

**Coldwater Indian Band  
Consolidated Financial Statements  
For the year ended March 31, 2019**

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For the year ended March 31, 2019

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## Management's Responsibility for Financial Reporting

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The accompanying consolidated financial statements of the Coldwater Indian Band are the responsibility of management and have been approved by the Chief and Band Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Coldwater Indian Band maintains systems of internal accounting and administrative controls of sufficient quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Coldwater Indian Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Finance Committee.

The Chief and Council review the Band's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also appoint the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full access to the Band Council.

  
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Chief

  
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Band Administrator



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300-275 Lansdowne Street  
Kamloops BC V2C 6J3 Canada

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## Independent Auditor's Report

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To the Chief and Council of Coldwater Indian Band

### Qualified Opinion

We have audited the accompanying consolidated financial statements of Coldwater Indian Band (the Group), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Coldwater Indian Band as at March 31, 2019, and its results of operations, its change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

As noted in the Summary of Significant Accounting Policies regarding tangible capital assets, the Social Housing tangible capital assets are required by Canada Mortgage and Housing Corporation to be amortized at a rate equivalent to the annual principal reduction of the related long term debt. This amortization policy is not in accordance with Canadian public sector accounting standards, which require that tangible capital assets be amortized over their estimated useful lives. The effect of this departure has not been determined on the net book value of tangible capital assets as at March 31, 2019 and 2018, the related amortization expense and annual surplus for the year ended March 31, 2019 and 2018 and equity in tangible capital assets as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified for the above matters.

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 Group 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 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 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Band 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 Group 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.

### **Other Matters**

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules or exhibits on pages 2 through 75 of the Band's financial statements. Our report is intended solely for management of Coldwater Indian Band and various funding agencies. As a result, the financial statements should not be distributed to or used by other parties.



Coldwater Indian Band has also prepared another set of consolidated financial statements for the year ended March 31, 2019 in accordance with Canadian public sector accounting standards. However, these consolidated financial statements do not include unaudited supplementary exhibits and schedules, and have more aggregated disclosures in the consolidated financial statements. Our audit report on the other set of consolidated financial statements was issued to the members of Coldwater Indian Band and was dated September 11, 2019.

A handwritten signature in black ink, appearing to read 'D. O. Cameron'.

**Chartered Professional Accountants**

Kamloops, British Columbia  
September 11, 2019

**Coldwater Indian Band**  
**Exhibit A - Consolidated Statement of Financial Position**

As at March 31	2019	2018
<b>Financial Assets</b>		
Cash (Note 2)	\$ 4,302,788	\$ 3,859,480
Restricted cash (Note 3)	1,235,205	1,624,389
Accounts receivable (Note 4)	498,140	666,486
Short-term investments (Note 5)	2,418,125	2,333,867
Investments (Note 6)	234,354	234,354
Investments in Government Business Enterprises (Note 7)	769,281	769,281
Advances to related Nation entities and departments	27,525	27,525
	<b>9,485,418</b>	<b>9,515,382</b>
<b>Liabilities</b>		
Accounts payable (Note 9)	419,216	487,698
Deferred revenue (Note 10)	33,322	37,714
Long term debt (Note 11)	1,098,904	739,917
	<b>1,551,442</b>	<b>1,265,329</b>
<b>Net Financial Assets</b>	<b>7,933,976</b>	<b>8,250,053</b>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 8)	3,727,782	3,591,213
Prepaid expenses	18,596	16,721
	<b>3,746,378</b>	<b>3,607,934</b>
<b>Accumulated surplus</b> (Note 12)	<b>\$ 11,680,354</b>	<b>\$ 11,857,987</b>
<b>Contingencies</b> (Note 16)		

Approved on behalf of the Band Council:

