

Caldwell First Nation

**Financial Statements
March 31, 2015**

INDEPENDENT AUDITOR'S REPORT

To the Council of Caldwell First Nation

We have audited the accompanying financial statements of Caldwell First Nation, which comprise the statement of financial position as at March 31, 2015, and the statement of operations, statement of changes in net financial assets, statement of cash flow, and statement of remeasurement gains (losses) for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the statement of financial position of Caldwell First Nation as at March 31, 2015, and the statement of operations, statement of changes in net financial assets, statement of cash flow, and statement of remeasurement gains (losses) for the year then ended in accordance with Canadian public sector accounting standards.

Leamington, Ontario
June 11, 2015

HICKS, MacPHERSON, IATONNA
& DRIEDGER LLP

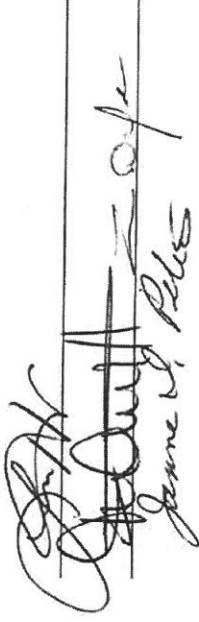
*Hicks, MacPherson, Iatonna
& Driedger LLP*

Chartered Professional Accountants
Licensed Public Accountants

Caldwell First Nation
Statement of Financial Position
as at March 31

	2015	2014
Assets		
Financial Assets		
Cash	\$ 8,601,728	\$ 6,745,790
Accounts receivable	71,355	11,040
Trust income receivable	512,398	368,327
Loan receivable - affiliate	55,000	20,000
Long term investments (note 1)	4,656,466	6,568,702
Caldwell infant trust (note 1)	418,952	509,938
	14,315,899	14,223,797
Liabilities		
Bank indebtedness (note 4)	-	1,558,874
Accounts payable and accrued liabilities	14,717	5,064
Deferred revenue (note 1 and 7)	327,745	606,147
Caldwell infant trust payable (note 1)	418,952	509,938
	761,414	2,680,023
Net Financial Assets	13,554,485	11,543,774
Non-Financial Assets		
Tangible capital assets - net (note 3)	15,265,611	13,524,492
Prepaid expenses	45,560	27,443
	15,311,171	13,551,935
Accumulated Surplus - General Fund	25,481,856	22,126,585
Accumulated Surplus - OFNLP Invested in TCAs (note 9)	3,349,712	2,845,332
Accumulated Remeasurement Gains (Losses)	(89,707)	88,444
	\$ 28,741,861	\$ 25,060,361

On Behalf of the Nation


Jane S. Peltier

Caldwell First Nation
Statement of Operations
for the years ended March 31

	2015	2014
Revenue		
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 147,531	\$ 147,418
Association of Iroquois and Allied Indians (AIAI)	162,224	143,798
OFNLP	741,797	650,487
Investment and trust revenue	4,868,343	3,458,810
Rent and miscellaneous	116,183	67,289
Trillium grants	-	49,449
Hunting and fishing, CORDA, fundraising	3,610	38,465
Employment and training	131,445	-
Crop Sales	129,514	-
	6,300,647	4,555,716
Expenses		
Salaries, benefits, honorariums	253,516	247,081
Elections, membership meetings	25,073	10,869
Professional fees	21,942	80,456
Bank charges and interest	125	-
Office	16,225	13,743
Telephone, utilities	17,881	21,145
Travel, meals	35,617	34,768
Program expenses, supplies	108,507	86,715
Library	520	11,017
Land development	-	20,669
Community and economic development - OFNLP	235,751	182,558
Administration, other	217,980	150,624
Insurance	5,894	4,360
Amortization	26,057	17,047
Farming expenses	70,092	-
Employment and training	130,816	-
Cost of living assistance	1,275,000	-
	2,440,996	881,052
Annual Surplus		
Accumulated Surplus, Beginning of Year	3,859,651	3,674,664
	24,971,917	21,297,253
Accumulated Surplus, End of Year	\$ 28,831,568	\$ 24,971,917

