

Coldwater Indian Band
Consolidated Financial Statements
For the year ended March 31, 2021

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Management's Responsibility for Financial Reporting

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.



Chief



Band Administrator



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Independent Auditor's Report

To the Chief and Council of Coldwater Indian Band

Qualified Opinion

We have audited the accompanying consolidated financial statements of the Coldwater Indian Band (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2021, 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 the Coldwater Indian Band as at March 31, 2021, 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 ("CMHC") 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, 2021 and 2020, the related amortization expense and annual surplus for the year ended March 31, 2021 and 2020 and equity in tangible capital assets as at April 1 and March 31 for both the 2021 and 2020 years.

Our audit opinion on the financial statements for the year ended March 31, 2020 was modified because of the effects of this departure from Canadian public sector accounting standards.

We were unable to satisfy ourselves regarding the appropriate treatment on the Coldwater Indian Band's investments in business entities due to inability to obtain audited financial statements of each business entity. We are unable to determine whether adjustments to the investment in business entities are appropriate as at March 31, 2021, revenue and annual surplus (deficit) for the year ended March 31, 2021, and accumulated surplus as at April 1 and March 31 for both the 2021 and 2020 year.

Our audit opinion on the financial statements for the year ended March 31, 2020 was modified because of the effects of this departure from Canadian public sector accounting standards.

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 Group 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 Group 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 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.

Chartered Professional Accountants

Kamloops, British Columbia
August 31, 2021

Coldwater Indian Band
Exhibit A - Consolidated Statement of Financial Position

As at March 31	2021	2020
Financial Assets		
Cash (Note 2)	\$ 8,470,922	\$ 5,664,742
Restricted cash (Note 3)	1,676,920	1,669,619
Accounts receivable (Note 4)	951,481	830,873
Short-term investments (Note 5)	2,465,521	2,421,146
Investments (Note 6)	234,464	234,464
Investments in Government Business Enterprises (Note 7)	769,281	769,281
Advances to related entities and departments	27,525	27,525
	14,596,114	11,617,650
Liabilities		
Accounts payable (Note 9)	1,038,154	486,209
Deferred revenue (Note 10)	646,978	1,284,318
Construction line of credit	30,000	395,000
Long term debt (Note 11)	1,631,965	1,900,417
	3,347,097	4,065,944
Net Financial Assets	11,249,017	7,551,706
Non-financial Assets		
Tangible capital assets (Note 8)	5,682,123	4,738,832
Prepaid expenses	75,098	123,296
	5,757,221	4,862,128
Accumulated surplus (Note 12)	\$ 17,006,238	\$ 12,413,834
Contingencies (Note 16)		

Approved on behalf of the Band Council:



Chief



Councilor

Coldwater Indian Band

Exhibit B - Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2021	2020
Annual surplus	\$ 3,538,574	\$ 935,689
Acquisition of tangible capital assets	(1,828,843)	(1,096,261)
Amortization of tangible capital assets	344,951	268,435
Proration of accumulated amortization	-	(385,957)
Phase 5 completion	540,602	-
	<u>(943,290)</u>	<u>(1,213,783)</u>
Change in prepaid expenses	48,198	(104,700)
Change in accumulated surplus	1,774,881	-
Capital offset accounts	(922,735)	-
Transfers for the year	174,058	-
Internal administration for the year	24,813	-
Change in reserves	2,812	-
	<u>1,102,027</u>	<u>(104,700)</u>
Net change in net financial assets	3,697,311	(382,794)
Net financial assets , beginning of year	<u>7,551,706</u>	<u>7,934,500</u>
Net financial assets , end of year	<u>\$ 11,249,017</u>	<u>\$ 7,551,706</u>

