

**Coldwater Indian Band  
Consolidated Financial Statements  
For the year ended March 31, 2018**

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**Consolidated Financial Statements**  
**For the year ended March 31, 2018**

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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 high 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.



Chief



Band Administrator

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## Independent Auditor's Report

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### **To the Chief and Council of Coldwater Indian Band**

We have audited the accompanying consolidated financial statements of Coldwater Indian Band, which comprise the consolidated statement of financial position as at March 31, 2018, 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 a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation 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.

### **Auditor's Responsibility**

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

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

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

### **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, the related amortization expense, annual surplus and equity in tangible capital assets.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matter 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, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Other Matter**

The comparative amounts for the year ended March 31, 2017 presented in these financial statements were audited by another firm of Chartered Professional Accountants, who expressed a qualified audit opinion on the financial statements on July 26, 2018.



### **Chartered Professional Accountants**

Kamloops, British Columbia  
July 25, 2018

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

<b>As at March 31</b>	<b>2018</b>	<b>2017</b>
<b>Financial Assets</b>		
Cash (Note 2)	\$ 3,859,480	\$ 3,913,059
Restricted cash (Note 3)	1,624,389	1,555,628
Accounts receivable (Note 4)	666,486	488,627
Short-term investments (Note 5)	2,333,867	2,293,120
Investments (Note 6)	1,003,635	961,121
Advances to related Nation entities and departments	27,525	27,525
Inventory for resale	-	879
	<b>9,515,382</b>	<b>9,239,959</b>
<b>Liabilities</b>		
Accounts payable (Note 8)	487,697	590,211
Deferred revenue (Note 9)	37,714	29,792
Long term debt (Note 10)	739,917	817,504
	<b>1,265,328</b>	<b>1,437,507</b>
<b>Net Financial Assets</b>	<b>8,250,054</b>	<b>7,802,452</b>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 7)	3,591,213	4,053,149
Prepaid expenses	16,721	22,231
	<b>3,607,934</b>	<b>4,075,380</b>
<b>Accumulated surplus</b> (Note 11)	<b>\$ 11,857,988</b>	<b>\$ 11,877,832</b>
<b>Contingencies</b> (Note 15)		

Approved on behalf of the Band Council:

Lee J Apheu

Chief

Wm. Tapp

Councilor

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

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
Annual surplus (deficit)	\$ (62,051)	\$ 57,119
Acquisition of tangible capital assets	(110,418)	(23,071)
Amortization of tangible capital assets	572,353	428,867
	<hr/> <b>399,884</b>	<hr/> <b>462,915</b>
Acquisition of prepaid expenses	(5,214)	(8,505)
Use/consumption of inventory	879	6,826
Equity change in Ottawa Trust	41,501	6,819
Equity change in reserves	10,552	(12,501)
	<hr/> <b>47,718</b>	<hr/> <b>(7,361)</b>
<b>Net change in net financial assets</b>	<b>447,602</b>	455,554
<b>Net financial assets, beginning of year</b>	<b>7,802,452</b>	7,346,898
<b>Net financial assets, end of year</b>	<b>\$ 8,250,054</b>	<b>\$ 7,802,452</b>

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

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Indigenous and Northern Affairs Canada	\$ 4,431,761	<b>4,436,532</b>	\$ 3,736,781
First Nations Health Authority	230,214	<b>230,214</b>	120,556
Province of BC	77,000	<b>20,395</b>	265,568
Store sales	-	-	154,749
Canada Mortgage and Housing Corporation	45,870	<b>31,081</b>	309,416
Nlaka'pamux Legacy Trust	145,081	<b>145,081</b>	466,896
Administration	-	-	121,974
Rental Revenue	233,540	<b>211,973</b>	219,524
First Nations Education Steering Committee	48,045	<b>69,153</b>	127,232
Interest Revenue	-	<b>67,306</b>	67,947
Other Income	<u>1,793,351</u>	<u><b>1,181,582</b></u>	<u>1,066,184</u>
	<u>7,004,862</u>	<u><b>6,393,317</b></u>	<u>6,656,827</u>
<b>Expenses</b>			
Social Development	1,579,243	<b>1,399,316</b>	1,091,941
Administration	1,247,443	<b>1,050,505</b>	1,498,680
Operations & Maintenance	441,228	<b>631,765</b>	369,182
Education	1,777,048	<b>1,749,449</b>	1,707,412
Natural Resources & Economic Development	1,182,209	<b>364,897</b>	611,979
Capital	876,388	<b>481,491</b>	605,073
Social Housing	<u>515,010</u>	<u><b>777,945</b></u>	<u>715,441</u>
	<u>7,618,569</u>	<u><b>6,455,368</b></u>	<u>6,599,708</u>
<b>Surplus (deficit) for the year</b>	<b>\$ (613,707)</b>	<b>\$ (62,051)</b>	<b>\$ 57,119</b>