Caldwell First Nation

**Statement of Change in Net Financial Assets
for the years ended March 31**

	2015	2014
Annual Surplus		
Acquisition of tangible capital assets	\$ 3,859,651	\$ 3,674,664
Change in prepaid expenses	(1,741,116)	(2,707,892)
Remeasurement gains on long term investments	(18,117)	(25,147)
	(89,707)	88,444
Change in Net Financial Assets	2,010,711	1,030,069
Net Financial Assets, Beginning of Year	11,543,774	10,513,705
Net Financial Assets, End of Year	\$ 13,554,485	\$ 11,543,774

Caldwell First Nation
Statement of Cash Flow
for the years ended March 31

	2015	2014
Cash flow from operating activities		
Cash received from funders, members, etc.	\$ 1,093,587	\$ 1,189,174
Cash paid to suppliers, employees, etc.	(2,423,400)	(884,354)
	(1,329,813)	304,820
Cash flow from financing activities		
Transfer of funds to affiliate	(35,000)	(20,000)
Repayment of loan	(1,558,874)	-
	(1,593,874)	(20,000)
Cash flow from investing activities		
Purchase of tangible capital assets	(1,767,176)	(2,724,939)
Investment and trust revenue received	4,634,565	3,345,834
Redemption of long term investments	1,912,236	350,224
	4,779,625	971,119
Net Change in Cash	1,855,938	1,255,939
Cash, Beginning of Year	6,745,790	5,489,851
Cash, End of Year	\$ 8,601,728	\$ 6,745,790

Caldwell First Nation

**Statement of Remeasurement Gains (Losses)
for the years ended March 31**

	2015	2014
Unrealized gains (losses) attributable to:		
Long-term investments	\$ (89,707)	\$ 88,444
Amounts reclassified to the statement of operations:		
Disposition of long-term investments	(88,444)	(35,352)
Net Remeasurement Gains (Losses) for the Year	(178,151)	53,092
Accumulated Remeasurement Gains at Beginning of Year	88,444	35,352
Accumulated Remeasurement Gains (Losses) at End of Year	\$ (89,707)	\$ 88,444

Caldwell First Nation
Notes to Financial Statements
for the years ended March 31

Nature of Business

Caldwell First Nation is a non-profit, non-taxable organization and is engaged in the social, cultural, educational and economic development of its member citizens.

1. Summary of Accounting Policies

The financial statements have been prepared by the management of the Nation in accordance with Canadian generally accepted accounting principles for governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

This reporting entity includes the Caldwell First Nation government and all related entities that are either owned or controlled by the First Nation.

Management Responsibility

The financial statements of Caldwell First Nation are the representation of management prepared in accordance with accounting policies prescribed for government not-for-profit organizations as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

Use of Estimates

In preparing the financial statements for the members of Caldwell First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Although these estimates are based on management's best knowledge of current events and actions that the nation may undertake in the future, actual results could differ from the estimates. Areas of key estimation include valuation of accounts receivable and deferred revenue and the carrying amount of property, plant and equipment.

Revenue Recognition

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue. Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Investment and trust revenue is recorded as received or the amount is known and collection is reasonably assured. All other revenue is recorded as received.

Deferred Revenue

Revenue restricted by external purposes or not yet available for Nation use is reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of operations in the year in which it is used for specified purposes.

Financial Instruments

The Nation classifies its financial instruments as either fair value or amortized cost. The Nation's accounting policy for each category is as follows:

Fair Value

This category includes cash, trust income receivable, long term investments, Caldwell infant trust, and bank indebtedness and Caldwell infant trust payable.

Caldwell First Nation
Notes to Financial Statements
for the years ended March 31

1. Summary of Accounting Policies (Cont'd)

Amortized Cost

This category includes accounts receivable, loan receivable affiliate, accounts payable and accrued liabilities, and deferred revenue. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

Investments

Long term investments are recorded at market value. These investments include government bonds, mutual funds and various equity holdings. Any income earned on these investments is to be paid to the Nation at least annually for operational purposes.

Caldwell Infant Trust was established on June 8, 2011 to hold the sum of \$ 24,000 for each member that was under the age of 18 as of August 21, 2010. This trust is managed by The Canada Trust Company. Principal and accrued interest is to be paid out to each member as they attain the age of 18. This trust is recorded at market value and a corresponding payable has been recorded in the liabilities.

Caldwell First Nation
Notes to Financial Statements
for the years ended March 31

2. Financial Instrument Classification

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value shown below.