Coldwater Indian Band Exhibit C - Consolidated Statement of Operations

For the year ended March 31	Budget	2021	2020
Revenue			
Indigenous Services Canada	\$ 8,230,063	\$ 7,550,415	\$ 4,959,804
BC First Nation Gaming Revenue	443,747	476,199	446,189
First Nations Health Authority	4,183,078	146,767	426,676
Province of BC (Recovery)	11,428	14,426	(21,141)
Canada Mortgage and Housing Corporation	72,574	140,450	107,870
Nlaka'pamux Legacy Trust (Recovery)	-	263,488	(88,838)
Rental revenue	245,114	232,168	228,606
First Nations Education Steering Committee	131,729	396,354	216,029
Interest revenue	27,000	57,632	96,293
Other revenue	1,681,459	2,226,314	1,475,606
	<u>15,026,192</u>	<u>11,504,213</u>	<u>7,847,094</u>
Expenses			
Community development	3,185,943	2,441,812	1,900,130
Administration	2,153,869	1,355,595	1,641,013
Operations & maintenance	1,662,051	1,337,716	787,594
Education	2,156,324	1,615,027	1,787,161
Natural resources & economic development	374,635	196,582	210,108
Capital	6,467,359	736,843	327,818
Social housing	329,502	282,064	257,581
	<u>16,329,683</u>	<u>7,965,639</u>	<u>6,911,405</u>
Surplus for the year	<u>\$ (1,303,491)</u>	<u>\$ 3,538,574</u>	<u>\$ 935,689</u>

Coldwater Indian Band
Exhibit D - Consolidated Statement of Cash Flows

For the year ended March 31	2021	2020
Operating activities		
Cash received from funding agreements and contracts	\$ 10,691,226	\$ 8,588,729
Cash paid to suppliers and employees	(6,758,139)	(6,663,698)
Interest earned	57,632	96,293
Interest paid	(21,327)	(22,001)
Cash flows from operating activities	3,969,392	1,999,323
Financing activities		
Repayment of long term debt	(268,452)	(80,469)
Proceeds from issuance of debt	-	881,982
Cash flows from (used in) financing activities	(268,452)	801,513
Capital activities		
Purchase of capital assets	(1,383,686)	(1,001,338)
Phase 5 completion	540,602	-
Cash flows used in capital activities	(843,084)	(1,001,338)
Investing activities		
Investment in BCFN Gaming LP	-	(110)
Purchase of short-term investments	(44,375)	(3,021)
Cash flows from investing activities	(44,375)	(3,131)
Increase in cash and cash equivalents	2,813,481	1,796,367
Cash and cash equivalents, beginning of year	7,334,361	5,537,994
Cash and cash equivalents, end of year	\$ 10,147,842	\$ 7,334,361
Represented by:		
Cash	\$ 8,470,922	\$ 5,664,742
Restricted cash	1,676,920	1,669,619
Cash and cash equivalents, end of year	\$ 10,147,842	\$ 7,334,361

Coldwater Indian Band Summary of Significant Accounting Policies

March 31, 2021

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 Coldwater Development Inc., an incorporated entity, and for the following non-incorporated entities:

Coldwater Housing Management
Coldwater Projects

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 Joint Venture (12.5%)
Esh-Kn-Am Joint Venture (25%)
9110 Investments Ltd. (25%).

Coldwater Indian Band Summary of Significant Accounting Policies

March 31, 2021

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. The 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 in 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.

Coldwater Indian Band Summary of Significant Accounting Policies

March 31, 2021

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 disclosures 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 tangible capital assets.

Deferred Revenue Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specific purposes.

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.

Coldwater Indian Band

Notes to Consolidated Financial Statements

March 31, 2021

1. Economic Dependence

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

2. Cash

	2021	2020
Operating Fund	\$ 8,027,824	\$ 5,068,671
Coldwater Development Inc.	37,010	169,227
Capital reserve - F.R.O.	305,803	305,293
Capital reserve - Transition House	61,139	61,037
Coldwater Housing Management - PRE	34,665	59,875
Coldwater Housing Management - POST	4,481	639
	\$ 8,470,922	\$ 5,664,742

3. Restricted Cash

	2021	2020
Tax Capital Reserve	\$ 599,757	\$ 584,893
Ottawa Trust Funds	677,887	662,164
Coldwater Housing Management - PRE	6,813	6,804
Coldwater Housing Management - POST	392,463	415,758
	\$ 1,676,920	\$ 1,669,619

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.

