

Coldwater Indian Band
Consolidated Financial Statements
For the year ended March 31, 2022

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For the year ended March 31, 2022

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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

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, 2022, 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, 2022, 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, 2022 and 2021, the related amortization expense and annual surplus for the year ended March 31, 2022 and 2021 and equity in tangible capital assets as at April 1 and March 31 for both the 2022 and 2021 years.

Our audit opinion on the financial statements for the year ended March 31, 2021 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.

BDO Canada LLP

Chartered Professional Accountants

Kamloops, British Columbia
August 3, 2022

Coldwater Indian Band
Exhibit A - Consolidated Statement of Financial Position

As at March 31	2022	2021
Financial Assets		
Cash (Note 2)	\$ 11,245,265	\$ 8,470,922
Restricted cash (Note 3)	1,155,554	1,676,920
Accounts receivable (Note 4)	794,581	951,481
Short-term investments (Note 5)	4,469,156	2,465,521
Investments (Note 6)	234,464	234,464
Investments in Government Business Enterprises (Note 7)	467,792	769,281
Advances to related entities and departments	27,525	27,525
	18,394,337	14,596,114
Liabilities		
Accounts payable (Note 9)	683,474	1,038,154
Deferred revenue (Note 10)	833,000	646,978
Construction loan (Note 17)	262,475	30,000
Long term debt (Note 11)	1,508,198	1,631,965
	3,287,147	3,347,097
Net Financial Assets	15,107,190	11,249,017
Non-financial Assets		
Tangible capital assets (Note 8)	6,434,315	5,682,123
Prepaid expenses	49,976	75,098
	6,484,291	5,757,221
Accumulated surplus (Note 12)	\$ 21,591,481	\$ 17,006,238
Contingencies (Note)		

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	2022	2021
Annual surplus	\$ 4,468,605	\$ 3,538,574
Acquisition of tangible capital assets	(1,198,878)	(1,828,843)
Amortization of tangible capital assets	446,686	344,951
Phase 5 completion	-	540,602
Disposal of tangible capital assets	4,717	-
	(747,475)	(943,290)
Change in prepaid expenses	25,123	48,198
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	111,920	2,812
	137,043	1,102,027
Net change in net financial assets	3,858,173	3,697,311
Net financial assets, beginning of year	11,249,017	7,551,706
Net financial assets, end of year	\$ 15,107,190	\$ 11,249,017

Coldwater Indian Band Exhibit C - Consolidated Statement of Operations

For the year ended March 31	Budget	2022	2021
Revenue			
Indigenous Services Canada	\$ 4,551,947	\$ 6,842,780	\$ 7,550,415
BC First Nation Gaming Revenue	443,747	271,033	476,199
FNHA	4,120,949	269,039	146,767
Province of BC	-	65,724	14,426
Canada Mortgage and Housing Corporation	166,172	103,114	140,450
Nlaka'pamux Legacy Trust	229,420	-	263,488
Rental revenue	252,911	252,857	232,168
First Nations Education Steering Committee	154,963	300,944	396,354
Interest revenue	5,500	179,802	57,632
Other revenue	729,306	3,936,480	2,226,314
Loss from investments in Government Business Enterprises	-	165,888	-
	10,654,915	12,387,661	11,504,213
Expenses			
Community Development	1,891,258	2,188,946	2,441,812
Administration	2,371,981	1,456,356	1,355,595
Operations & Maintenance	478,755	1,098,730	1,337,716
Education	2,206,338	1,908,659	1,615,027
Natural Resources & Economic Development	214,193	352,429	196,582
Capital	4,780,055	613,931	736,843
Social Housing	334,506	300,005	282,064
	12,277,086	7,919,056	7,965,639
Surplus for the year	\$ (1,622,171)	\$ 4,468,605	\$ 3,538,574