	Fair Value	Amortized Cost	Total
Cash	\$ 8,601,728	\$ -	\$ 8,601,728
Accounts receivable	-	71,355	71,355
Trust income receivable	512,398	-	512,398
Loan receivable - affiliate	-	55,000	55,000
Long term investments	4,656,466	-	4,656,466
Caldwell infant trust	418,952	-	418,952
Accounts payable and accrued liabilities	-	14,717	14,717
Deferred revenue	-	311,570	311,570
Caldwell infant trust payable	418,952	-	418,952
	\$ 14,608,496	\$ 452,642	\$ 15,061,138

The cash is a fair value measurement which is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price.

3. Tangible Capital Assets

Tangible capital assets are recorded at historical cost. Historical cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets.

Amortization is reflected on a declining balance basis over the estimated useful life of the assets. It is the Nation's policy not to amortize assets in the year of acquisition. The amortization rates are as follows:

	Land	Building, hunting and fishing facility	Equipment	Solar equipment	Indefinite life
					4% 20% 30%
Cost	Accumulated Amortization	Net Book Value 2015	Net Book Value 2014		
Land	\$ 14,775,790	\$ -	\$ 14,775,790	\$ 13,103,649	
Building, hunting and fishing facility	396,263	27,803	368,460	348,555	
Equipment	29,993	9,133	20,860	22,685	
Solar equipment	49,603	1,193	48,410	49,603	
Hunting and fishing facility	57,065	4,974	52,091	-	
	\$ 15,308,714	\$ 43,103	\$ 15,265,611	\$ 13,524,492	

Caldwell First Nation

Notes to Financial Statements for the years ended March 31

4. Bank Indebtedness

	2015	2014
Bank of Montreal - Demand loan	\$ -	\$ 534,201
Bank of Montreal - Demand loan	-	1,024,673
	\$ -	\$ 1,558,874

Caldwell and the Bank of Montreal have settled on the called loan. In the current year, the amount paid to settle this debt was \$1,492,000. The remaining \$66,873 of accrued interest was reversed and recorded as income in the statement of operations.

5. Contingency

The Corporation receives funding from various government agencies based on specific program needs and budgets and allocates certain expenses to the various programs. In many cases, the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their programs. At this time, no estimate of the requirements, if any, to reimburse the agencies can be made for current funding. Management of the Corporation feels that their allocations of expenses are fair and appropriate in the circumstances.

6. Health Program (Schedule 5)

Funding included under this category includes the following:

	2015	2014
Health Consultation	\$ 2,250	\$ 2,250
Health Careers	3,000	3,000
Health and Social Services	2,000	2,000
	\$ 7,250	\$ 7,250

7. Deferred Revenue

Deferred revenue is comprised of:

	2015	2014
OFNLP	\$ 311,570	\$ 606,147

Caldwell First Nation
Notes to Financial Statements
for the years ended March 31

8. Related Entity

Caldwell First Nation has an economic interest in the Caldwell Settlement Trust.

Caldwell Settlement Trust ("Trust") was settled under a Deed of Trust by the Caldwell First Nation ("Caldwell") as Settlor by the payment of an initial contribution on May 25, 2011. A further contribution in the amount of \$75,000,000 was subsequently made to the Trust by the Government of Canada.

The Trust was established to effect the investment and distribution of the monies due to Caldwell; to build out a Reserve, to finance Caldwell programs, services and activities; to provide income to Caldwell Institutions; and to generally benefit Caldwell future generations.

The assets, liabilities, results of operations and cash flows for the Trust for the years ended December 31 are as follows:

	2015	2014
<i>Financial position:</i>		
Total assets	\$ 82,226,783	\$ 78,679,070
Distributions payable	\$ 4,298,900	\$ 3,178,061
Net assets	77,967,883	75,501,009
	\$ 82,266,783	\$ 78,679,070
<i>Results of operations:</i>		
Total revenue	\$ 7,445,691	\$ 4,545,487
Total expenses	676,863	549,723
Net income	\$ 6,768,828	\$ 3,995,764
<i>Cash flows:</i>		
Operating	\$ 7,860,677	\$ 5,414,674
Investing	(2,779,295)	(1,701,736)
Financing	(4,301,954)	(3,154,841)

9. OFNLP Surplus

OFNLP funding in the amount of \$3,349,712 (2014 - \$2,845,332) have been utilized to acquire various tangible capital assets.

10. Budget Amounts

Budget amounts have been presented for programs that require one for funding.

