

Consolidated Financial Statements of

**COLDWATER INDIAN BAND**

Year ended March 31, 2014

# COLDWATER INDIAN BAND

## Consolidated Financial Statements

Year ended March 31, 2014

### Financial Statements

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## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Coldwater Indian Band (the "Band") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Band's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Chief and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Band. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Band's consolidated financial statements.

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Band Administrator



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## AUDITORS' REPORT

To the Members of Coldwater Indian Band

We have audited the consolidated statement of financial position of Coldwater Indian Band (the "Band") as at March 31, 2014 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility 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.

### *Auditors' 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 our 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, we consider internal control relevant to the Band's preparation and fair presentation 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 Band'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 opinion.





*Basis for Qualified Opinion*

As noted in note 1(g) to the consolidated financial statements, 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 would affect the net book value of the tangible capital assets and the related equity in capital assets and amortization expense in the statement of operations. It is impracticable to provide this information in the auditors' report.

*Qualified Opinion*

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Band as at March 31, 2014 and its consolidated results of operations, its consolidated changes in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

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Chartered Accountants

Kamloops, Canada  
July 29, 2014

# COLDWATER INDIAN BAND

## Consolidated Statement of Financial Position

March 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets:</b>		
Cash and cash equivalents (note 2)	\$ 3,494,684	\$ 2,667,561
Restricted cash (note 3)	2,634,244	2,308,063
Accounts receivable (note 4)	263,692	921,022
Strata receivable (note 5)	25,380	33,135
Rents receivable (note 6)	47,096	46,002
Band member loans receivable (note 7)	66,273	66,299
Investments (note 8)	876,807	786,880
	<hr/>	<hr/>
	7,408,176	6,828,962
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities (note 9)	1,206,944	1,090,068
Funded reserves (note 10)	342,889	539,917
Due to reserves	145,363	66,646
Deferred revenue (note 11)	133,139	26,403
Long-term debt (note 12)	1,047,326	1,159,629
	<hr/>	<hr/>
	2,875,661	2,882,663
Net financial assets	<hr/>	<hr/>
	4,532,515	3,946,299
<b>Non-financial assets:</b>		
Tangible capital assets (note 13)	5,112,648	5,621,029
Inventories	3,024	8,182
Prepaid expenses and deposits	13,311	52,289
	<hr/>	<hr/>
	5,128,983	5,681,500
Contingencies (note 19)		
	<hr/>	<hr/>
<b>Accumulated surplus</b> (note 14)	\$ 9,661,498	\$ 9,627,799

The accompanying notes are an integral part of these consolidated financial statements.

# COLDWATER INDIAN BAND

## Consolidated Statement of Operations

Year ended March 31, 2014, with comparative information for 2013

	Budget	2014	2013
<b>Revenue:</b>			
Aboriginal Affairs and Northern Development Canada	\$ 3,557,593	\$ 3,458,433	\$ 3,846,502
Revenue other	526,536	1,140,962	904,428
Canada Mortgage and Housing Corporation	73,803	63,882	394,046
Province of B.C.	282,252	282,252	358,884
Rental	227,040	223,217	222,412
Interest and investment	3,922	154,612	158,361
Property tax revenue	136,159	132,646	110,612
Impact benefit agreements	-	-	107,402
Health Canada	92,400	92,400	92,400
First Nations Education Steering Committee	118,635	52,993	76,664
Interior Salish Employment and Training Society	16,403	19,546	51,792
Work opportunity program	-	-	3,782
<b>Total revenue</b>	<b>5,034,743</b>	<b>5,620,943</b>	<b>6,327,285</b>
<b>Expenses:</b>			
Community welfare	1,422,594	1,196,847	1,331,883
Administration	1,351,817	1,505,778	1,306,293
Operations and maintenance	174,484	385,014	402,950
Education	1,730,340	1,736,259	1,502,861
Natural resources and economic development	409,445	511,019	421,822
Capital projects	-	1,994	336,921
Social housing	437,247	220,777	240,701
Impact benefit agreements	78,924	29,557	53,661
<b>Total expenses</b>	<b>5,604,851</b>	<b>5,587,245</b>	<b>5,597,092</b>

Segmented information (note 16)

<b>Annual surplus (deficit)</b>	<b>\$ (570,108)</b>	<b>\$ 33,698</b>	<b>\$ 730,193</b>
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The accompanying notes are an integral part of these consolidated financial statements.