Coldwater Indian Band Notes to Consolidated Financial Statements

March 31, 2021

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.

4. Accounts Receivable

	2021	2020
Accounts receivable	\$ 787,038	\$ 796,057
GST	14,801	21,448
Band member loans (consisting of 22 separate loans, non-interest bearing, due on demand)	167,021	167,021
Allowance for doubtful accounts	(417,582)	(417,582)
Accounts receivable (Coldwater Development Inc.)	4,180	5,390
Rents and subsidy receivable (Coldwater Housing Management - PRE)	80,591	74,648
Rents and subsidy receivable (Coldwater Housing Management - POST)	315,432	183,891
	\$ 951,481	\$ 830,873

5. Short-term Investments

	2021	2020
RBC Mutual Funds	\$ 2,465,521	\$ 2,421,146

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

Coldwater Indian Band Notes to Consolidated Financial Statements

March 31, 2021

6. Investments

	2021	2020
All Nations Trust Company ("ANTCO")	\$ 12,550	\$ 12,550
Investment in Spayum Holdings Limited Partnership	221,804	221,804
Investment in BC First Nation Gaming Limited Partnership	110	110
	\$ 234,464	\$ 234,464

7. Investments in Government Business Enterprises

	2021	2020
Investments in Forestry industry	\$ 769,281	\$ 769,281

The Coldwater Indian Band has a non-controlling interest in several entities in the forestry industry. A summary of the audited financial statements for the year ended March 31, 2021 is as follows:

	2021
Balance Sheet	
Current assets	\$ 10,975,164
Capital assets	40,698
Other assets	2,201
	\$ 11,018,063
Current liabilities	\$ 3,116,132
Reforestation obligation	2,815,758
Share capital	8
Equity	5,086,165
	\$ 11,018,063
Statement of Operations	
Revenue	\$ 22,299,786
Expenses	21,219,686
Net Loss	1,080,100
Equity, beginning of year	4,006,065
Equity, end of year	\$ 5,086,165

Coldwater Indian Band
Notes to Consolidated Financial Statements

March 31, 2021

8. Tangible Capital Assets

	2021							
	Land	Infrastructure under construction	Automotive	Buildings improvements	Land improvements	Equipment	Computer equipment	Total
Cost, beginning of year	\$ 341,402	\$ 845,705	\$ 337,892	\$ 9,503,884	\$ 2,132,435	\$ 1,279,284	\$ 186,356	\$ 14,626,958
Additions		711,803	346,249	665,987	-	90,125	14,679	1,828,843
Disposals			(85,328)	-	-	-	(17,103)	(102,431)
Completion of Phase 5		(540,602)	-	-	-	-	-	(540,602)
Cost, end of year	\$ 341,402	\$ 1,016,906	\$ 598,813	\$ 10,169,871	\$ 2,132,435	\$ 1,369,409	\$ 183,932	\$ 15,812,768
Accumulated amortization, beginning of year	\$ -	\$ -	\$ 337,892	\$ 6,346,152	\$ 1,821,303	\$ 1,217,739	\$ 165,040	\$ 9,888,126
Amortization			51,937	150,432	98,258	33,591	10,733	344,951
Disposals			(85,328)	-	-	-	(17,104)	(102,432)
Accumulated amortization, end of year	\$ -	\$ -	\$ 304,501	\$ 6,496,584	\$ 1,919,561	\$ 1,251,330	\$ 158,669	\$ 10,130,645
Net carrying amount, end of year	\$ 341,402	\$ 1,016,906	\$ 294,312	\$ 3,673,287	\$ 212,874	\$ 118,079	\$ 25,263	\$ 5,682,123