11. Comparative Figures

Certain comparative figures have been reclassified to conform to current year's presentation.

Caldwell First Nation

Notes to Financial Statements for the years ended March 31

12. Financial Instrument Risk Management

Credit Risk

Credit risk is the risk of financial loss to the Nation if a debtor fails to make payments of interest and principal when due. The Nation is exposed to this risk relating to its cash and accounts receivable. The Nation holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, each of the Nation's cash accounts are insured up to \$100,000 (2014 - \$100,000).

Accounts receivable is primarily due from government agencies. Credit risk is mitigated by the financial solvency of the provincial government.

The Nation measures its exposure to credit risk based on how long the amounts have been outstanding. At the present time, 100% of the Nation's receivables are current.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and equity risk. The Nation is not exposed to significant currency risk as it does not transact materially in foreign currency.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Nation is exposed to this risk through its various investments.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Nation is exposed to this risk through its equity holdings within its investment portfolio. The nation holds a very diversified portfolio in order to manage this risk.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity Rate Risk

Liquidity risk is the risk that the Nation will not be able to meet all cash outflow obligations as they come due. The Nation mitigates this risk by monitoring cash activities and expected outflows and maintaining sufficient cash resources at all times.

Caldwell First Nation
Schedule of Band Support
Schedule 1

for the years ended March 31

	Budget 2015 (unaudited)	2015	2014
Revenue			
Aboriginal Affairs and Northern Development Canada	\$ 105,531	\$ 103,031	\$ 102,918
Aboriginal Affairs and Northern Development Canada - Registry	-	2,500	2,500
	105,531	105,531	105,418
Expenses			
Professional fees	18,070	18,070	22,706
Bank charges and interest	-	126	-
Office	6,750	4,872	2,865
Repairs and maintenance	3,000	2,389	3,726
Telephone	1,700	2,277	2,181
Utilities	9,000	8,369	7,733
Insurance	6,000	5,894	4,360
Elections, membership meetings	2,500	2,173	10,566
Honorarium	30,000	35,894	23,245
Travel, meals	26,000	23,787	27,293
Miscellaneous	2,511	1,680	743
	105,531	105,531	105,418
Annual Surplus	\$ -	\$ -	\$ -

Caldwell First Nation
Schedule of Economic Development
Schedule 2

for the years ended March 31

	Budget 2015 (unaudited)	2015	2014
Revenue			
Aboriginal Affairs and Northern Development Canada - FTP	\$ 42,000	\$ 42,000	\$ 42,000
Expenses			
Salaries	750	31,332	-
Business development	-	48	-
Member training	30,000	9,913	21,152
Land development	-	-	20,669
Research and land claims	10,750	-	-
Supplies	500	707	179
	42,000	42,000	42,000
Annual Surplus	\$ -	\$ -	\$ -

Caldwell First Nation
Statement of Revenue and Expenses
Trillium Grants

for the years ended March 31

	2015	2014
Income		
Trillium grant - War of 1812	\$ -	\$ 49,449
Expenses		
Salary	-	43,830
Administrative costs	-	5,619
	-	49,449
Annual Surplus	\$ -	\$ -

Caldwell First Nation
Schedule of Employment and Training
Schedule 3

for the years ended March 31

	2015	2014
Revenue		
EI	\$ 26,714	\$ -
CRF	60,212	-
Canada summer jobs	31,554	-
Career fair	8,261	-
Monitoring	4,704	-
	131,445	-
Expenses		
EI - salaries and benefits	24,954	-
EI - labour market	1,760	-
CRF - salaries and benefits	21,328	-
CRF - labour market	33,881	-
CRF - travel	3,874	-
CRF - office	1,129	-
Monitoring	4,085	-
Summer students	31,544	-
Career fair	8,261	-
	130,816	-
Annual Surplus	\$ 629	\$ -

Caldwell First Nation

**Schedule of HIV/AIDS
Schedule 4**

for the years ended March 31

	Budget 2015 (unaudited)	2015	2014
Revenue			
AIAI - Support Programs	\$ 3,298	\$ 3,298	\$ 3,298
Expenses			
Workshops	1,500	1,500	2,841
Postage	750	750	457
AIDS - supplies	1,048	1,048	-
	3,298	3,298	3,298
Annual Surplus	\$ -	\$ -	\$ -