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

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Operating activities</b>		
Cash received from funding agreements and contracts	\$ 6,432,634	\$ 6,634,115
Cash paid to suppliers and employees	(5,965,974)	(6,378,460)
Interest earned	67,306	67,947
<b>Cash flows from operating activities</b>	<b>533,966</b>	<b>323,602</b>
<b>Financing activities</b>		
Repayment of long term debt	(77,587)	(75,731)
Interest paid	(13,165)	(15,678)
<b>Cash flows from financing activities</b>	<b>(90,752)</b>	<b>(91,409)</b>
<b>Capital activities</b>		
Purchase of capital assets	(110,418)	(23,071)
<b>Cash flows from capital activities</b>	<b>(110,418)</b>	<b>(23,071)</b>
<b>Investing activities</b>		
Purchase of investments	191,840	(98,403)
Equity in loans receivable	-	(39,199)
Purchase of short-term investments	(40,747)	(424,581)
<b>Cash flows from investing activities</b>	<b>151,093</b>	<b>(562,183)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>483,889</b>	<b>(353,061)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,234,333</b>	<b>5,587,394</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,718,222</b>	<b>\$ 5,234,333</b>
<b>Represented by:</b>		
Cash	\$ 3,859,480	\$ 3,913,059
Restricted cash	1,624,389	1,555,628
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,483,869</b>	<b>\$ 5,468,687</b>

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## **Coldwater Indian Band** **Summary of Significant Accounting Policies**

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**March 31, 2018**

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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, 2018**

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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 and are recorded in the Capital Fund. 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**

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**March 31, 2018**

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<b>Use of Estimates</b>	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.
<b>Pension Plan</b>	The Coldwater Indian Band contributes to a private defined contribution pension plan. Total contributions to the plan during the year-ended March 31, 2018 were \$49,288 (2017 - \$49,173).
<b>Investments</b>	<p>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.</p> <p>Inter-entity balances and transactions are not eliminated under the modified equity method.</p> <p>Other investments are recorded on the cost basis.</p>

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## Coldwater Indian Band Notes to Consolidated Financial Statements

**March 31, 2018**

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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 and Northern Affairs Canada ("INAC").

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### **2. Cash**

	<b>2018</b>	<b>2017</b>
Operating Fund	\$ 3,398,412	\$ 3,462,067
Coldwater Development Inc.	80,980	63,818
Coldwater Housing Management - PRE	16,930	19,512
Coldwater Housing Management - POST	<u>6,631</u>	<u>13,512</u>
	<b><u>\$ 3,502,953</u></b>	<b><u>\$ 3,558,909</u></b>

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### **3. Restricted Cash**

	<b>2018</b>	<b>2017</b>
Tax Capital Reserve	\$ 548,611	\$ 525,346
Ottawa Trust Funds	626,140	584,639
Coldwater Housing Management - PRE	58,129	57,427
Coldwater Housing Management - POST	<u>391,509</u>	<u>388,216</u>
	<b><u>\$ 1,624,389</u></b>	<b><u>\$ 1,555,628</u></b>

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 INAC 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, 2018**

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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>2018</b>	<b>2017</b>
Accounts receivable	\$ 508,879	\$ 462,712
GST	38,591	32,109
Band member loans (consisting of 22 separate loans, non-interest bearing, due on demand)	167,161	168,521
Allowance for doubtful accounts	(386,159)	(386,159)
Accounts receivable (Coldwater Development Inc.)	110,528	4,895
Rents and subsidy receivable (Coldwater Housing Management - PRE)	51,265	48,323
Rents and subsidy receivable (Coldwater Housing Management - POST)	176,221	158,226
	<hr/>	<hr/>
	<b>\$ 666,486</b>	<b>\$ 488,627</b>

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### **5. Short-term Investments**

	<b>2018</b>	<b>2017</b>
RBC Mutual Funds	<b>\$ 2,333,867</b>	<b>\$ 2,293,120</b>

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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, 2018**

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**6. Investments**

	<b>2018</b>	<b>2017</b>
All Nations Trust	\$ 12,550	\$ 12,550
Real Property Investments	<u>221,804</u>	<u>221,804</u>
	<b>\$ 234,354</b>	<b>\$ 234,354</b>

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## Coldwater Indian Band Notes to Consolidated Financial Statements

**March 31, 2018**

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### 7. Investments in Government Business Enterprises

	2018	2017
Investments in Forestry industry	<u>\$ 769,281</u>	<u>\$ 726,767</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, 2018 is as follows:

