

**Caldwell First Nation  
Consolidated Financial Statements  
For the Year Ended March 31, 2021**

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For the Year Ended March 31, 2021**

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## Independent Auditor's Report

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### 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, 2021, 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, 2021, 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

London, Ontario

July 31, 2021

## Caldwell First Nation Consolidated Statement of Financial Position

March 31	2021	2020
<b>Financial Assets</b>		
Cash	\$10,496,858	\$ 12,715,377
Caldwell infant trusts (Note 2)	627,076	439,405
Accounts receivable (Note 13)	1,028,576	309,769
Investment in related parties (Note 3)	1,623,446	1,623,447
	<u>\$13 775 956</u>	<u>\$ 15,087 998</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 13)	\$ 365,673	\$ 487,361
Deferred revenue (Note 4)	420,307	323,804
Caldwell infant trusts payable (Note 2)	627,076	439,405
	<u>\$ 1 413 056</u>	<u>\$ 1 250 570</u>
<b>Net Financial Assets</b>	<u>12,362,900</u>	<u>13,837,428</u>
<b>Non-Financial Assets</b>		
Prepaid expenses	\$ 138,855	\$ 95,293
Tangible capital assets (Note 5)	22,130,573	21,444,051
	<u>22,269,428</u>	<u>21,539,344</u>
<b>Accumulated Surplus (Note 6)</b>	<u>\$34,632,328</u>	<u>\$ 35,376,772</u>

### Contingent Liability (Note 15)

Approved by the Chief and Council:

\_\_\_\_\_ Council

\_\_\_\_\_ Council






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

**Caldwell First Nation**

**Consolidated Statement of Change in Net Financial Assets**

<b>For the year ended March 31</b>	<b>2021 Budget</b>	<b>2021</b>	<b>2020</b>
<b>Annual surplus (deficit)</b>	<b>152,792</b>	<b>(744,444)</b>	<b>876,237</b>
Acquisition of tangible capital assets	-	(894,700)	(4,198,020)
Amortization of tangible capital assets	-	208,178	159,453
	<b>152,792</b>	<b>(1,430,966)</b>	<b>(3,162,330)</b>
Change in prepaid expenses and deposits	-	(43,562)	(38,367)
<b>Change in Net Financial Assets</b>	<b>152,792</b>	<b>(1,474,528)</b>	<b>(3,200,697)</b>
<b>Net Financial Assets, Beginning of Year</b>	<b>-</b>	<b>13,837,428</b>	<b>17,038,125</b>
<b>Net Financial Assets, End of Year</b>	<b>\$ 152,792</b>	<b>\$12,362,900</b>	<b>\$ 13,837,428</b>

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	2021 Budget	2021	2020
<b>Revenue</b>			
Indigenous Services Canada	\$ 1,680,934	\$ 1,360,300	\$ 404,420
Association of Iroquois and Allied Indians	683,286	670,383	402,525
Ontario First Nations Limited Partnership	1,048,510	587,435	551,109
Investment and trust revenue	5,693,605	4,777,259	4,029,835
Rent	142,888	123,337	129,452
Employment and training	93,304	62,004	173,418
Crop sales and insurance	372,337	403,663	336,616
Ministry of Children, Community and Social Service	421,981	421,982	311,526
Ministry of Health and Long-Term Care	84,322	84,322	84,322
First Nations and Inuit Health Branch	167,569	164,476	164,227
Program administrative fees	200,000	200,104	145,924
General	24,020	30,722	4,691
Heritage Canada	90,000	90,000	-
Mnaasged Child and Family Services	750	750	2,521
Parks Canada	53,399	47,675	18,601
Environment and Climate Change Canada	15,000	33,964	-
Second Harvest Food Support Committee	20,000	20,000	-
Tecumseh Corporation Development	50,000	50,000	-
Southwestern Ontario Tourism Corporation	13,400	6,000	-
Windsor Essex Community Foundation	75,000	75,000	-
Indigenous Tourism Association of Canada	100,000	66,062	-
Hydro One	126,361	103,276	-
FNFMB	7,500	7,500	-
Indigenous Affairs of Ontario	100,500	100,500	-
Child and Family Services	155,045	141,946	92,514
	<u>11,419,711</u>	<u>9,628,660</u>	<u>6,851,701</u>
<b>Expenses</b>			
Health Care - Schedule 1	2,107,656	1,823,152	1,287,126
Internally Developed - Schedule 2	6,265,058	6,374,000	3,617,089
General - Schedule 3	2,894,205	2,175,952	1,071,249
	<u>11,266,919</u>	<u>10,373,104</u>	<u>5,975,464</u>
<b>Annual surplus (deficit)</b>	<b>\$ 152,792</b>	<b>\$ (744,444)</b>	<b>\$ 876,237</b>