Coldwater Indian Band
Exhibit D - Consolidated Statement of Cash Flows

For the year ended March 31	2022	2021
Operating activities		
Cash received from funding agreements and contracts	\$ 12,896,560	\$ 10,711,474
Cash paid to suppliers and employees	(7,786,950)	(6,999,217)
Interest earned	179,802	57,632
Interest paid	(22,630)	(21,327)
Cash flows from operating activities	5,266,782	3,748,562
Financing activities		
Repayment of long term debt	(123,767)	(268,452)
Proceeds from issuance of debt-Phase 6 mortgage advance	262,475	-
Proceeds from issuance of construction line of credit - Phase 6	50,000	-
Cash flows from (used in) financing activities	188,708	(268,452)
Capital activities		
Purchase of capital assets	(1,198,878)	(1,162,856)
Phase 5 completion	-	540,602
Cash flows used in capital activities	(1,198,878)	(622,254)
Investing activities		
Purchase of short-term investments	(2,003,635)	(44,375)
Increase in cash and cash equivalents	2,252,977	2,813,481
Cash and cash equivalents, beginning of year	10,147,842	7,334,361
Cash and cash equivalents, end of year	\$ 12,400,819	\$ 10,147,842
Represented by:		
Cash	\$ 11,245,265	\$ 8,470,922
Restricted cash	1,155,554	1,676,920
Cash and cash equivalents, end of year	\$ 12,400,819	\$ 10,147,842

Coldwater Indian Band Summary of Significant Accounting Policies

March 31, 2022

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 and jointly 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%)

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 Summary of Significant Accounting Policies

March 31, 2022

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.

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, 2022

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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and short-term, highly liquid investments that are readily convertible to cash.

Short-term Investments

Short-term investments are recorded at cost, unless the market value of temporary investments has declined below cost, in which case they are written down to market value.

Funded Reserves

In order to provide for replacement of major tangible capital assets, the terms of the agreement with Canada Mortgage and Housing Corporation ("CMHC") provide that a Replacement Reserve Fund be established by annual charges to operations in an amount prescribed by the agreement. Interest is to accrue on the cumulative reserve balance. In addition, under the terms of the agreement for the 2% Subsidy Program, the Coldwater Indian Band may retain, in a Subsidy Surplus Reserve, excess federal assistance payments up to a maximum of \$500 per unit plus interest, and under the terms of the agreement for the Full Subsidy Program, the Coldwater Indian Band may retain in an Operating Reserve all excess federal assistance, plus interest.

Budgets

Budget information for individual programs has been included in the consolidated financial statements when the information is available and represents the 2020/2021 operating and capital budgets approved by Chief and Council.

Coldwater Indian Band Summary of Significant Accounting Policies

March 31, 2022

Segmented Disclosure

A segment is defined as a distinguishable activity or group of activities of a government for which is it appropriate to separately report financial information to achieve the objectives of the Coldwater Indian Band. The Coldwater Indian Band identifies its segments based on specific projects and funding arrangements. Revenue and expenses are allocated to these segments according to methods of identification.

Ottawa Trust Fund

The Coldwater Indian Band uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized as revenue upon authorized withdrawal from the Ottawa Trust Fund.

Coldwater Indian Band Notes to Consolidated Financial Statements

March 31, 2022

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

	2022	2021
Operating Fund	\$ 11,098,158	\$ 8,027,824
Coldwater Development Inc.	61,152	37,010
Capital reserve - F.R.O.	76	305,803
Capital reserve - Transition House	15	61,139
Coldwater Housing Management - PRE	86,418	34,665
Coldwater Housing Management - POST	(554)	4,481
	\$ 11,245,265	\$ 8,470,922

3. Restricted Cash

	2022	2021
Tax Capital Reserve	\$ 63,984	\$ 599,757
Ottawa Trust Funds	692,854	677,887
Coldwater Housing Management - PRE	9,702	6,813
Coldwater Housing Management - POST	389,014	392,463
	\$ 1,155,554	\$ 1,676,920

The Taxation Capital Reserve is funded through holdings in short-term investments.