# COLDWATER INDIAN BAND

## Consolidated Statement of Change in Net Financial Assets

Year ended March 31, 2014, with comparative information for 2013

	Budget	2014	2013
Annual surplus	\$ (570,108)	\$ 33,698	\$ 730,193
Acquisition of tangible capital assets	(2,200)	(9,532)	(575,316)
Amortization of tangible capital assets	109,930	517,913	505,075
	107,730	508,381	(70,241)
Use of prepaid expenses	-	38,979	20,053
Use of inventory of supplies	-	5,158	(315)
Changes in equity in investments, loans receivable, trust and reserves	-	-	20,483
	-	44,137	40,221
Change in net financial assets	(462,378)	586,216	700,173
Net financial assets, beginning of year	3,946,299	3,946,299	3,246,126
Net financial assets, end of year	\$ 3,483,921	\$ 4,532,515	\$ 3,946,299

The accompanying notes are an integral part of these consolidated financial statements.



# COLDWATER INDIAN BAND

## Consolidated Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ 33,698	\$ 730,193
Items not involving cash:		
Amortization	517,913	505,075
Changes in equity in investments, loans receivable, trust and reserves	-	20,484
	551,611	1,255,752
Change in non-cash operating assets and liabilities:		
Accounts receivable	657,331	640,177
Strata receivable	7,755	29,167
Rents receivable	(1,094)	(11,205)
Accounts payable and accrued liabilities	116,876	9,535
Due to reserves	78,717	8,853
Funded reserves	(197,028)	16,576
Deferred revenue	106,736	(111,865)
Inventories	5,158	(315)
Prepaid expenses and deposits	38,978	20,053
	1,365,040	1,856,728
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(9,532)	(575,316)
	(9,532)	(575,316)
<b>Investing activities:</b>		
Band member loans receivable	26	2,312
Increase in investments	(89,927)	(115,834)
	(89,901)	(113,522)
<b>Financing activities:</b>		
Repayment of long-term debt	(112,303)	(107,799)
	(112,303)	(107,799)
Increase in cash	1,153,304	1,060,091
Cash, beginning of year	4,975,624	3,915,533
Cash, end of year	\$ 6,128,928	\$ 4,975,624
Represented by:		
Cash	\$ 3,494,684	\$ 2,667,561
Restricted cash	2,634,244	2,308,063
	\$ 6,128,928	\$ 4,975,624
Supplemental information:		
Interest paid	\$ 20,864	\$ 27,000
Interest received	64,685	24,385

The accompanying notes are an integral part of these consolidated financial statements.



# COLDWATER INDIAN BAND

## Notes to Consolidated Financial Statements

Year ended March 31, 2014

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Coldwater Indian Band (the "Band") provides local government, education, housing and social development services to its members. The Band was organized under the Indian Act of Canada.

### 1. Basis of presentation and significant accounting policies:

These consolidated financial statements include the assets, liabilities and results of operations of the Band and all related entities and organizations subject to control by the Band Council. The consolidated financial statements of the Band are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants, which encompasses the following principles:

(a) Fund accounting:

The Band records accounting transactions using the fund accounting method. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements. Details of the operations of each fund are set out in the supplementary schedules. The Band maintains the following funds:

The Operating Fund which reports the general activities of the Band Administration.

The Capital Projects Fund which reports the capital assets of the Band, together with their related financing.

The Ottawa Trust Fund which reports the trust funds owned by the Band and held by third parties.

(b) Basis of consolidation:

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis (note 8). Inter-organizational balances and transactions are eliminated upon consolidation. The reporting entity is comprised of all funds of the Band, segregated into Operating, Capital Projects, and Ottawa Trust funds. Organizations consolidated in the Band's financial statements include:

(i) Coldwater Housing Management, consisting of the non-incorporated entities Coldwater Housing Management Post-1997 and Coldwater Housing Management Pre-1997

(ii) Coldwater Projects, a non-incorporated entity

(iii) Coldwater Developments Inc., an incorporated entity

# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 1. Basis of presentation and significant accounting policies (continued):

### (b) Basis of consolidation (continued):

Investments in activities that the Band does not control individually or jointly are recorded at cost. Investments in Government Business Enterprises are recorded using the modified equity method.

### (c) Revenue recognition:

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements and contracts. 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 statement of financial position.