Caldwell First Nation

**Schedule of Health
Schedule 5**

for the years ended March 31

	Budget 2015 (unaudited)		2015	2014
Revenue				
AIAI (note 6)	\$	7,250	\$ 7,250	\$ 7,250
Expenses				
Supplies		2,250	2,250	2,250
Health promotions		5,000	5,000	5,000
		7,250	7,250	7,250
Annual Surplus	\$	-	\$ -	\$ -

Caldwell First Nation
Schedule of Aboriginal Healing and Wellness and Mental Health
Schedule 6

for the years ended March 31

	Budget 2015 (unaudited)	2015	2014
Revenue			
AIAI	\$ 103,324	\$ 109,265	\$ 103,324
Expenses			
Wages and benefits	64,547	67,245	69,000
Travel	2,500	3,300	4,000
Mental health programming	9,500	14,677	13,919
Healthy lifestyles	1,500	1,500	1,999
Workshops and supplies	12,518	13,443	4,500
Advertising	3,500	1,000	1,500
Program support	-	1,000	-
Office	9,259	7,100	8,406
	103,324	109,265	103,324
Annual Surplus	\$ -	\$ -	\$ -

Caldwell First Nation
Schedule of Aboriginal Diabetes Education
Schedule 7

for the years ended March 31

		Budget 2015 (unaudited)	2015	2014
Revenue				
AIAI	\$	9,563	\$ 23,849	\$ 9,563
Expenses				
Support staff		500	500	-
Supplies		1,750	1,750	4,000
Postage		750	750	500
Workshops and training		6,563	3,563	5,063
ADE - supplementary funding		-	17,286	-
		9,563	23,849	9,563
Annual Surplus	\$	-	\$ -	\$ -

Caldwell First Nation
Schedule of Fetal Alcohol Spectrum Disorder
Schedule 8

for the years ended March 31

	Budget 2015 (unaudited)		2015	2014
Revenue				
AIAI	\$	18,563	\$ 18,563	\$ 20,363
Expenses				
Child nutrition		-	1,428	6,783
Administration		1,856	1,856	2,356
Speakers		-	115	-
Materials and supplies		16,707	7,376	5,385
Workshops		-	7,788	5,839
		18,563	18,563	20,363
Annual Surplus	\$	-	\$ -	\$ -

Caldwell First Nation
Schedule of Administration
Schedule 9

for the years ended March 31

	2015	2014
Revenue		
Investment and trust revenue	\$ 4,868,343	\$ 3,547,254
Rental	42,510	63,727
Hunting and fishing, CORDA, fundraising	3,610	38,465
General	6,800	3,562
Other income - BMO interest reversal	66,874	-
	4,988,137	3,653,008
Expenses		
Salaries	118,997	111,005
Utilities and telephone	7,235	11,231
Travel	8,530	3,475
Youth development	2,776	765
Cultural development	5,877	7,040
Membership events	22,899	303
Member health and education	5,000	-
Library supplies	520	11,017
Office	2,753	1,018
Legal fees	3,272	57,585
ATR - process	600	164
Property expenses	158,957	98,923
Hunting and fishing	2,960	-
Miscellaneous	51,379	38,258
Amortization	26,057	17,047
Cost of living assistance	1,275,000	-
	1,692,812	357,831
Annual Surplus	\$ 3,295,325	\$ 3,295,177

Caldwell First Nation

**Schedule of OFNLP
Schedule 10**

for the years ended March 31

	2015	2014
Revenue		
OFNLP income	\$ 12,131	\$ 88,787
OFNLP (2008) income	725,622	498,254
OFNLP - Future Generations	4,044	63,446
	741,797	650,487
Expenses		
Community development	163,732	150,092
Health	1,666	-
Economic development	66,203	31,194
Cultural development	5,817	-
Future generations - education	-	1,272
	237,418	182,558
Annual Surplus (note 9)	\$ 504,379	\$ 467,929

Caldwell First Nation

**Schedule of Farming
Schedule 11**

for the years ended March 31

	2015	2014
Revenue		
Crop sales	\$ 129,514	\$ -
Expenses		
Seed	28,568	-
Fertilizer and chemicals	11,475	-
Custom work	26,645	-
Freight and shipping	622	-
Repairs and maintenance	738	-
Drying and storage	630	-
Insurance	1,520	-
	70,198	-
Annual Surplus	\$ 59,316	\$ -