

Caldwell First Nation
Consolidated Financial Statements
For the Year Ended March 31, 2020

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Consolidated Financial Statements
For the Year Ended March 31, 2020

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Tel: (519) 432 5534
Fax: (519) 432 6544
Toll-free: (888) 275 4933
www.bdo.ca

BDO Canada LLP
633 Colborne Street
Suite 230
London ON N6B 2V3 Canada

Independent Auditor's Report

To the council of Caldwell First Nation

Opinion

We have audited the consolidated financial statements of Caldwell First Nation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2020, the consolidated statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian Public Sector accounting standards.

Basis for Opinion

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 the 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 group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

London, Ontario
June 30, 2020

Caldwell First Nation Consolidated Statement of Financial Position

March 31	2020	2019
Financial Assets		
Cash	\$12,715,377	\$ 11,689,418
Caldwell infant trusts (Note 2)	439,405	274,405
Accounts receivable	309,769	195,977
Long-term investments (Note 2)	-	4,159,935
Investment in related parties (Note 3)	129,252	115,692
	<u>\$13,593,803</u>	<u>\$ 16,435,427</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 487,361	\$ 481,451
Deferred revenue (Note 4)	323,804	135,641
Caldwell infant trusts payable (Note 2)	439,405	274,405
	<u>1,250,570</u>	<u>891,497</u>
Net Financial Assets	<u>\$12,343,233</u>	<u>\$ 15,543,930</u>
Non-Financial Assets		
Prepaid expenses	\$ 95,293	\$ 56,926
Tangible capital assets (Note 5)	23,320,593	19,232,501
	<u>23,415,886</u>	<u>19,289,427</u>
Accumulated Surplus (Note 6)	<u>\$35,759,119</u>	<u>\$ 34,833,357</u>

Economic interest (Note 7)
Contingent liability (Note 8)

On behalf of the Board:

_____ Director

 Director





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

Caldwell First Nation

Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2020 Budget	2020	2019
Annual surplus	2,103,500	925,756	2,180,308
Acquisition of tangible capital assets	-	(4,198,021)	(192,222)
Proceeds on disposal of tangible capital assets	-	-	5,993
Amortization of tangible capital assets	-	109,935	85,174
	2,103,500	(3,162,330)	2,079,253
Change in prepaid expenses and deposits	-	(38,367)	(7,905)
Change in Net Financial Assets	2,103,500	(3,200,697)	2,071,348
Net Financial Assets, Beginning of Year	-	15,543,930	13,472,582
Net Financial Assets, End of Year	\$ 2,103,500	\$12,343,233	\$ 15,543,930

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

Caldwell First Nation Consolidated Statement of Operations

For the year ended March 31	2020 Budget	2020	2019
Revenue			
Indigenous Services Canada	\$ 785,070	\$ 496,935	\$ 362,348
Association of Iroquois and Allied Indians	422,326	402,526	385,311
Ontario First Nations Limited Partnership	1,368,020	551,109	681,938
Investment and trust revenue	3,276,840	4,029,834	4,331,261
Rent	120,880	129,452	114,712
Employment and training	205,896	173,418	195,695
Crop sales and insurance	272,880	336,616	353,835
Ministry of Children, Community and Social Service	311,526	311,526	175,404
Health Canada	248,549	248,549	245,718
Program administrative fees	132,000	145,924	94,698
General	3,000	4,691	796
Tecumseh development	-	-	35,490
Pow Wow recovery	-	-	60,000
Mnaasged Child and Family Services	2,521	2,521	35,121
Parks Canada	30,750	18,601	-
	<u>7,180,258</u>	<u>6,851,702</u>	<u>7,072,327</u>
Expenses			
Health Care - Schedule 1	1,574,834	1,289,864	962,282
Internally Developed - Schedule 2	1,852,275	3,567,571	3,201,444
Other - Schedule 3	1,649,649	1,068,511	739,019
	<u>5,076,758</u>	<u>5,925,946</u>	<u>4,902,745</u>
Revenue over expenses before other income	<u>2,103,500</u>	<u>925,756</u>	<u>2,169,582</u>
Other income	<u>-</u>	<u>-</u>	<u>10,726</u>
Annual surplus	<u>\$ 2,103,500</u>	<u>\$ 925,756</u>	<u>\$ 2,180,308</u>