  
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Chief

Councilor

**Coldwater Indian Band**

**Exhibit B - Consolidated Statement of Change in Net Financial Assets**

<b>For the year ended March 31</b>	<b>2019</b>	<b>2018</b>
<b>Annual deficit</b>	<b>\$ (64,171)</b>	<b>\$ (62,047)</b>
Acquisition of tangible capital assets	<b>(873,821)</b>	(110,417)
Amortization of tangible capital assets	<b>556,371</b>	572,354
	<b>(381,621)</b>	399,890
Acquisition of prepaid expenses	<b>(1,875)</b>	(5,214)
Use/consumption of inventory	<b>484</b>	879
Equity change in Ottawa Trust	<b>23,615</b>	41,500
Equity change in reserves	<b>417,162</b>	10,552
Equity change in taxation capital reserve	<b>(424,517)</b>	-
	<b>14,869</b>	47,717
<b>Net change in net financial assets</b>	<b>(366,752)</b>	447,607
<b>Net financial assets, beginning of year</b>	<b>8,250,059</b>	7,802,452
<b>Net financial assets, end of year</b>	<b>\$ 7,883,307</b>	<b>\$ 8,250,059</b>



**Coldwater Indian Band**  
**Exhibit C - Consolidated Statement of Operations**

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>			
Indigenous Services Canada	\$ 4,742,625	\$ <b>4,520,680</b>	\$ 4,436,532
First Nations Health Authority	114,547	<b>115,892</b>	230,214
Province of BC	77,000	<b>28,717</b>	20,395
Canada Mortgage and Housing Corporation	45,870	<b>43,841</b>	31,081
Nlaka'pamux Legacy Trust	176,838	<b>160,762</b>	145,081
Rental revenue	238,394	<b>203,435</b>	211,973
First Nations Education Steering Committee	84,126	<b>165,973</b>	69,153
Logging revenue	-	<b>6,068</b>	-
Interest revenue	6,788	<b>128,942</b>	67,306
Other income	2,347,443	<b>976,357</b>	1,181,582
	<u>7,833,631</u>	<u><b>6,350,667</b></u>	<u>6,393,317</u>
<b>Expenses</b>			
Social Development	1,898,787	<b>1,203,877</b>	1,096,206
Administration	1,332,815	<b>1,435,433</b>	1,353,611
Operations & Maintenance	449,967	<b>473,845</b>	631,765
Education	1,043,163	<b>2,110,089</b>	1,749,449
Natural Resources & Economic Development	274,500	<b>281,600</b>	364,897
Capital	1,731,760	<b>166,470</b>	481,491
Social Housing	434,755	<b>743,524</b>	777,945
	<u>7,165,747</u>	<u><b>6,414,838</b></u>	<u>6,455,364</u>
<b>Deficit for the year</b>	<u>\$ 667,884</u>	<u>\$ <b>(64,171)</b></u>	<u>\$ (62,047)</u>

**Coldwater Indian Band**  
**Exhibit D - Consolidated Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2019</b>	<b>2018</b>
<b>Operating activities</b>		
Cash received from funding agreements and contracts	\$ 5,995,754	\$ 6,432,634
Cash paid to suppliers and employees	(6,043,621)	(5,965,969)
Interest earned	128,942	67,306
<b>Cash flows from operating activities</b>	<b>81,075</b>	<b>533,971</b>
<b>Financing activities</b>		
Repayment of long term debt	207,691	(77,587)
Interest paid	(13,815)	(13,165)
<b>Cash flows from financing activities</b>	<b>193,876</b>	<b>(90,752)</b>
<b>Capital activities</b>		
Purchase of capital assets	(136,569)	(110,418)
<b>Investing activities</b>		
Purchase of investments	-	191,840
Purchase of short-term investments	(84,258)	(40,747)
<b>Cash flows from investing activities</b>	<b>(84,258)</b>	<b>151,093</b>
<b>Increase in cash and cash equivalents</b>	<b>54,124</b>	<b>483,894</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,483,869</b>	<b>4,999,975</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,537,993</b>	<b>\$ 5,483,869</b>
<b>Represented by:</b>		
Cash	\$ 4,302,788	\$ 3,859,480
Restricted cash	1,235,205	1,624,389
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,537,993</b>	<b>\$ 5,483,869</b>

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## Coldwater Indian Band Summary of Significant Accounting Policies

**March 31, 2019**

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**Basis of Presentation** These consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for government entities, as issued by the Canadian Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

**Reporting Entity and  
Principles of Financial  
Reporting**

The Coldwater Indian Band reporting entity includes the Coldwater Indian Band government and all related entities which are accountable to the Coldwater Indian Band and are either owned or controlled by the Coldwater Indian Band.