	2018
<b>Balance Sheet</b>	
Current assets	\$ 11,796,197
Long term investments	56,534
Capital assets	137,414
Other assets	649
	<u>\$ 11,990,794</u>
Current liabilities	\$ 4,639,707
Shareholders' loan	96,000
Reforestation obligation	1,558,745
Share capital	8
Equity	5,696,334
	<u>\$ 11,990,794</u>
<b>Statement of Operations</b>	
Revenue	\$ 21,854,488
Expenses	19,940,766
Net Loss	1,913,722
Equity, beginning of year	5,329,723
Distributions	(1,547,111)
Equity, end of year	<u>\$ 5,696,334</u>

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

**March 31, 2018**

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

	<b>2018</b>							
	Land	Automotive	Buildings	Land Improvements	Equipment	Computer Equipment		Total
Cost, beginning of year	\$ 341,402	\$ 524,871	\$ 8,482,591	\$ 2,228,868	\$ 1,066,305	\$ 142,214		\$ 12,786,251
Additions	-	-	-	-	96,667	13,751		110,418
Disposals	-	-	-	-	-	-		-
Cost, end of year	<u>\$ 341,402</u>	<u>\$ 524,871</u>	<u>\$ 8,482,591</u>	<u>\$ 2,228,868</u>	<u>\$ 1,162,972</u>	<u>\$ 155,965</u>		<u>\$ 12,896,669</u>
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
Disposals	-	-	-	-	-	-		-
Accumulated amortization, end of year	<u>\$ -</u>	<u>\$ 524,871</u>	<u>\$ 6,247,747</u>	<u>\$ 1,380,315</u>	<u>\$ 1,005,727</u>	<u>\$ 146,796</u>		<u>\$ 9,305,456</u>
Net carrying amount, end of year	<u>\$ 341,402</u>	<u>\$ -</u>	<u>\$ 2,234,844</u>	<u>\$ 848,553</u>	<u>\$ 157,245</u>	<u>\$ 9,169</u>		<u>\$ 3,591,213</u>

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

**March 31, 2018**

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

	2017							
	Land	Automotive	Buildings	Land Improvements	Equipment	Computer Equipment	Total	
Cost, beginning of year	\$ 341,402	\$ 524,871	\$ 8,482,591	\$ 2,228,868	\$ 1,052,549	\$ 132,904	\$ 12,763,185	
Additions	-	-	-	-	13,756	9,310	23,066	
Cost, end of year	\$ 341,402	\$ 524,871	\$ 8,482,591	\$ 2,228,868	\$ 1,066,305	\$ 142,214	\$ 12,786,251	
Accumulated amortization, beginning of year	\$ -	\$ 524,871	\$ 5,520,281	\$ 1,238,552	\$ 928,338	\$ 92,195	\$ 8,304,237	
Amortization	-	-	347,347	30,320	30,712	20,486	428,865	
Accumulated amortization, end of year	\$ -	\$ 524,871	\$ 5,867,628	\$ 1,268,872	\$ 959,050	\$ 112,681	\$ 8,733,102	
Net carrying amount, end of year	\$ 341,402	\$ -	\$ 2,614,963	\$ 959,996	\$ 107,255	\$ 29,533	\$ 4,053,149	

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

**March 31, 2018**

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**9. Accounts Payable**

	<b>2018</b>	<b>2017</b>
Prepaid deposits	\$ 1,807	\$ 12,533
Accounts payable (Operating Fund)	465,786	563,288
Accounts payable (Coldwater Development Inc.)	5,606	5,080
Accounts payable (Coldwater Housing Management - PRE)	3,196	5,264
Accounts payable (Coldwater Housing Management - POST)	<u>11,302</u>	<u>4,046</u>
	<hr/> <b>\$ 487,697</b>	<hr/> <b>\$ 590,211</b>

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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:

	<b>2018</b>	<b>2017</b>
FNESC education	\$ 37,714	\$ -
Reciprocal tuition	<u>-</u>	<u>29,792</u>
	<hr/> <b>\$ 37,714</b>	<hr/> <b>\$ 29,792</b>

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## Coldwater Indian Band Notes to Consolidated Financial Statements

**March 31, 2018**

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### 11. Long Term Debt

	<b>2018</b>	2017
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	\$ 223,189	\$ 245,869
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	142,622	156,975
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	275,320	297,785
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	98,786	116,875
	<hr/>	<hr/>
	<b>\$ 739,917</b>	<b>\$ 817,504</b>

The estimated principal repayments on the above long term debt required over the next five years are as follows:

2019	\$ 159,340
2020	61,491
2021	62,442
2022	63,408
2023	64,390
Thereafter	<hr/>
	328,846
	<hr/>
	<b>\$ 739,917</b>

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### 12. Accumulated Surplus

	<b>2018</b>	2017
Unrestricted Surplus	\$ 5,399,552	\$ 5,100,453
Reserves	409,176	408,474
Equity in tangible capital assets	1,757,073	2,138,220
Ottawa Trust	626,140	584,639
Equity in Taxation surplus	730,292	710,292
Restricted surplus	2,372,586	2,372,585
Contributed surplus	563,169	563,169
	<hr/>	<hr/>
	<b>\$ 11,857,988</b>	<b>\$ 11,877,832</b>

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

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**March 31, 2018**

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### **13. Comparative Figures**

The comparative figures were audited by another firm of accountants.