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

Caldwell First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2020	2019
Cash flows from operating activities		
Annual surplus	\$ 925,756	\$ 2,180,308
Items not affecting cash:		
Amortization of tangible capital assets	109,935	85,174
	1,035,691	2,265,482
Changes in non-cash working capital:		
Accounts receivable	(113,791)	264,646
Prepaid expenses	(38,367)	(7,905)
Accounts payable and accrued liabilities	5,902	329,051
Deferred contributions	188,163	13,684
	1,077,598	2,864,958
Cash flows from investing activities		
Proceeds on disposal of investments	4,159,941	317,059
Cash flows from financing activities		
Advances from related parties	(13,559)	(203)
Cash flows from capital activities		
Acquisition of tangible capital assets	(4,198,021)	(192,222)
Proceeds on disposal of tangible capital assets	-	5,993
	(4,198,021)	(186,229)
Change in Cash	1,025,959	2,995,585
Cash, beginning of the year	11,689,418	8,693,833
Cash, end of the year	\$12,715,377	\$ 11,689,418

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

Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2020

1. Significant Accounting Policies

Nature of Business	<p>Caldwell First Nation (the "First Nation") is a non-profit, non-taxable organization located in Leamington, Ontario. The elected government consists of a Chief and four members of Council.</p> <p>The mandate of the organization is to manage and administer all political, social and economic programs of the First Nation.</p> <p>The organization is exempt from income taxes under the Income Tax Act.</p>
Management's Responsibility	<p>These financial statements of the First Nation are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards for local government entities.</p>
Revenue Recognition	<p>Revenues are recognized in the period in which the transactions or events give rise to the revenues. All revenues are recorded on an accrual basis.</p> <p>Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.</p> <p>Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized in revenue when used for the specific purpose.</p> <p>Investment and trust revenue is recognized as revenue as received or the amount is known and collection is reasonably assured.</p> <p>Revenue from the sale of crop is recognized when the title passes to the customer, which is generally at the time goods are shipped.</p> <p>Rental revenue is recognized when it is due in accordance with the respective agreements. All other revenue is recorded as received.</p>

Caldwell First Nation

Notes to Consolidated Financial Statements

March 31, 2020

1. Significant Accounting Policies (continued)

Financial Instruments

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

Fair Value

This category includes derivatives and equity instruments quoted in an active market. They are initially recognized at cost and subsequently carried at fair value. Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

Transaction costs are expensed as incurred for financial instruments measured at fair value.

Amortized cost

This category includes cash, accounts receivable, accounts payable and accrued liabilities, and infant trusts. 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, except for contributions, which are initially recognized at fair value. The carrying amount of each of these financial instruments is presented on the statement of financial position.

All financial assets are tested annually for impairment. 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.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost.

Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2020

1. Significant Accounting Policies (continued)

Tangible Capital Assets Tangible capital assets are stated at cost less accumulated amortization. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Building	Diminishing balance	4%
Hunting and fishing facility	Diminishing balance	4%
Equipment	Diminishing balance	20%
Solar equipment	Diminishing balance	30%
Computer equipment	Diminishing balance	30%

Use of Estimates The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

Investments Short term investments are recorded at market value. These investments include two Caldwell Infant Trusts.

Long term investments are recorded at market value. These investments include government bonds, mutual funds and various equity holdings.

Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2020

1. Significant Accounting Policies (continued)

Basis of Consolidation

These consolidated financial statements include the accounts of the organization and its wholly-owned subsidiaries CFN Holdings Limited Partnership and Caldwell First Nation Holdings GP Inc. The subsidiaries' assets, liabilities and operations are included in these financial statements and all significant inter-company transactions and balances have been eliminated on consolidation.

Commercial enterprises that meet the definition of a government business enterprise are included in the consolidated financial statements on a modified equity basis. The Company accounted for on a modified equity basis is The Happy Snapper Inc. Under the modified equity method of accounting, only Caldwell First Nation's investment in the government business enterprise, the First Nation's portion of the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Caldwell First Nation and inter-organizational balances and transactions are not eliminated.

Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2020

2. Investments

Short term investments include three Caldwell Infant Trusts.

- The first trust was established in 2011 to hold \$24,000 for each member that was under the age of 18 as of August 21, 2010.
- The second trust was established in 2018 to hold the cost of living assistance distribution for each member that is under the age of 18 at the time of the distribution.
- The third trust was established in 2019 to hold the cost of living assistance distribution for each member that is under the age of 18 at the time of the distribution.

For all trusts, principal and accrued interest is to be paid out to each member as they attain the age of 18. All trusts are recorded at market value and a corresponding payable has been recorded in the liabilities.