These consolidated financial statements consolidate the assets, liabilities and results of operations for the following non-incorporated entities: Coldwater Housing Management and Coldwater Projects, and the following incorporated entity: Coldwater Development Inc.

Inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund.

Incorporated business entities, which are owned or controlled by the Coldwater Indian Band and which are not dependent on the band for their continuing operations, are included in the summary financial statements using the modified equity method. These include: Stuwix Resources Ltd. (12.5%), Stuwix Resources JV (12.5%), Esh-Kn-Am JV (25%), and 9110 Investments Ltd. (25%).

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## Coldwater Indian Band Summary of Significant Accounting Policies

**March 31, 2019**

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**Revenue Recognition** Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the summary balance sheet.

Rental revenue is recognized when a tenant commences occupancy and rent is due. Coldwater Indian Band retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

Taxation revenue is recognized in the period in which the events that give rise to the revenue occurs.

**Tangible Capital Assets** Tangible capital assets are stated at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded at revenue. Tangible capital asset acquisitions are also recorded as an addition to assets of the Capital Fund with a corresponding increase in equity in tangible capital assets.

Tangible capital assets acquired as part of the Social Housing Fund are recorded in that fund.

Amortization is charged on assets with a corresponding reduction in Equity in Capital Assets. Assets are amortized over their expected useful lives on the following bases:

Automotive equipment	30% - straight-line basis
Buildings	5% - straight-line basis
Equipment	30% - declining balance basis
Land improvements	5% - straight-line basis
Computers	33% - straight-line basis

Additions during the year have been amortized at one-half the above annual rates.

Social Housing Fund assets acquired under CMHC subsidized housing programs are amortized at a rate equivalent to the annual principal reduction in the related long-term debt, as required for CMHC reporting purposes.

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## Coldwater Indian Band Summary of Significant Accounting Policies

**March 31, 2019**

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**Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make assumptions and estimates that have an effect on the reported amounts of assets and liabilities and disclosure at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could be different from those estimates. Significant estimates in these financial statements include valuation of accounts receivable, calculation of deferred revenue, and amortization of capital assets.

**Pension Plan**

The Coldwater Indian Band contributes to a private defined contribution pension plan. Total contributions to the plan during the year-ended March 31, 2019 were \$51,493 (2018 - \$49,288).

**Investments**

The Band accounts for its investments in Stuwix Resources Joint Venture, Stuwix Resources Ltd., Esh-Kn-Am Joint Venture, and 9110 Investments Ltd. using the modified equity method. Under this method the cost of this investment are adjusted by earnings or losses of the entities from the date of acquisition. Any losses in excess of equity invested are not recorded as this would create a negative investment balance. In such circumstances, no income inclusion would be recorded until these unrecognized losses have been eliminated.

Inter-entity balances and transactions are not eliminated under the modified equity method.

Other investments are recorded on the cost basis.

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## Coldwater Indian Band Notes to Consolidated Financial Statements

**March 31, 2019**

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### 1. Economic Dependence

The Coldwater Indian Band receives a major portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada ("ISC").

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### 2. Cash

	2019	2018
Operating Fund	\$ 3,562,631	\$ 3,398,412
Coldwater Development Inc.	161,979	80,980
Capital reserve - F.R.O	300,437	296,799
Capital reserve - Transition House	60,066	59,728
Coldwater Housing Management - PRE	7,825	16,930
Coldwater Housing Management - POST	209,850	6,631
	\$ 4,302,788	\$ 3,859,480

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### 3. Restricted Cash

	2019	2018
Tax Capital Reserve	\$ 176,277	\$ 548,611
Ottawa Trust Funds	649,755	626,140
Coldwater Housing Management - PRE	57	58,129
Coldwater Housing Management - POST	409,116	391,509
	\$ 1,235,205	\$ 1,624,389

Taxation Special Surplus and Taxation Reserve Fund accounts arise from years when taxation revenue collected exceeds the related approved program outlays.

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. These funds are restricted in their use. The Band is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Band and Band members. The expenses of capital funds requires the consent of Indigenous Services Canada (ISC) and generally must be for projects of a capital nature. Withdrawals of revenue or capital funds are recorded as revenue in the applicable fund where the monies are expended.