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, 2022

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

	2022	2021
Accounts receivable	\$ 715,061	\$ 787,038
GST	10,905	14,801
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.)	2,475	4,180
Rents and subsidy receivable (Coldwater Housing Management - PRE)	582	80,591
Rents and subsidy receivable (Coldwater Housing Management - POST)	316,119	315,432
	\$ 794,581	\$ 951,481

5. Short-term Investments

	2022		2021	
	Market Value	Book Value	Market Value	Book Value
Cash	\$ 147,436	\$ 147,436	\$ -	\$ -
Common Shares	2,526,514	2,500,610	-	-
Mutual Funds	1,795,206	1,885,392	2,624,887	2,465,521
	4,469,156	4,533,438	2,624,887	2,465,521

The taxation surplus is fully funded through short-term investments.

Coldwater Indian Band Notes to Consolidated Financial Statements

March 31, 2022

6. Investments

	2022	2021
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

	2022	2021
Investments in Forestry industry	\$ 467,792	\$ 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, 2022 is as follows:

	2022
Balance Sheet	
Current assets	\$ 9,609,095
Capital assets	119,139
Other assets	2,709
	\$ 9,730,943
Current liabilities	\$ 4,181,103
Reforestation obligation	2,879,671
Share capital	8
Equity	2,670,161
	\$ 9,730,943
Statement of Operations	
Revenue	\$ 16,733,553
Expenses	18,064,750
Net Loss	(1,331,197)
Equity, beginning of year	5,086,165
Withdrawals	(1,084,807)
Equity, end of year	\$ 2,670,161

Coldwater Indian Band
Notes to Consolidated Financial Statements

March 31, 2022

8. Tangible Capital Assets

	2022							
	Land	Infrastructure under construction	Automotive	Buildings	Land improvements	Equipment	Computer equipment	Total
Cost, beginning of year	\$ 341,402	\$ 1,016,906	\$ 598,813	\$ 10,169,871	\$ 2,132,435	\$ 1,369,409	\$ 183,932	\$ 15,812,768
Additions		949,613	-	63,500	-	155,871	29,894	1,198,878
Disposals			-	-	-	-	(4,717)	(4,717)
Cost, end of year	\$ 341,402	\$ 1,966,519	\$ 598,813	\$ 10,233,371	\$ 2,132,435	\$ 1,525,280	\$ 209,109	\$ 17,006,929
Accumulated amortization, beginning of year	\$ -	\$ -	\$ 304,501	\$ 6,496,584	\$ 1,919,561	\$ 1,251,330	\$ 158,669	\$ 10,130,645
Amortization	-	-	88,293	174,091	98,258	59,287	26,757	446,686
Disposals	-	-	-	-	-	-	(4,717)	(4,717)
Accumulated amortization, end of year	\$ -	\$ -	\$ 392,794	\$ 6,670,675	\$ 2,017,819	\$ 1,310,617	\$ 180,709	\$ 10,572,614
Net carrying amount, end of year	\$ 341,402	\$ 1,966,519	\$ 206,019	\$ 3,562,696	\$ 114,616	\$ 214,663	\$ 28,400	\$ 6,434,315

Coldwater Indian Band
Notes to Consolidated Financial Statements

March 31, 2022

8. Tangible Capital Assets (continued)

2021

	Land	Infrastructure under Construction	Automotive	Buildings	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)
	-	(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, 2022

9. Accounts Payable

	<u>2022</u>	<u>2021</u>
Operating Fund	\$ 625,831	\$ 954,623
Coldwater Development Operations	32,026	37,469
Coldwater Housing Management - PRE	19,188	30,812
Coldwater Housing Management - POST	6,429	15,250
	<u>\$ 683,474</u>	<u>\$ 1,038,154</u>

10. Deferred Revenue

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

	<u>2022</u>	<u>2021</u>
First Nations Health Authority ("FHNA")	\$ 58,000	\$ -
Indigenous Services Canada ("ISC")	775,000	646,978
	<u>\$ 833,000</u>	<u>\$ 646,978</u>

Coldwater Indian Band
Notes to Consolidated Financial Statements

March 31, 2022

11. Long Term Debt

	2022	2021
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	\$ 129,050	\$ 153,044
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	83,040	98,227
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	180,893	205,181
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.	590,672	611,998
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	22,108	41,993
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.	502,435	521,522
	\$ 1,508,198	\$ 1,631,965

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

2023	\$ 126,062
2024	105,476
2025	107,022
2026	108,592
2027	110,187
Thereafter	950,859
	\$ 1,508,198