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, 2018 was \$31,081 (2017 - \$309,416). This assistance will continue, providing the Band is not in default of the agreement. As at March 31, 2018, the band was not 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, 2018 in the amount of \$17,000 (2017- \$23,743) 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 INAC. The amount outstanding on these loans at March 31, 2018 amounts to \$31,795 (2017- \$36,371).

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

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**March 31, 2018**

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**17. Expenses by Object**

	<b>2018</b>	<b>2017</b>
Advertising & promotion	\$ 38,695	\$ 46,225
Amortization	572,353	428,868
Bad debts expense	-	58,014
Bank charges and interest	10,755	11,786
Program expenses	1,766,164	1,489,901
Consulting and Management	389,604	346,198
Honoraria	111,507	85,323
Insurance	73,323	77,855
Interest	13,165	15,678
Materials and supplies	58,397	209,240
Contracted services	192,690	148,398
Meetings and workshops	116,728	123,074
Professional development	24,510	58,096
Professional fees	100,495	304,391
Repairs & Maintenance	747,445	624,934
Rent	60,711	46,981
Replacement reserve	17,000	23,743
Student Support	261,842	250,258
Telephone	71,997	70,403
Utilities	100,591	85,730
Travel	121,498	164,843
Wages and benefits	<u>1,619,140</u>	<u>1,632,323</u>
	<hr/> <b>\$ 6,468,610</b>	<hr/> <b>\$ 6,302,262</b>

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

**March 31, 2018**

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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, 2018**

**18. Segment Disclosure -  
 continued**  
2018

	Social Development	Administration	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	430,939	341,848	304,569	618,564	76,194	178,849	1,956,785
Total	<b>1,087,569</b>	<b>883,454</b>	<b>507,757</b>	<b>1,982,660</b>	<b>754,935</b>	<b>420,994</b>	<b>755,948</b>	<b>6,393,317</b>
<b>Expenses</b>								
Wages & benefits	146,737	384,482	168,788	521,733	76,688	-	307,466	1,605,894
Purchases	949,469	666,023	462,977	1,104,104	223,301	481,491	389,756	4,277,121
Amortization	303,110	-	-	123,612	64,908	-	80,723	572,353
Total	<b>1,399,316</b>	<b>1,050,505</b>	<b>631,765</b>	<b>1,749,449</b>	<b>364,897</b>	<b>481,491</b>	<b>777,945</b>	<b>6,455,368</b>
Surplus (deficit)	<b>\$ (311,747)</b>	<b>\$ (167,051)</b>	<b>\$ (124,008)</b>	<b>\$ 233,211</b>	<b>\$ 390,038</b>	<b>\$ (60,497)</b>	<b>\$ (21,997)</b>	<b>\$ (62,051)</b>

	Social Development	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
<b>Revenue</b>								
INAC	\$ 1,093,068	\$ 338,306	\$ 189,983	\$ 1,232,665	\$ 42,631	\$ 266,309	\$ 573,819	\$ 3,736,781
Other	22,647	572,075	46,367	385,388	1,474,605	320,033	174,851	2,995,966
Total	<b>1,115,715</b>	<b>910,381</b>	<b>236,350</b>	<b>1,618,053</b>	<b>1,517,236</b>	<b>586,342</b>	<b>748,670</b>	<b>6,732,747</b>
<b>Expenses</b>								
Wages & benefits	121,686	429,054	119,666	475,563	150,275	9,000	313,832	1,619,076
Purchases	814,911	1,069,626	249,516	1,041,095	455,970	596,073	324,573	4,551,764
Amortization	155,344	-	-	190,754	5,734	-	77,036	428,868
Total	<b>1,091,941</b>	<b>1,498,680</b>	<b>369,182</b>	<b>1,707,412</b>	<b>611,979</b>	<b>605,073</b>	<b>715,441</b>	<b>6,599,708</b>
Surplus (deficit)	<b>\$ 23,774</b>	<b>\$ (588,299)</b>	<b>\$ (132,832)</b>	<b>\$ (89,359)</b>	<b>\$ 905,257</b>	<b>\$ (18,731)</b>	<b>\$ 33,229</b>	<b>\$ 133,039</b>