Interest is recognized as earned.

Rental revenue is recognized when a tenant commences occupancy and rent is due. The 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 taxes are levied.

Other revenue, including the sale of goods and provision of services are recognized in the period the goods or services are provided.

### (d) Restricted cash:

Restricted cash represents amounts reserved either internally or by statute for specific future purposes.

### (e) Investments:

The Band accounts for its investments in 543454 B.C. Ltd., Stuwix Resources Joint Venture and Stuwix Resources Ltd. using the modified equity method. Under this method the cost of the investment is 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.

Other investments are recorded on a cost basis.

# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 1. Basis of presentation and significant accounting policies (continued):

(f) Deferred revenue:

Deferred revenue represents grants and other fees which have been collected, but for which the related expenses or services have yet to be incurred or performed. These amounts will be recognized as revenues in the fiscal year the services are performed or related expenditures incurred.

(g) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible capital assets are recorded at fair value at the time of the donation with a corresponding amount recorded as revenue. Expenses for repairs and maintenance that do not materially add to the useful life or service potential of the asset are not capitalized, but expensed as incurred. The cost, less residual value, of the tangible capital assets, excluding land, are amortized over their estimated useful lives as follows:

Asset	Basis	Rate
Computer equipment	Straight-line	33%
Building	Straight-line	5%
Equipment	Declining balance	30%
Automotive	Straight-line	30%
Land improvements	Straight-line	5%

Amortization is not provided on building, furniture, and equipment purchased from loans recognized by Canada Mortgage and Housing Corporation ("CMHC") over the estimated useful lives of these assets but rather at a rate equal to the annual principal reduction of the mortgages to comply with the operating agreement with CMHC. A reserve for future capital replacement is appropriated annually from operations and capital assets purchased from the replacement reserve are charged against the replacement reserve account, rather than being capitalized on the balance sheet and amortized over their estimated useful lives.

Additions during the year have been amortized at one-half the above annual rates. Assets under construction are not amortized until the asset is available for productive use. When a tangible capital asset no longer contributes to the Band's ability to provide services, its carrying amount is written down to its residual value.



# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 1. Basis of presentation and significant accounting policies (continued):

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accounts payable and accrued liabilities, and the recoverable amount of accounts receivable and investments.

Actual results could differ from these estimates.

(i) Financial instruments:

Unless otherwise noted, it is management's opinion that the Band is not exposed to significant interest, currency, or credit risks arising from financial instruments. The fair values of financial instruments approximate their carrying values, unless otherwise noted.

(j) Pension plan:

The Band contributes to a private defined contribution pension plan. Contributions are expensed as incurred.

## 2. Cash:

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	2014	2013
Operating Fund	\$ 3,166,696	\$ 2,514,686
Coldwater Housing Management	238,495	87,092
Coldwater Projects	31,329	16,132
Coldwater Development Inc.	58,164	49,651
	<hr/> \$ 3,494,684	<hr/> \$ 2,667,561

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# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

### 3. Restricted cash:

	2014	2013
Externally restricted:		
Housing restricted cash	\$ 346,076	\$ 543,121
Ottawa Trust funds	522,021	491,126
Internally restricted:		
Taxation Special Surplus	388,027	381,560
Taxation Reserve Fund	167,704	167,044
Transition Capital Reserve Fund	57,616	27,766
FRO Capital Reserve Fund	714,734	697,446
Impact Benefits fund	438,066	-
	<u>\$ 2,634,244</u>	<u>\$ 2,308,063</u>

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 Aboriginal Affairs and Northern Development Canada ("AANDC") and generally must be for projects of a capital nature. Withdrawals of revenue of capital funds are recorded as revenue in the applicable fund where the monies are expended.

The Housing restricted cash is derived under the terms of the agreement with 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 be approved by CMHC from time to time.



# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 4. Accounts receivable:

Accounts receivable by program area is summarized as follows:

	2014	2013
Operating fund:		
Accounts receivable	\$ 124,703	\$ 545,576
AANDC	26,900	309,558
	151,603	855,134
Coldwater Projects	97,923	55,338
Coldwater Housing Management	5,366	6,150
Coldwater Developments Inc.	8,800	4,400
	\$ 263,692	\$ 921,022

## 5. Strata receivable:

Strata receivable is made up of individual balances from band members are unsecured, have various repayment terms with no interest charged.