Coldwater Indian Band
Notes to Consolidated Financial Statements

March 31, 2022

12 . Accumulated Surplus

	2022	2021
Unrestricted surplus	\$ 14,758,490	\$ 10,758,752
Equity in Warranty	35,014	35,014
Equity in Investments	435,079	736,568
Equity in Fixed Assets	3,622,140	2,746,223
Equity in Trust funds	687,300	672,333
Equity in Band loans	71,836	71,836
Equity in Taxation	781,601	781,601
Share Capital in Coldwater Development Corporation	3	3
Contributed surplus	785,830	785,830
Replacement Reserve	414,188	418,078
	\$ 21,591,481	\$ 17,006,238

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, 2022 was \$86,144 (2021 - 72,868). As at March 31, 2022, 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, 2022 in the amount of \$33,300 (2021- \$30,146) 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.

Coldwater Indian Band Notes to Consolidated Financial Statements

March 31, 2022

16. Construction Loan

The Coldwater Indian Band has guaranteed loans to be used towards construction of phase 6. The construction loan relates to a line of credit and the All Nations Trust Co. is an mortgage advance on phase 6. The amount outstanding on these loans at March 31, 2022 amounts to \$262,475, outlined as follows:

	<u>2022</u>	<u>2021</u>
Construction Loan	\$ 80,000	\$ 30,000
All Nations Trust Co., mortgage advance	<u>182,475</u>	<u>-</u>
	<u>\$ 262,475</u>	<u>\$ 30,000</u>

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 it's 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, 2022

18. Expenses by Object

	<u>2022</u>	<u>2021</u>
Advertising and promotion	\$ 16,049	\$ 19,348
Amortization	446,687	344,951
Bad debt	2,827	-
Bank charges and interest	14,166	12,498
Program expenses	2,989,753	2,928,911
Consulting and management	331,408	224,082
Contracted services	298,576	199,912
Honoraria	96,438	147,076
Insurance	133,808	124,155
Interest	22,630	21,327
Materials and supplies	116,231	122,674
Meetings and workshops	48,535	81,173
Professional development	30,048	18,326
Professional fees	195,601	372,535
Repairs and maintenance	685,795	987,628
Rental office equipment	51,820	43,764
Replacement reserve	33,273	30,146
Student Support	443,891	254,613
Telephone	85,037	90,440
Utilities	104,987	112,775
Travel	36,108	41,571
Wages	1,735,388	1,787,734
	<u>\$ 7,919,056</u>	<u>\$ 7,965,639</u>

Coldwater Indian Band Notes to Consolidated Financial Statements

March 31, 2022

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 community development.

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, 2022

20. Segment Disclosure (continued)

2022

	Community Development	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Social Housing	Total
Revenue								
ISC	\$ 2,113,240	\$ 824,719	\$ 657,340	\$ 1,871,465	\$ 104,473	\$ 1,271,542	\$ -	\$ 6,842,779
Other	269,400	3,766,826	191,064	464,706	563,462	24,970	264,454	5,015,974
Total	2,382,640	4,591,545	848,404	2,336,171	667,935	1,296,512	264,454	12,387,661
Expenses								
Wages & benefits	452,438	474,226	171,399	453,610	124,435	11,552	47,728	1,735,388
Purchases	1,726,970	982,130	656,183	1,424,155	216,614	602,379	128,550	5,736,981
Amortization	9,538	-	271,148	30,894	11,380	-	123,727	446,687
Total	2,188,946	1,456,356	1,098,730	1,908,659	352,429	613,931	300,005	7,919,056
Surplus (deficit)	\$ 193,694	\$ 3,135,189	\$ (250,326)	\$ 427,512	\$ 315,506	\$ 682,581	\$ (35,551)	\$ 4,468,605

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	\$ 1,532,311	\$ -	\$ 7,550,414
Other	618,601	1,491,507	282,004	433,386	823,606	67,583	237,112	3,479,575
Total	3,357,353	1,994,890	1,049,978	2,360,914	904,072	1,599,894	237,112	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	\$ 863,051	\$ (44,952)	\$ 3,538,574