Coldwater Indian Band
Notes to Consolidated Financial Statements

March 31, 2021

8. Tangible Capital Assets (continued)

	2020							
	Land	Infrastructure under Construction	Automotive	Buildings	Improvements	Land Equipment	Computer Equipment	Total
Cost, beginning of year	\$ 341,402	\$ 486,859	\$ 337,892	\$ 8,919,752	\$ 2,051,507	\$ 1,247,107	\$ 170,710	\$ 13,555,229
Additions		845,705	-	97,273	80,928	54,253	18,102	1,096,261
Disposals		(486,859)	-	486,859	-	(22,076)	(2,456)	(24,532)
Cost, end of year	\$ 341,402	\$ 845,705	\$ 337,892	\$ 9,503,884	\$ 2,132,435	\$ 1,279,284	\$ 186,356	\$ 14,626,958
Accumulated amortization, beginning of year	\$ -	\$ -	\$ 337,892	\$ 6,142,385	\$ 1,785,121	\$ 1,224,467	\$ 153,762	\$ 9,643,627
Amortization			-	203,767	36,182	14,751	13,735	268,435
Disposals			-	-	-	(21,479)	(2,457)	(23,936)
Accumulated amortization, end of year	\$ -	\$ -	\$ 337,892	\$ 6,346,152	\$ 1,821,303	\$ 1,217,739	\$ 165,040	\$ 9,888,126
Net carrying amount, end of year	\$ 341,402	\$ 845,705	\$ -	\$ 3,157,732	\$ 311,132	\$ 61,545	\$ 21,316	\$ 4,738,832

Coldwater Indian Band
Notes to Consolidated Financial Statements

March 31, 2021

9. Accounts Payable

	<u>2021</u>	<u>2020</u>
Operating Fund	\$ 954,623	\$ 427,358
Coldwater Development Inc.	37,469	35,851
Coldwater Housing Management - PRE	30,812	3,130
Coldwater Housing Management - POST	15,250	19,870
	<u>\$ 1,038,154</u>	<u>\$ 486,209</u>

10. Deferred Revenue

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

	<u>2021</u>	<u>2020</u>
First Nations Education Steering Committee ("FNEESC")	\$ -	\$ 18,578
Indigenous Services Canada ("ISC")	646,978	1,265,740
	<u>\$ 646,978</u>	<u>\$ 1,284,318</u>

Coldwater Indian Band Notes to Consolidated Financial Statements

March 31, 2021

11. Long Term Debt

	2021	2020
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	\$ 153,044	\$ 176,735
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	98,227	113,221
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	205,181	229,033
All Nations Trust Co., construction loan repayable in monthly instalments of \$2,712 including interest at 1.87% per annum, due for renewal on May 1, 2024 and matures May 1, 2044.	611,998	632,957
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	41,993	61,389
All Nations Trust Co., mortgage repayable in monthly instalments of \$1,927 including interest of 1.79% per annum, due for renewal January 1, 2026 and matures January 1, 2046.	521,523	687,082
	\$ 1,631,966	\$ 1,900,417

12 . Accumulated Surplus

	2021	2020
Unrestricted surplus	\$ 7,759,483	\$ 4,919,585
Equity in Warranty	35,014	35,014
Equity in Investments	736,568	736,568
Equity in Fixed Assets	2,746,223	1,823,668
Equity in Trust funds	672,333	656,610
Equity in Band loans	71,836	71,836
Equity in Taxation	781,601	753,738
Share Capital in Coldwater Development Corporation	3	3
Contributed surplus	785,830	660,445
Replacement Reserve	418,078	383,781
Restricted surplus	2,999,269	2,372,586
	\$ 17,006,238	\$ 12,413,834

Coldwater Indian Band Notes to Consolidated Financial Statements

March 31, 2021

13. Comparative Figures

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

14. Federal Assistance Payments

The 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, 2021 was \$72,868 (2020 - \$64,342). As at March 31, 2021, the Band was in compliance with all agreements.

15. Replacement Reserve

Under the terms of the agreement with CMHC, the Replacement Reserve account is to be credited at March 31, 2021 in the amount of \$30,146 (2020- \$29,703) 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. Additional supplemental assistance was received in the amount of \$51,624.