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	2021	2020
<b>Cash flows from operating activities</b>		
Annual surplus (deficit)	\$ (744,444)	\$ 876,237
Items not affecting cash:		
Amortization of tangible capital assets	208,178	159,453
	(536,266)	1,035,690
Changes in non-cash working capital:		
Accounts receivable	(718,807)	(113,791)
Prepaid expenses	(43,570)	(38,367)
Accounts payable and accrued liabilities	(121,678)	5,902
Deferred contributions	96,503	188,163
	(1,323,818)	1,077,597
<b>Cash flows from investing activities</b>		
Proceeds on disposal of investments	-	4,159,941
<b>Cash flows (to) financing activities</b>		
Advances from related parties	-	(13,559)
<b>Cash flows to capital activities</b>		
Acquisition of tangible capital assets	(894,701)	(4,198,020)
<b>Change in Cash</b>	(2,218,519)	1,025,959
<b>Cash, beginning of the year</b>	12,715,377	11,689,418
<b>Cash, end of the year</b>	\$10,496,858	\$ 12,715,377

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

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 1. Significant Accounting Policies

<b>Nature of Business</b>	<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>
<b>Management's Responsibility</b>	<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>
<b>Revenue Recognition</b>	<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>

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## Caldwell First Nation

### Notes to Consolidated Financial Statements

March 31, 2021

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#### 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 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.

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 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:

	<b>Method</b>	<b>Rate</b>
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 five Caldwell Infant Trusts.

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

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 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.

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 2. Investments

Short term investments include five 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.
- The fourth trust was established in 2020 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 fifth trust was established in 2021 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.

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

### 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.

	2021	2020
<b>Advances to</b>		
The Happy Snapper Inc.	\$ 838,275	\$ 838,275
Turtle Landing Inc.	785,160	785,160
<b>Shares</b>		
The Happy Snapper Inc.	10	10
Turtle Landing Inc.	1	1
1887090 Ontario Limited	-	1
	<u>1,623,446</u>	<u>1,623,447</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. 1887090 Ontario Limited dissolved in the year ended March 31, 2021.

During the year Caldwell First Nation paid a grant to The Happy Snapper of \$46,000 (2020 - \$46,000). 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.:

	2021	2020
Assets	\$ 596,884	\$ 794,114
Liabilities	867,274	857,943
Revenue	93,651	144,756
Net income (loss)	(206,561)	(19,102)

The following is key financial statement items for Turtle Landing Inc.:

	2021	2020
Assets	785,170	785,170
Liabilities	785,170	785,170
Revenue	-	-
Net income (loss)	-	-

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**Caldwell First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2021**

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**4. Deferred Revenue**

	2021	2020
Association of Iroquois and Allied Indians	\$ 12,902	\$ 19,800
Child and Family Services	33,633	153,166
Economic Development	88,725	-
Early Learning and Child Care	127,161	59,314
Employment and training	-	4,445
Enbridge youth initiative	10,000	-
Enhanced Housing	-	5,312
First Nations and Inuit Health Branch	3,818	-
Indigenous Community Support Fund - COVID-19	44,210	-
Indigenous Tourism Association Canada	33,938	-
On-Reserve Housing	1,377	43,978
Parks Canada	5,724	12,149
Southwest Ontario Tourism Corporation	2,400	-
Traditional Healer	2,565	2,672
Youth employment strategy	52,354	22,968
Sparks	1,500	-
	<u>\$ 420,307</u>	<u>\$ 323,804</u>

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# Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

## 5. Tangible Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$10,361,731	\$ -	\$ 18,083,882	\$ -
Land - Reserve Status	8,287,370	-	-	-
Buildings	3,578,994	524,072	3,376,808	426,947
Hunting and fishing facility	60,257	24,487	60,257	22,996
Equipment	355,641	178,383	228,347	128,461
Solar equipment	49,603	34,314	49,603	27,761
Computer equipment	55,079	35,324	55,078	26,857
Sewer installations	247,886	69,408	247,886	24,788
	<u>22,996,561</u>	<u>865,988</u>	<u>22,101,861</u>	<u>657,810</u>
		<u>\$22,130,573</u>		<u>\$ 21,444,051</u>

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**Caldwell First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2021**

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**6. Accumulated Surplus**

	<u>2021</u>	<u>2020</u>
<b>Operating reserves</b>		
Investment in tangible capital assets - Ontario First Nations Limited Partnership	\$ 3,743,780	\$ 3,949,643
Investment in tangible capital assets - Ministry of Health	42,092	44,407
Investment in land - reserve status	8,287,370	-
Investment in tangible capital assets - general	10,057,330	17,450,001
<b>Internal restricted reserves</b>		
Ontario First Nations Limited Partnership	286,853	338,615
Monitoring	31,545	28,251
Chief and council future projects	2,045,701	2,897,132
Farming	688,489	510,374
Consultation resources	16,391	-
Hunting and fishing	24,953	24,953
<b>Unrestricted</b>	<u>9,407,824</u>	<u>10,133,396</u>
	<u><b>\$34,632,328</b></u>	<u><b>\$ 35,376,772</b></u>

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 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,	2021	2020
<b>Financial position</b>		
Distribution payable	\$ 4,744,234	\$ 3,605,936
Net assets	<u>88,656,213</u>	<u>86,214,363</u>
Total assets	<u>93,400,447</u>	<u>89,820,299</u>
<b>Operations</b>		
Total revenue	7,804,746	5,481,642
Total expenses	<u>(618,662)</u>	<u>(619,009)</u>
Revenue over expenses	<u>\$ 7,186,084</u>	<u>\$ 4,862,633</u>