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**Coldwater Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

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**3. Restricted Cash (continued)**

The Housing restricted cash is derived under the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC"), the account is to be credited 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 or as may otherwise be approved by CMHC from time to time.

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**4. Accounts Receivable**

	<b>2019</b>	<b>2018</b>
Accounts receivable	\$ <b>448,081</b>	\$ 508,879
GST	<b>22,207</b>	38,591
Band member loans (consisting of 22 separate loans, non-interest bearing, due on demand)	<b>167,021</b>	167,161
Allowance for doubtful accounts	<b>(386,159)</b>	(386,159)
Accounts receivable (Coldwater Development Inc.)	<b>3,685</b>	110,528
Rents and subsidy receivable (Coldwater Housing Management - PRE)	<b>65,697</b>	51,265
Rents and subsidy receivable (Coldwater Housing Management - POST)	<b>177,608</b>	176,221
	<b>\$ 498,140</b>	\$ 666,486

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**5. Short-term Investments**

	<b>2019</b>	<b>2018</b>
RBC Mutual Funds	<b>\$ 2,418,125</b>	\$ 2,333,867

Coldwater Indian Band holds Fixed Income and Balanced Funds with RBC Royal Mutual Funds Inc.

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**Coldwater Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

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**6. Investments**

	<b>2019</b>	<b>2018</b>
All Nations Trust	\$ 12,550	\$ 12,550
Investment in Spayum Holdings LP	<u>221,804</u>	<u>221,804</u>
	<u>\$ 234,354</u>	<u>\$ 234,354</u>

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**7. Investments in Government Business Enterprises**

	<b>2019</b>	<b>2018</b>
Investments in Forestry industry	<u>\$ 769,281</u>	<u>\$ 769,281</u>

Coldwater Indian Band has a non-controlling interest in several entities in the forestry industry. Summary of the audited financial statements for the year ended March 31, 2019 is as follows:

	<b>2019</b>
<b>Balance Sheet</b>	
Current assets	\$ 10,751,919
Capital assets	154,053
Other assets	<u>59,012</u>
	<u>\$ 10,964,984</u>
Current liabilities	\$ 2,487,083
Shareholders' loan	96,000
Reforestation obligation	3,759,074
Share capital	9
Equity	<u>4,622,819</u>
	<u>\$ 10,964,985</u>
<b>Statement of Operations</b>	
Revenue	\$ 18,754,407
Expenses	<u>17,773,306</u>
Net Loss	981,101
Equity, beginning of year	2,108,228
Distributions	<u>1,533,490</u>
	<u>\$ 4,622,819</u>



**Coldwater Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**8. Tangible Capital Assets**

	<b>2019</b>						
	Land	Automotive	Buildings	Land Improvements	Equipment	Computer Equipment	Total
Cost, beginning of year	\$ 341,402	\$ 524,871	\$ 8,482,591	\$ 2,228,868	\$ 1,162,972	\$ 155,965	\$ 12,896,669
Additions	-	-	669,922	-	28,443	21,069	719,434
Disposals	-	-	-	-	(16,714)	(9,780)	(26,494)
Cost, end of year	\$ 341,402	\$ 524,871	\$ 9,152,513	\$ 2,228,868	\$ 1,174,701	\$ 167,254	\$ 13,589,609
Accumulated amortization, beginning of year	-	\$ 524,871	\$ 6,247,747	\$ 1,380,315	\$ 1,005,727	\$ 146,796	\$ 9,305,456
Amortization	-	-	381,879	111,443	51,442	11,607	556,371
Disposals	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	\$ 524,871	\$ 6,629,626	\$ 1,491,758	\$ 1,057,169	\$ 158,403	\$ 9,861,827
Net carrying amount, end of year	\$ 341,402	\$ -	\$ 2,522,887	\$ 737,110	\$ 117,532	\$ 8,851	\$ 3,727,782