Long term investments include government bonds, mutual funds and various equity holdings. These investments are recorded at market value.

Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2020

3. Investment in Related Parties

The investment in related parties includes investments in government business enterprises through advances to and shares in these corporations. The advances to these corporations are non-interest bearing, unsecured, and are due on demand.

	<u>2020</u>	<u>2019</u>
Advances to		
The Happy Snapper Inc.	\$ 129,240	\$ 115,680
Shares		
The Happy Snapper Inc.	10	10
Turtle Landing Inc.	1	1
1887090 Ontario Limited	1	1
	<u>129,252</u>	<u>115,692</u>

The shares in The Happy Snapper Inc., Turtle Landing Inc., and 1887090 Ontario Limited are owned and controlled by the Band and are considered investments in government business enterprises and are accounted for using the modified equity method as indicated in Note 1.

During the year Caldwell First Nation paid a grant to The Happy Snapper of \$46,000 (2019 - \$115,000). This transaction is in the normal course of operations and is measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

The following is key financial statement items for The Happy Snapper Inc.:

	<u>2020</u>	<u>2019</u>
Assets	\$ 85,079	\$ 83,070
Liabilities	148,908	127,795
Revenue	144,756	246,456
Net income (loss)	(19,102)	48,826

Caldwell First Nation
Notes to Consolidated Financial Statements

March 31, 2020

4. Deferred Revenue

	2020	2019
Association or Iroquois and Allied Indians	\$ 19,800	\$ -
Child and Family Services	153,166	102,256
Early Learning and Child Care	59,314	-
Employment and training	4,445	-
Enhanced Housing	5,312	-
Financial Management Capacity	-	15,000
On-Reserve Housing	43,978	-
Parks Canada	12,149	-
Traditional Healer	2,672	-
Youth employment strategy	22,968	18,385
	<u>\$ 323,804</u>	<u>\$ 135,641</u>

5. Tangible Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$21,148,852	\$ -	\$ 18,562,906	\$ -
Buildings	1,868,495	107,062	508,049	87,962
Hunting and fishing facility	60,257	22,996	60,257	21,444
Equipment	228,347	144,693	224,597	91,433
Solar equipment	49,603	27,761	49,603	18,400
Computer equipment	55,078	10,624	55,078	8,750
Sewer installations	247,885	24,788	-	-
	<u>23,658,517</u>	<u>337,924</u>	<u>19,460,490</u>	<u>227,989</u>
		<u>\$23,320,593</u>		<u>\$ 19,232,501</u>

Caldwell First Nation
Notes to Consolidated Financial Statements

March 31, 2020

6. Accumulated Surplus

	2020	2019
Investment in tangible capital assets - Ontario First Nations Limited Partnership	\$ 3,949,643	\$ 3,609,359
Investment in tangible capital assets - Ministry of Health	44,407	44,659
Investment in tangible capital assets - general	19,326,543	15,578,483
Internal restricted reserves		
Ontario First Nations Limited Partnership	338,615	859,433
Monitoring	28,251	23,304
Chief and council future projects	2,897,132	1,960,506
Farming	510,374	343,469
Hunting and fishing	24,953	-
Unrestricted	8,639,201	12,414,144
	<u>\$35,759,119</u>	<u>\$ 34,833,357</u>

Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2020

7. Caldwell Settlement Trust

Caldwell First Nation has an economic interest in the Caldwell Settlement Trust (the "Trust"). The trust was settled under a Deed of Trust by Caldwell First Nation as Settlor by 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 financial position and results of operations for the Trust are as follows:

December 31,	2019	2018
Financial position		
Distribution payable	\$ 3,605,936	\$ 4,292,817
Net assets	86,214,363	84,957,666
Total assets	89,820,299	89,250,483
Operations		
Total revenue	5,481,642	7,250,750
Total expenses	(619,009)	(659,143)
Revenue over expenses	\$ 4,862,633	\$ 6,591,607

8. Contingent Liability

The Organization has been named as a defendant in a \$25,000 legal action by a former employee of a related organization. The organization has contested the claim and, in management's opinion, it is unlikely that a liability will result. No provision for this claim has been made in the financial statements.

A claim has been made against the First Nation for unauthorized services rendered. The claim was successfully defended in court but is now in the appeal process. The outcome and the amount of losses, if any, are not determinable at this time and accordingly, no provision for losses has been made in the financial statements.

