone and fax	43,600	42,648	42,850
Training	123,510	33,695	68,086
Travel	126,140	104,987	120,151
Tuition and student expenses	500	280	180
Utilities	31,500	33,765	34,016
	7,605,658	6,888,178	7,713,337
Annual surplus (deficit) before transfers	(753,428)	388,957	(92,768)
Transfers between programs	-	392,896	426,146
Annual surplus (deficit)	(753,428)	781,853	333,378

Cowichan Tribes
Capital Projects
Schedule 13 - Schedule of Revenue and Expenses
For the year ended March 31, 2020

	2020 Budget (Note 13)	2020	2019
Revenue			
Indigenous Services Canada	822,263	1,233,978	2,498,756
Other income - Boys Road	-	-	170,000
	822,263	1,233,978	2,668,756
Expenses			
Amortization	-	864,858	848,796
Automotive	5,500	5,330	4,694
Community development	2,500	354	159
Consulting	-	91,671	32,151
Furniture and equipment	-	16,309	485
Insurance	1,500	1,399	1,571
Licenses and fees	-	25	-
Meeting	-	831	437
Office	100	261	10,348
Professional fees	-	655	9,769
Repairs and maintenance	-	-	18,284
Salaries and benefits	201,500	224,337	125,087
Supplies	-	(295)	5,120
Telephone and fax	-	1,588	1,690
Training	5,000	-	1,390
Travel	1,500	1,220	1,492
	217,600	1,208,543	1,061,473
Surplus before transfers	604,663	25,435	1,607,283
Transfers between programs	-	(69,832)	120,909
Annual surplus (deficit)	533,186	(44,397)	1,728,192