**Coldwater Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**8. Tangible Capital Assets (continued)**

	2018						
	Land	Automotive	Buildings	Land Improvements	Equipment	Computer Equipment	Total
Cost, beginning of year	\$ 341,402	\$ 524,871	\$ 8,482,591	\$ 2,228,868	\$ 1,066,305	\$ 142,214	\$ 12,786,251
Additions	-	-	-	-	96,667	13,751	110,418
Cost, end of year	\$ 341,402	\$ 524,871	\$ 8,482,591	\$ 2,228,868	\$ 1,162,972	\$ 155,965	\$ 12,896,669
Accumulated amortization, beginning of year	\$ -	\$ 524,871	\$ 5,867,628	\$ 1,268,872	\$ 959,050	\$ 112,681	\$ 8,733,102
Amortization	-	-	380,119	111,443	46,677	34,115	572,354
Accumulated amortization, end of year	\$ -	\$ 524,871	\$ 6,247,747	\$ 1,380,315	\$ 1,005,727	\$ 146,796	\$ 9,305,456
Net carrying amount, end of year	\$ 341,402	\$ -	\$ 2,234,844	\$ 848,553	\$ 157,245	\$ 9,169	\$ 3,591,213

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**Coldwater Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

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**9. Accounts Payable**

	<u>2019</u>	<u>2018</u>
Prepaid deposits	\$ -	\$ 1,808
Accounts payable (Operating Fund)	<b>317,534</b>	465,786
Accounts payable (Coldwater Development Inc.)	<b>5,492</b>	5,606
Accounts payable (Coldwater Housing Management - PRE)	<b>3,732</b>	3,196
Accounts payable (Coldwater Housing Management - POST)	<b>92,458</b>	11,302
	<u>\$ 419,216</u>	<u>\$ 487,698</u>

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**10. Deferred Revenue**

Deferred revenue represents amounts received that relate to a subsequent period. A breakdown of deferred revenue is as follows:

	<u>2019</u>	<u>2018</u>
FNESC education	<u>\$ 33,322</u>	<u>\$ 37,714</u>

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**Coldwater Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

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**11. Long Term Debt**

	<b>2019</b>	<b>2018</b>
All Nations Trust Co., mortgage repayable in monthly instalments of \$2,153 including interest at 1.3% per annum, due for renewal on June 1, 2022 and matures May 1, 2027	<b>\$ 200,110</b>	\$ 223,189
All Nations Trust Co., mortgage repayable in monthly instalments of \$1,364 including interest at 1.3% per annum, due for renewal on June 1, 2022 and matures June 1, 2027	<b>128,015</b>	142,622
All Nations Trust Co., mortgage repayable in monthly instalments of \$2,330 including interest at 1.92% per annum, due for renewal on April 1, 2019 and matures February 1, 2029	<b>252,422</b>	275,320
All Nations Trust Co., mortgage repayable in monthly instalments of \$1,719 including interest at 2.35% per annum, due for renewal on September 1, 2018 and matures April 1, 2023	<b>80,299</b>	98,785
All Nations Trust., Construction loan	<b>438,058</b>	-
	<b>\$ 1,098,904</b>	\$ 739,916

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**12. Accumulated Surplus**

	<b>2019</b>	<b>2018</b>
Unrestricted Surplus	<b>\$ 5,644,771</b>	\$ 5,399,551
Reserves	<b>374,172</b>	409,176
Equity in tangible capital assets	<b>1,354,407</b>	1,757,071
Ottawa Trust	<b>649,755</b>	626,140
Equity in Taxation surplus	<b>721,494</b>	730,292
Restricted surplus	<b>2,372,586</b>	2,372,586
Contributed surplus	<b>563,169</b>	563,169
	<b>\$ 11,680,354</b>	\$ 11,857,985

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**Coldwater Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

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**13. Comparative Figures**

Certain comparative amounts presented in the financial statements have been restated to conform to current year's presentation.

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**14. Federal Assistance Payments**

Coldwater Indian Band has received federal assistance through CMHC pursuant to Section 56-1 of the *National Housing Act* to reduce mortgage interest expense to 2% to enable the project to provide housing to low income individuals. The amount of the assistance received through March 31, 2019 was \$43,840 (2018 - \$31,081). This assistance will continue, providing the Band is not in default of the agreement. As at March 31, 2019, the band was in compliance with all agreements.

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**15. Replacement Reserve**

Under the terms of the agreement with CMHC, the Replacement Reserve account is to be credited at March 31, 2019 in the amount of \$23,703 (2018- \$23,703) annually. These funds along with accumulating interest are to be held in a separate bank account. The funds in this account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal.