Caldwell First Nation

Notes to Consolidated Financial Statements

March 31, 2020

9. Classification of Expenditure by Object (Type of Expense)

The consolidated statement of operations presents the expenditures by function. The following classifies the same expenditures by object.

	2020	2019
Advertising and promotion	\$ 3,680	\$ 10,910
Amortization of tangible capital assets	109,935	85,174
Communications and utilities	71,740	45,646
Community, economic and cultural development	578,469	325,722
Consultations	-	7,441
Cost of living assistance	1,771,667	1,720,000
Council meetings	159,936	113,897
Crop inputs	108,945	147,571
Custom or contract work	15,055	15,798
Computer upgrades and IT support	48,011	37,771
Disease reduction	-	35,112
Elections, membership meetings	46,280	127,147
Farm insurance and fees	4,092	4,496
Harvest costs	76,742	94,542
Health expenses	231,308	22,046
Insurance	25,126	18,390
Interest and bank charges	1,983	1,035
Office	47,171	55,682
Policy development	21,663	13,900
Professional fees	268,398	157,992
Programs and supplies	516,239	338,717
Property taxes	108,741	79,752
Rental	46,600	48,951
Repairs and maintenance	143,663	196,269
Salaries, benefits and administration	1,244,765	876,842
Tecumseh development	-	35,890
Training	36,835	48,425
Travel and vehicle	109,058	70,233
Workshops and events	129,844	167,394
	<u>\$ 5,925,946</u>	<u>\$ 4,902,745</u>

10. Cost of Living Assistance

The First Nation pays out an annual cost of living assistance to each member who applies before the deadline. In fiscal 2020 the First Nation paid out \$1,771,667 which is 29% of expenditures (2019 - \$1,720,000 and 26% respectively).

Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2020

11. Segmented Information

Caldwell First Nation is a diversified government institution that provides a wide range of services to its members, including infrastructure maintenance, medical and other health services, administration, capital, enterprises and other services.

For each reported segment, revenues and expenses include amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information, including transfers that have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Health Care

Caldwell First Nation provides a wide array of health care programs including Aboriginal Healing and Wellness, Mental Health, Aboriginal Diabetes Education, Fetal Alcohol Spectrum Disorder, Healthy Babies, Healthy Children, Family Well Being, Life Promotions and Child and Family Services.

Internally Developed

This department is responsible for internally generated funds such as rent, interest and farm income.

General

The administration department oversees the delivery of other governmental services including Band Support, Economic Development, Employment and Training, Youth Strategy and funds from Ontario First Nations Limited Partnership.

Caldwell First Nation
Notes to Consolidated Financial Statements

March 31, 2020

12. 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 as shown below.

	2020		
	Fair Value	Amortized Cost	Total
Cash	\$ -	\$12,715,377	\$12,715,377
Caldwell infant trusts	439,405	-	439,405
Accounts receivable	-	309,769	309,769
Long-term investments	-	-	-
Investment in related parties	-	129,252	129,252
Accounts payable and accrued liabilities	-	487,361	487,361
Caldwell infant trusts payable	439,405	-	439,405
	<u>\$ 878,810</u>	<u>\$13,641,759</u>	<u>\$14,520,569</u>
	2019		
	Fair Value	Amortized Cost	Total
Cash	\$ -	\$ 11,689,418	\$ 11,689,418
Caldwell infant trusts	274,405	-	274,405
Accounts receivable	-	195,977	195,977
Long-term investments	4,159,935	-	4,159,935
Investment in related parties	-	115,692	115,692
Accounts payable and accrued liabilities	-	481,451	481,451
Caldwell infant trusts payable	274,405	-	274,405
	<u>\$ 4,708,745</u>	<u>\$ 12,482,538</u>	<u>\$ 17,191,283</u>

Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2020

13. Financial Instrument Fair Value Measurement

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1, 2 and 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		2020			
		Level 1	Level 2	Level 3	Total
Caldwell infant trusts payable	\$	439,405	\$ -	\$ -	\$ 439,405
		2019			
		Level 1	Level 2	Level 3	Total
Caldwell infant trusts payable	\$	274,405	\$ -	\$ -	\$ 274,405
Long-term investments		4,159,935	-	-	4,159,935
	\$	4,434,340	\$ -	\$ -	\$ 4,434,340

There were no transfers between Level 1 and Level 2 for the year ended March 31, 2020. There were also no transfers in or out of Level 3.

Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2020

14. Financial Instrument Risk Management

The First Nation is exposed to various risks through its financial instruments. The following analysis provides information about the First Nation's risk exposure and concentration. There have been no significant changes in the nature or concentration of the risk exposures from the prior year, unless otherwise noted.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The First Nation is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The First Nation's financial instruments that are exposed to concentrations of credit risk relate primarily to receivables from government sources. The First Nation works to ensure they meet all eligibility criteria in order to qualify to receive the funding.

At year end, the amounts outstanding for the First Nation's accounts receivable are as follows:

As at March 31	2020		
	Accounts receivable	Other accounts receivable	Total
Current	\$ 166,634	\$ -	\$ 166,634
1 to 30 days	102,166	-	102,166
31 to 60 days	-	-	-
61 to 90 days	705	-	705
Over 90 days	2,511	37,753	40,264
Total	\$ 272,016	\$ 37,753	\$ 309,769

As at March 31	2019		
	Accounts receivable	Other accounts receivable	Total
Current	\$ 142,052	\$ -	\$ 142,052
1 to 30 days	100	-	100
31 to 60 days	12,172	-	12,172
61 to 90 days	100	-	100
Over 90 days	4,300	37,253	41,553
Total	\$ 158,724	\$ 37,253	\$ 195,977

At year end, management has determined that the accounts receivable illustrated in the above

Caldwell First Nation Notes to Consolidated Financial Statements

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14. Financial Instrument Risk Management (continued)

table are not past due or impaired. This is based on the First Nation's assessment and past experience regarding collection rates.

Liquidity risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the First Nation will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The First Nation is exposed to this risk mainly in respect of its accounts payable and infant trusts payable.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

		2020				
		Within 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total
Accounts payable		\$ 487,361	\$ -	\$ -	\$ -	\$ 487,361
Infant trusts payable		-	-	10,000	429,405	439,405
		<u>\$ 487,361</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 429,405</u>	<u>\$ 926,766</u>
		2019				
		Within 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total
Accounts payable		\$ 481,451	\$ -	\$ -	\$ -	\$ 481,451
Infant trusts payable		-	5,000	174,413	94,992	274,405
		<u>\$ 481,451</u>	<u>\$ 5,000</u>	<u>\$ 174,413</u>	<u>\$ 94,992</u>	<u>\$ 755,856</u>

The First Nation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The First Nation maintains a portion of its invested assets in liquid securities. The First Nation also maintains certain credit facilities, which can be drawn upon as needed.

Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2020

14. Financial Instrument Risk Management (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The First Nation is mainly exposed to interest rate risk and other price risk. The First Nation's risk management strategies are described below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The First Nation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the First Nation to a fair value risk while the floating rate instruments subject it to a cash flow risk.

The First Nation is exposed to interest rate risk in relation to interest expense on its revolving credit facility since the credit facility bears interest at a floating interest rate. Currently the First Nation has not drawn on this credit facility and therefore the risk is considered to be limited.

15. COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a pandemic, resulting in economic uncertainties affecting the organization. Management is actively monitoring the affect on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the organization 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.

16. Comparative Figures

Certain of the prior period's figures have been reclassified to conform to the presentation of the current period.

Caldwell First Nation
Consolidated Schedule 1 - Health Care

For the year ended March 31	2020 Budget	2020	2019
Revenue			
Association of Iroquois and Allied Indians	\$ 416,318	\$ 396,517	\$ 382,013
Association of Iroquois and Allied Indians - Support Programs	6,008	6,008	3,298
Family Well Being	147,605	147,605	151,564
Health Canada	164,227	164,227	161,396
Ministry of Children, Community and Social Service	224,403	224,403	84,322
Indigenous Services Canada	497,398	232,229	90,758
Indigenous Services Canada - General	92,514	92,514	82,469
Life Promotions	23,840	23,840	23,840
Mnassged Child and Family Services	2,521	2,521	35,121
	<u>1,574,834</u>	<u>1,289,864</u>	<u>1,014,781</u>

Caldwell First Nation
Consolidated Schedule 1 - Health Care

For the year ended March 31	2020 Budget	2020	2019
Expenses			
Advertising and promotion	3,680	3,680	6,588
Communications and utilities	22,000	22,000	16,900
Computer upgrades and IT support	10,000	1,716	-
Consultations	-	-	7,441
Contracted services	15,055	15,055	15,798
Flood study	99,677	99,677	-
Office	28,300	28,300	28,329
Policy development	14,000	14,000	-
Professional fees	-	-	7,459
Programs and supplies	651,734	436,084	268,136
Rental	52,700	42,700	45,615
Repairs and maintenance	41,982	-	53,795
Salaries, benefits and administration	481,824	477,702	312,822
Training	1,500	1,500	15,906
Travel and vehicle	25,513	20,581	11,912
Workshops and events	126,869	126,869	167,394
Youth cultural camp	-	-	4,187
	<u>1,574,834</u>	<u>1,289,864</u>	<u>962,282</u>
Excess of revenue over expenses (expenses over revenue)	\$ -	\$ -	\$ 52,499