	2014	2013
Total strata receivable	\$ 45,380	\$ 53,135
Less: Allowance for doubtful receivables	(20,000)	(20,000)
	\$ 25,380	\$ 33,135

## 6. Rents receivable:

Rents receivable from band members are the accumulated arrears rent and vary in amounts based on the unit being rented. The amounts are non-interest bearing and unsecured.

	2014	2013
Total rents receivable	\$ 199,017	\$ 197,923
Less: Allowance for doubtful receivables	(151,921)	(151,921)
	\$ 47,096	\$ 46,002

# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 7. Band member loans receivable:

Band member loans are unsecured, have various repayment terms with interest rates ranging from 6% to 12% (2013 - 6% to 12%) per annum .

	2014	2013
Total band member loans receivable	\$ 250,647	\$ 250,673
Less: Allowance for doubtful receivables	(184,374)	(184,374)
	\$ 66,273	\$ 66,299

## 8. Investments:

	2014	2013
Investments in government business enterprises:		
543454 B.C. Ltd.	\$ 109,466	\$ 119,926
Stuwix Resources Joint Venture	544,141	421,881
Stuwix Resources Ltd.	6,642	28,515
	660,249	570,322
Other investments:		
All Nations Trust Company	12,550	12,550
NVISA	204,008	204,008
	216,558	216,558
	\$ 876,807	\$ 786,880

The Band also has a non-controlling interest in the Nicola Valley Indian Development Corporation ("NVIDC").

# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 8. Investments (continued):

The Band has a controlling interest in 543454 B.C. Ltd., which in turn owns 25% of 9110 Investments Ltd. and Esh-kn-am Investments Joint Venture (the "Entities"). A summary of the audited financial statements of the Entities for the year ended March 31, 2014 are as follows:

Statement of Financial Position	9110 Investments Ltd.	Esh-kn-am Investments Joint Venture	Total
<b>Assets:</b>			
Current	\$ 5,201	\$ 245,680	\$ 250,881
Long-term investments	1	264,602	264,603
Property and equipment	54,934	110,736	165,670
Other assets	-	3	3
	60,136	621,021	681,157
<b>Liabilities:</b>			
Current	118,630	83,123	201,753
Share capital	1	-	1
Equity (deficit)	(58,495)	537,898	479,403
	\$ 60,136	\$ 621,021	\$ 681,157
<b>Statement of operations</b>			
Revenue	\$ -	\$ 632,880	\$ 632,880
Expenses	12,561	602,000	614,561
Net income (loss)	(12,561)	30,880	18,319
Equity (deficit), beginning of year	(45,934)	552,136	506,202
Disbursements	-	(45,118)	(45,118)
Equity (deficit), end of year	\$ (58,495)	\$ 537,898	\$ 479,403

The Band incurred expenses of \$4,691 (2013 - \$9,697) for professional and consulting services that were paid to Esh-kn-am Investments Joint Venture during the year. The Band received rent of \$5,940 (2013 - \$5,940) from Esh-kn-am Investments Joint Venture.

Included in the Band's accounts payable is \$19,691 (2013 - \$3,965) owing to Esh-kn-am Investments Joint Venture.

# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 8. Investments (continued):

The Band has a non-controlling interest in Stuwix Resources Joint Venture and a 12.5% non-controlling interest in Stuwix Resources Ltd. A summary of the audited financial statements of Stuwix Resources Joint Venture and Stuwix Resources Ltd. for the year ended March 31, 2014 are as follows:

Statement of Financial Position	Stuwix Resources Joint Venture	Stuwix Resources Ltd.	Total
<b>Assets:</b>			
Current	9,228,400	214,221	\$ 9,442,621
Property and equipment	101,759	-	101,759
Future income taxes	-	6,686	6,686
	9,330,159	220,907	9,551,066
<b>Liabilities and equity:</b>			
Current	3,639,608	263,768	3,903,376
Reforestation obligation	1,309,171	8	1,309,179
Venturers' equity (deficit)	4,381,380	(42,869)	4,338,511
	9,330,159	220,907	\$ 9,551,066
<b>Statement of operations</b>			
Revenue	14,124,159	119,123	\$ 14,124,159
Expenses	13,146,065	161,104	13,146,065
Net income	978,094	(41,981)	978,094
Equity (deficit), beginning of year	3,403,286	(888)	3,011,779
Equity, end of year	4,381,380	(42,869)	\$ 4,338,511

The Band recorded \$143,568 (2013 - \$205,552) in timber sales from their woodlot licence to Stuwix Resources Joint Venture.