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**16. Contingencies**

Coldwater Indian Band has guaranteed certain band member loans with ISC. The amount outstanding on these loans at March 31, 2019 amounts to \$25,422 (2018 - \$31,795).

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**Coldwater Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

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**17. Expenses by Object**

	<u>2019</u>	<u>2018</u>
Advertising & promotion	\$ 27,788	\$ 38,695
Amortization	556,371	572,353
Bank charges and interest	10,771	10,755
Program expenses	2,045,877	1,766,164
Consulting and management	215,269	389,604
Honoraria	77,356	111,507
Insurance	66,272	73,323
Interest	13,815	13,165
Materials and supplies	60,641	58,397
Contracted services	108,272	192,690
Meetings and workshops	126,157	116,728
Professional development	67,335	24,510
Professional fees	240,949	100,495
Repairs & maintenance	394,700	747,445
Rent	51,114	60,711
Replacement reserve	23,703	17,000
Student Support	385,423	261,842
Telephone	78,099	71,997
Utilities	94,928	100,591
Travel	112,477	121,498
Wages and benefits	1,657,519	1,619,140
	<u>\$ 6,414,836</u>	<u>\$ 6,468,610</u>

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## Coldwater Indian Band Notes to Consolidated Financial Statements

March 31, 2019

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### 18. Segment Disclosure

The Coldwater Indian Band is a diversified First Nations organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

#### **Social Development**

This service area provides services to help the Members by providing a variety of programs, community services and social assistance.

#### **Administration**

This item relates to the revenues and expenses that relate to the operations of the Band itself and cannot be directly attributed to specific segment.

#### **Operations and Maintenance**

This service area provides services relating to the development, maintenance and service of the Band's assets, infrastructure and common property.

#### **Education**

This service area provides educational services through the operations of an on-reserve school, post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Band's Members.

#### **Natural Resources and Economic Development**

This service area provides for the development of economic opportunities to the Members, along with the exploration of the development of natural resource revenues.

#### **Capital**

This service area provides for the development of new capital projects and infrastructure programs on the reserve.

#### **Social Housing**

This service area provides for social housing to the Members.

**Coldwater Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2019**

**18. Segment Disclosure - continued 2019**

	Social Development	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
<b>Revenue</b>								
INAC	\$ 1,078,018	\$ 461,205	\$ 280,546	\$ 1,740,981	\$ 230,463	\$ 168,097	\$ 561,370	\$ 4,520,680
Other	43,014	585,477	98,075	350,259	510,490	60,870	181,801	1,829,986
Total	1,121,032	1,046,682	378,621	2,091,240	740,953	228,967	743,171	6,350,666
<b>Expenses</b>								
Wages & benefits	134,218	401,469	198,429	521,885	105,800	-	295,719	1,657,520
Purchases	1,069,659	723,018	275,416	1,453,529	150,173	166,470	362,682	4,200,947
Amortization	-	310,946	-	134,675	25,627	-	85,123	556,371
Total	1,203,877	1,435,433	473,845	2,110,089	281,600	166,470	743,524	6,414,838
Surplus (deficit)	\$ (82,845)	\$ (388,751)	\$ (95,224)	\$ (18,849)	\$ 459,353	\$ 62,497	\$ (353)	\$ (64,172)

**2018**

	Social Development	Administrative	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
<b>Revenue</b>								
INAC	\$ 1,081,747	\$ 452,515	\$ 165,909	\$ 1,678,091	\$ 136,371	\$ 344,800	\$ 577,099	\$ 4,436,532
Other	5,822	430,938	341,848	304,569	618,564	76,194	178,849	1,956,784
Total	1,087,569	883,453	507,757	1,982,660	754,935	420,994	755,948	6,393,316
<b>Expenses</b>								
Wages & benefits	146,737	384,482	168,788	521,733	76,688	-	307,466	1,605,894
Purchases	949,469	666,019	462,977	1,104,104	223,301	481,491	389,756	4,277,117
Amortization	-	303,110	-	123,612	64,908	-	80,723	572,353
Total	1,096,206	1,353,611	631,765	1,749,449	364,897	481,491	777,945	6,455,364
Surplus (deficit)	\$ (8,637)	\$ (470,158)	\$ (124,008)	\$ 233,211	\$ 390,038	\$ (60,497)	\$ (21,997)	\$ (62,048)