Caldwell First Nation
Consolidated Schedule 2 - Internally Developed

For the year ended March 31	2020 Budget	2020	2019
Revenue			
Crop insurance	\$ 9,000	\$ 15,267	\$ 12,589
Crop sales	263,880	321,349	341,246
General	3,000	4,691	796
Investment and trust revenue	3,276,840	4,029,835	4,331,261
Land and building rental	28,380	27,423	11,416
Pow Wow recovery	-	-	60,000
Program administrative fees	132,000	145,924	94,698
Rental	74,200	82,730	83,482
Solar and oil rental	18,300	19,299	19,814
Tecumseh development	-	-	35,490
	<u>3,805,600</u>	<u>4,646,518</u>	<u>4,990,792</u>

Caldwell First Nation
Consolidated Schedule 2 - Internally Developed

For the year ended March 31	2020 Budget	2020	2019
Expenses			
Amortization	30,000	109,935	85,174
Communications and utilities	43,650	47,501	25,075
Computer upgrades and IT support	15,000	15,245	5,535
Cost of living assistance	-	1,771,667	1,720,000
Council meetings	140,000	159,936	113,897
Crop inputs	92,267	108,945	147,571
Disease reduction	-	-	35,112
Election costs	-	-	12,348
Farm insurance and fees	4,183	4,092	4,496
Funeral	-	-	14,631
Harvest costs	84,855	76,742	94,542
Health and safety	2,000	853	-
Interest and bank charges	1,000	1,983	1,035
Insurance	23,589	25,126	18,390
Membership events	39,000	40,805	97,102
Memorial	1,000	475	399
Office	21,000	12,296	19,362
Policy development	10,000	7,663	13,900
Professional fees	235,040	268,398	150,533
Property taxes	80,000	108,741	79,752
Repairs and maintenance	342,411	143,662	130,575
Salaries, benefits and administration	549,280	546,825	335,984
Special events	1,000		
Tecumseh development	-	-	35,890
Training	45,000	34,764	16,245
Travel and vehicle	92,000	81,917	43,896
	<u>1,852,275</u>	<u>3,567,571</u>	<u>3,201,444</u>
Excess of revenue over expenses	<u>\$ 1,953,325</u>	<u>\$ 1,078,947</u>	<u>\$ 1,789,348</u>

Caldwell First Nation
Consolidated Schedule 3 - Other

For the year ended March 31	2020 Budget	2020	2019
Revenue			
EI	\$ 34,809	\$ 30,364	\$ 41,324
CRF	76,784	76,784	98,639
Indigenous Services Canada	190,158	167,192	186,454
Indigenous Services Canada - Registry	5,000	5,000	2,667
Monitoring	94,303	66,270	55,732
Ontario First Nations Limited Partnership	1,368,020	551,109	681,938
Parks Canada	30,750	18,601	-
	<u>1,799,824</u>	<u>915,320</u>	<u>1,066,754</u>
Expenses			
Advertising and promotion	6,750	-	4,322
Capacity building	1,500	1,500	936
Communications and utilities	3,000	2,240	3,670
Community development	422,045	129,838	222,235
Computer upgrades and IT support	31,300	31,050	32,236
Cultural development	86,000	44,370	25,863
Workshops and events	3,000	2,975	-
Education	161,000	99,759	51,957
Economic development	290,000	204,825	25,668
Elections, membership meetings	5,000	5,000	2,667
Health	258,800	230,455	17,858
Labour market	16,409	12,401	21,197
Office	6,800	6,575	7,992
Office rent	2,400	2,400	2,400
Programs and supplies	84,768	80,154	70,582
Repairs and maintenance	-	-	11,899
Salaries, benefits and administration	231,731	207,838	206,839
Training	31,803	571	16,274
Travel and vehicle	7,343	6,560	14,425
	<u>1,649,649</u>	<u>1,068,511</u>	<u>739,020</u>
Excess of revenue over expenses (expenses over revenue)	<u>\$ 150,175</u>	<u>\$ (153,191)</u>	<u>\$ 327,734</u>