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

### 8. 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.

	2021	2020
Advertising and promotion	\$ 83,317	\$ 3,680
Amortization of tangible capital assets	208,178	159,453
Communications and utilities	115,660	71,741
Community, economic and cultural development	429,555	578,469
Computer upgrades and IT support	73,304	48,010
Consulting fees	113,291	-
Council meetings	152,100	159,936
Crop inputs	145,403	108,945
Custom or contract work	10,409	15,055
Elections, membership meetings	30,281	46,280
Farm insurance and fees	5,586	4,092
Harvest costs	84,643	76,742
Health expenses	218,432	231,308
Honoraria	2,800	-
Insurance	42,814	25,126
Interest and bank charges	4,882	1,983
Membership distributions	4,137,000	1,771,667
Office	68,137	47,171
Policy development	1,732	21,663
Professional fees	471,722	268,398
Programs and supplies	1,775,424	516,239
Property taxes	157,338	108,741
Rental	48,272	46,600
Repairs and maintenance	180,911	143,663
Salaries, benefits and administration	1,583,183	1,244,765
Training	14,024	36,835
Travel and vehicle	62,142	109,058
Workshops and events	152,564	129,844
	<b>\$10,373,104</b>	<b>\$ 5,975,464</b>

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 9. Membership Distributions

The First Nation pays out an annual cost of living assistance to each member who applies before the deadline. In fiscal 2021 the First Nation paid out \$1,213,000 which is 12% of expenditures (2020 - \$1,771,667 and 29% respectively).

During the year, in addition to the cost of living assistance, the First Nation also paid out \$1,556,000 to its members for the 10th Anniversary of the land claim settlement and \$1,368,000 in member distributions for COVID-19 relief. Total membership distributions in the year were \$4,137,000 which is 40% of expenditures.

	2021	2020
10th anniversary	\$ 1,556,000	\$ -
COVID-19 emergency relief	1,368,000	-
Cost of living assistance	1,213,000	1,771,667
	<u>\$ 4,137,000</u>	<u>\$ 1,771,667</u>

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 10. 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, Post-Secondary and funds from Ontario First Nations Limited Partnership.

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## Caldwell First Nation Notes to Consolidated Financial Statements

**March 31, 2021**

### 11. 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.

	2021		
	Fair Value	Amortized Cost	Total
Cash	\$ -	\$10,496,858	\$10,496,858
Caldwell infant trusts	627,076	-	627,076
Accounts receivable	-	1,028,576	1,028,576
Investment in related parties	-	1,623,446	1,623,446
Accounts payable and accrued liabilities	-	365,673	365,673
Caldwell infant trusts payable	627,076	-	627,076
	<b>\$ 1,254,152</b>	<b>\$13,514,553</b>	<b>\$14,768,705</b>

	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
Investment in related parties	-	1,623,447	1,623,447
Accounts payable and accrued liabilities	-	487,361	487,361
Caldwell infant trusts payable	439,405	-	439,405
	<b>\$ 878,810</b>	<b>\$ 15,135,954</b>	<b>\$ 16,014,764</b>

## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

### 12. 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).

2021				
	Level 1	Level 2	Level 3	Total
Caldwell infant trusts payable	\$ 627,076	\$ -	\$ -	\$ 627,076

  

2020				
	Level 1	Level 2	Level 3	Total
Caldwell infant trusts payable	\$ 439,405	\$ -	\$ -	\$ 439,405

There were no transfers between Level 1 and Level 2 for the year ended March 31, 2021. There were also no transfers in or out of Level 3.



## Caldwell First Nation Notes to Consolidated Financial Statements

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### 13. 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 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	2021		
	Accounts receivable	Other accounts receivable	Total
Current	\$ 977,913	\$ -	\$ 977,913
1 to 30 days	-	-	-
31 to 60 days	3,316	-	3,316
61 to 90 days	-	-	-
Over 90 days	11,035	36,312	47,347
Total	\$ 992,264	\$ 36,312	\$ 1,028,576

  

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

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

## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

### 13. 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:

		2021				
		Within 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total
Accounts payable		\$ 365,673	\$ -	\$ -	\$ -	\$ 365,673
Infant trusts payable		-	-	-	627,076	627,076
		<b>\$ 365,673</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 627,076</b>	<b>\$ 992,749</b>
		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
		<b>\$ 487,361</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 429,405</b>	<b>\$ 926,766</b>

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.

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2021

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### 13. 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.

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### 14. 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.

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### 15. Contingent Liability

The First Nation has been named as a defendant in several lawsuits arising in the ordinary course of operations. The First Nation has contested these claims. Legal counsel for the First Nation has advised that it is premature to make any evaluation of the possible outcome or possible settlement amount of these claims. Consequently, no provision for these claims has been made in the financial statements.

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Signed

Date

Nikki van Oirschot  
Director of Operations  
Caldwell First Nation

August 18, 2021



Signed

Date

Council of Caldwell First Nation

August 18, 2021