Included in the Band's accounts receivable is \$19,443 (2013 - \$201,102) owing from Stuwix Resources Joint Venture.



# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 9. Accounts payable and accrued liabilities:

	2014	2013
Operating Fund	\$ 1,124,046	\$ 1,008,317
Coldwater Housing Management	22,229	15,249
Coldwater Projects	30,123	35,764
Coldwater Developments Inc.	30,546	30,738
	<u>\$ 1,206,944</u>	<u>\$ 1,090,068</u>

## 10. Funded reserves:

Funded reserves consist of CMHC Replacement Reserve accounts. Under the terms of the agreement with CMHC, the Replacement Reserve accounts are to be credited in the amount of \$33,733 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.

## 11. Deferred revenue:

Deferred revenue consists of the following:

	2014	2013
Capital:		
CPMS #9610 - Irrigation	\$ -	\$ 3,082
CPMS #9610 - Ground water supply well	-	6,742
Operating:		
First Nations Education Steering Committee	65,643	-
First Nations and Inuit Health Branch	29,777	-
Other	37,719	13,642
Coldwater Projects	-	2,937
	<u>\$ 133,139</u>	<u>\$ 26,403</u>



# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 12. Long-term debt:

The following mortgages are secured by a ministerial guarantee from AANDC and CMHC Insurance.

	2014	2013
All Nations Trust Co. mortgage, repayable in monthly instalments of \$2,330 including interest at 1.92% per annum, maturing April 2019	\$ 362,675	\$ 383,677
All Nations Trust Co. mortgage, repayable in monthly instalments of \$2,190 including interest at 1.65% per annum, maturing June 2017	310,913	331,892
All Nations Trust Co. mortgage, repayable in monthly instalments of \$1,387 including interest at 1.65% per annum, maturing June 2017	198,124	211,396
All Nations Trust Co. mortgage, repayable in monthly instalments of \$1,719 including interest at 2.35% per annum, maturing September 2018	168,680	184,711
All Nations Trust Co. mortgage, repayable in monthly instalments of \$3,475 including interest at 2.35% per annum, maturing May 2014	6,934	47,953
	<u>\$ 1,047,326</u>	<u>\$ 1,159,629</u>

Principal repayments over the next 5 years and thereafter are approximately as follows:

2015	\$ 80,143
2016	74,278
2017	75,691
2018	77,132
2019	78,602
Thereafter	661,480
	<u>\$ 1,047,326</u>

# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 13. Tangible capital assets:

2014	Land	Automotive	Buildings	Land improvements	Equipment	Computer Equipment	Total
<b>Cost:</b>							
Balance, beginning of year	\$ 359,193	\$ 549,694	\$ 8,376,053	\$ 2,226,445	\$ 1,140,254	\$ 81,562	\$ 12,733,201
Additions	-	-	-	4,697	4,835	-	9,532
Balance, end of year	359,193	549,694	8,376,053	2,231,142	1,145,089	81,562	12,742,733
<b>Accumulated amortization:</b>							
Balance, beginning of year	\$ -	\$ 499,707	\$ 4,535,678	\$ 1,141,857	\$ 862,040	\$ 72,890	\$ 7,112,172
Amortization	-	41,457	354,264	35,586	78,799	7,807	517,913
Balance, end of year	-	541,164	4,889,942	1,177,443	940,839	80,697	7,630,085
Net book value	\$ 359,193	\$ 8,530	\$ 3,486,111	\$ 1,053,699	\$ 204,250	\$ 865	\$ 5,112,648

2013	Land	Automotive	Buildings	Land improvements	Equipment	Computer Equipment	Total
<b>Cost:</b>							
Balance, beginning of year	\$ 359,193	\$ 549,694	\$ 8,376,053	\$ 1,850,892	\$ 942,201	\$ 79,851	\$ 12,157,884
Additions	-	-	-	375,553	198,053	1,711	575,317
Balance, end of year	359,193	549,694	8,376,053	2,226,445	1,140,254	81,562	12,733,201
<b>Accumulated amortization:</b>							
Balance, beginning of year	\$ -	\$ 454,023	\$ 4,186,385	\$ 1,107,332	\$ 795,621	\$ 63,736	\$ 6,607,097
Amortization	-	45,684	349,293	34,525	66,419	9,154	505,075
Balance, end of year	-	499,707	4,535,678	1,141,857	862,040	72,890	7,112,172
Net book value	\$ 359,193	\$ 49,987	\$ 3,840,375	\$ 1,084,588	\$ 278,214	\$ 8,672	\$ 5,621,029

Included in land improvements is \$486,859 (2013 - \$482,162) of assets that are not being amortized.

# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 14. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2014	2013
<b>Equity in financial assets:</b>		
Equity in band member loans receivable	\$ 64,411	\$ 64,437
Equity in warranty reserve	35,014	35,014
Equity in investments	876,807	786,880
Equity in Ottawa Trust	522,021	491,126
Equity in capital reserve	89,481	30,000
Equity in taxation special surplus	631,957	465,521
Equity in firehall reserve	28,680	28,680
Restricted surplus - FCRSA	988,772	826,754
Unrestricted surplus	2,359,033	2,434,987
	5,596,176	5,163,399
<b>Equity in tangible capital assets</b>	4,065,322	4,464,400
	\$ 9,661,498	\$ 9,627,799

## 15. Economic dependence:

The Band receives a major portion of its revenue, approximately 62% (2013 - 61%), pursuant to various funding agreements with AANDC.

## 16. Segmented information:

Segmented information has been identified based upon lines of service provided by the Band. Band services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(i) Community welfare:

Community welfare provides services to help band members by providing a variety of programs, community services, and social assistance.

(ii) Administration:

Administration provides the functions of corporate administration, finance, human resources, legislative services, and any other functions not categorized to a specific department.



# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 16. Segmented information (continued):

(iii) Operations and maintenance:

Operations and maintenance is responsible for providing services relating to the development, maintenance and service of the Band's assets, infrastructure and common property.

(iv) Education:

Education is responsible for administering and facilitating educational programs through the operations of an on-reserve school, post secondary education support, and the operations of various other community education programs. The goal of this segment is to enhance the educational opportunities of band members.

(v) Natural resources and economic development:

Natural resources and economic development is responsible for the development of economic opportunities to band members, along with the exploration of the development of natural resource revenue for the Band.

(vi) Capital projects:

Capital projects administers the planning and implementation of new capital projects and infrastructure on the reserve.

(vii) Social housing:

Social housing administers services to provide social housing to band members.

(viii) Impact benefit agreements:

Impact benefit agreements administer one-time funding received by the Band as part of participation agreements with businesses operating in their territory.

# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 16. Segmented information (continued):

2014	Community welfare	Administration	Operations and maintenance	Education	Natural resources and economic development	Capital projects	Social housing	Impact benefit agreements	Total
<b>Revenues:</b>									
AANDC	\$ 1,206,917	\$ 445,844	\$ 123,932	\$ 1,572,735	\$ 99,181	\$ 9,824	\$ -	\$ -	\$ 3,458,433
Rental	-	26,415	909	80	28,200	-	167,613	-	223,217
Interest and investment	-	22,908	-	494	109,637	-	1,236	20,337	154,612
Health Canada	-	92,400	-	-	-	-	-	-	92,400
Province of BC	-	-	-	-	282,252	-	-	-	282,252
First Nations Education Steering Committee	-	52,993	-	-	-	-	-	-	52,993
Revenue other	38,719	373,253	25,723	62,440	640,827	-	-	-	1,140,962
Interior Salish	-	-	-	-	-	-	-	-	-
Employment and Training Society	-	19,546	-	-	-	-	-	-	19,546
Property tax revenue	-	132,646	-	-	-	-	-	-	132,646
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	63,882	-	63,882
<b>Total revenues</b>	<b>1,245,636</b>	<b>1,166,005</b>	<b>150,564</b>	<b>1,635,749</b>	<b>1,160,097</b>	<b>9,824</b>	<b>232,731</b>	<b>20,337</b>	<b>5,620,943</b>
<b>Expenses:</b>									
Salaries, wages and employee benefits	303,007	658,074	52,632	331,282	155,952	-	20,660	44	1,521,651
Operating	893,840	841,027	114,420	1,227,773	351,299	1,994	87,814	29,513	3,547,680
Amortization	-	6,677	217,962	177,204	3,768	-	112,303	-	517,914
<b>Total expenses</b>	<b>1,196,847</b>	<b>1,505,778</b>	<b>385,014</b>	<b>1,736,259</b>	<b>511,019</b>	<b>1,994</b>	<b>220,777</b>	<b>29,557</b>	<b>5,587,245</b>
<b>Annual surplus (deficit)</b>	<b>\$ 48,789</b>	<b>\$ (339,773)</b>	<b>\$ (234,450)</b>	<b>\$ (100,510)</b>	<b>\$ 649,078</b>	<b>\$ 7,830</b>	<b>\$ 11,954</b>	<b>\$ (9,220)</b>	<b>\$ 33,698</b>



# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

## 16. Segmented information (continued):

2013	Community Welfare	Administration	Operations and Maintenance	Education	Natural Resources and Economic Development	Capital Projects	Social Housing	Impact Benefit Agreements	Total
<b>Revenues:</b>									
AANDC	\$ 1,384,965	\$ 428,607	\$ 109,721	\$ 1,634,420	\$ 38,669	\$ 250,120	\$ -	\$ -	\$ 3,846,502
Rental	-	29,941	1,369	422	27,600	-	163,080	-	222,412
Interest and investment	11	21,801	-	394	134,759	-	1,396	(38)	158,361
Health Canada	-	92,400	-	-	-	-	-	-	92,400
Province of BC	-	-	-	-	358,884	-	-	-	358,884
First Nations Education Steering Committee	-	76,664	-	-	-	-	-	-	76,664
Revenue other	8,000	181,222	5,411	7,328	702,467	-	-	-	904,428
Interior Salish Employment and Training Society	-	51,792	-	-	-	-	-	-	51,792
Property tax revenue	-	110,612	-	-	-	-	-	-	110,612
WOP	-	3,782	-	-	-	-	-	-	3,782
Canada Mortgage and Housing Corporation	-	-	-	-	-	327,300	66,746	-	394,046
Impact Benefit agreements	-	-	-	-	-	-	-	107,402	107,402
<b>Total revenues</b>	<b>1,392,976</b>	<b>996,821</b>	<b>116,501</b>	<b>1,642,564</b>	<b>1,262,379</b>	<b>577,420</b>	<b>231,222</b>	<b>107,364</b>	<b>6,327,285</b>
<b>Expenses:</b>									
Salaries, wages and employee benefits	354,133	632,055	25,750	347,585	153,696	-	22,553	-	1,535,772
Operating	977,750	663,863	171,384	978,117	264,201	336,921	110,348	53,661	3,556,245
Amortization	-	10,375	205,816	177,159	3,925	-	107,800	-	505,075
<b>Total expenses</b>	<b>1,331,883</b>	<b>1,306,293</b>	<b>402,950</b>	<b>1,502,861</b>	<b>421,822</b>	<b>336,921</b>	<b>240,701</b>	<b>53,661</b>	<b>5,597,092</b>
<b>Annual surplus (deficit)</b>	<b>\$ 61,093</b>	<b>\$ (309,472)</b>	<b>\$ (286,449)</b>	<b>\$ 139,703</b>	<b>\$ 840,557</b>	<b>\$ 240,499</b>	<b>\$ (9,479)</b>	<b>\$ 53,741</b>	<b>\$ 730,193</b>

# COLDWATER INDIAN BAND

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2014

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## 17. Federal assistance payments:

Coldwater Housing Management 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 during the year was \$63,882 (2013 - \$66,746). The assistance will continue, providing the Band is not in default of the agreement.

## 18. Commitments:

The Band has entered into a Local Education Agreement (LEA) with School District #58, expiring June 2016, to provide enrollment in the School District to Band members. Tuition payments are calculated on a per student basis. During the year, the Band paid \$656,304 towards the LEA.

## 19. Contingencies:

The Band has guaranteed certain band member loans with AANDC. The amount outstanding on these loans at March 31, 2014 amounts to \$55,502 (2013 - \$66,891).

## 20. Pension:

The Band provides a defined contribution plan for eligible members of its staff. Members are required to contribute 5.5% (2013 - 5.5%) of their salary up to a maximum of 18.0% (2013 - 18.0%) of their basic salary. The Band contributes 5.5% (2013 - 5.5%) and the contributions are directed to the member's contribution account. During the year, the Band contributed \$47,710 (2013 - \$48,121).

## 21. Comparative figures:

Certain 2013 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.