16. Contingencies

The Coldwater Indian Band has guaranteed certain band member loans with ISC. The amount outstanding on these loans at March 31, 2021 amounts to \$13,459 (2020 - \$25,422).

17. Impacts on Coldwater Indian Band

As the impacts of COVID-19 continue, there could be further impact on the Band, its funders and its business entities. The Band has continued to deliver services during this pandemic through a variety of means, whether face-to-face or utilizing technology as the Band was deemed an essential service. Management is actively monitoring the effect on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Band is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

Coldwater Indian Band
Notes to Consolidated Financial Statements

March 31, 2021

18. Expenses by Object

	<u>2021</u>	<u>2020</u>
Advertising and promotion	\$ 19,345	\$ 27,079
Amortization	344,951	268,435
Bad debt	-	34,551
Bank charges and interest	12,498	10,654
Program expenses	2,928,911	2,182,268
Consulting and management	224,082	395,849
Honoraria	147,076	115,220
Insurance	124,155	97,561
Interest	21,327	22,001
Materials and supplies	122,674	91,429
Contracted services	199,912	177,208
Meetings and workshops	81,173	123,619
Professional development	18,326	31,821
Professional fees	372,535	469,167
Repairs and maintenance	987,628	598,086
Rental office equipment	43,764	46,417
Replacement reserve	30,146	29,103
Student Support	254,613	314,343
Telephone	90,440	88,493
Utilities	112,775	97,837
Travel	41,571	77,581
Wages	1,787,737	1,612,683
	<u>\$ 7,965,639</u>	<u>\$ 6,911,405</u>

Coldwater Indian Band Notes to Consolidated Financial Statements

March 31, 2021

19. 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 a 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 social housing to the Members.

Coldwater Indian Band
Notes to Consolidated Financial Statements

March 31, 2021

20. Segment Disclosure (continued)

2021

	Community development	Administration	Operations & maintenance	Education	Natural resources & economic development	Capital	Social housing	Total
Revenue								
ISC	\$ 2,738,752	\$ 503,383	\$ 767,974	\$ 1,927,528	\$ 80,466	\$ 1,532,312	\$ -	\$ 7,550,415
Other	618,601	1,491,507	282,004	433,386	823,606	67,584	237,110	3,953,798
Total	3,357,353	1,994,890	1,049,978	2,360,914	904,072	1,599,896	237,110	11,504,213
Expenses								
Wages & benefits	447,511	443,959	286,752	441,458	89,970	48,160	47,925	1,805,735
Purchases	1,984,629	911,636	838,884	1,166,580	95,232	688,683	129,309	5,814,953
Amortization	9,672	-	212,080	6,989	11,380	-	104,830	344,951
Total	2,441,812	1,355,595	1,337,716	1,615,027	196,582	736,843	282,064	7,965,639
Surplus (deficit)	\$ 915,541	\$ 639,295	\$ (287,738)	\$ 745,887	\$ 707,490	\$ 863,053	\$ (44,954)	\$ 3,538,574

2020

	Community development	Administration	Operations & maintenance	Education	Natural resources & economic development	Capital	Social housing	Total
Revenue								
ISC	\$ 1,756,656	\$ 437,422	\$ 272,757	\$ 1,754,014	\$ 163,031	\$ 575,924	\$ -	\$ 4,959,804
Other	147,805	1,395,730	298,675	377,282	87,064	309,838	270,896	2,887,290
Total	1,904,461	1,833,152	571,432	2,131,296	250,095	885,762	270,896	7,847,094
Expenses								
Wages & benefits	424,121	385,644	169,110	513,573	71,885	-	48,349	1,612,682
Purchases	1,467,817	1,255,369	468,570	1,270,727	126,843	327,818	113,144	5,030,288
Amortization	8,192	-	149,914	2,861	11,380	-	96,088	268,435
Total	1,900,130	1,641,013	787,594	1,787,161	210,108	327,818	257,581	6,911,405
Surplus (deficit)	\$ 4,331	\$ 192,139	\$ (216,162)	\$ 344,135	\$ 39,987	\$ 557,944	\$ 13,315	\$ 935,689