

**Caldwell First Nation  
Consolidated Financial Statements  
For the Year Ended March 31, 2024**

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## Independent Auditor's Report

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**To the council of Caldwell First Nation**

**Qualified 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, 2024, the consolidated statements of operations and accumulated surplus, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian Public Sector accounting standards.

**Basis for Qualified Opinion**

Effective April 1, 2022, the First Nation was required to adopt PS 3280 Asset Retirement Obligations, which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. The Significant Accounting Policies describe the asset retirement obligations policy. As disclosed in Note 11, the First Nation does not have the necessary information yet to determine if an obligation needs to be recognized or disclosed for the retirement of the buildings within the scope of Section 3280. As a result, we have been unable to determine whether any adjustments are required to expenses and annual surplus for the years ended March 31, 2024 and 2023, tangible capital assets and the asset retirement obligation as at March 31, 2024 and 2023, and accumulated surplus as at April 1 and March 31 for both the 2024 and 2023 years.

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 qualified 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  
August 15, 2024

**Caldwell First Nation**  
**Consolidated Statement of Financial Position**

<b>March 31</b>	<b>2024</b>	<b>2023</b>
<b>Financial Assets</b>		
Cash	\$ 9,655,320	\$ 8,351,015
Caldwell youth trusts (Note 3)	1,321,891	1,204,284
Accounts receivable (Note 17)	619,279	1,383,232
Portfolio investments (Note 3)	113,377,907	5,000,000
Investment in related parties (Note 4)	<u>13,924,304</u>	<u>1,883,446</u>
	<b>\$138,898,701</b>	<b>\$ 17,821,977</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 17)	\$ 1,162,289	\$ 799,672
Deferred revenue (Note 5)	8,409,868	11,758,136
Caldwell infant trusts payable (Note 3)	<u>1,321,891</u>	<u>1,204,284</u>
	<b>\$10,894,048</b>	<b>\$ 13,762,092</b>
<b>Net Financial Assets</b>	<b>128,004,653</b>	<b>4,059,885</b>
<b>Non-Financial Assets</b>		
Inventories (Note 6)	\$ 29,879	\$ 1,177,222
Prepaid expenses	358,505	151,976
Tangible capital assets (Note 7)	<u>37,384,000</u>	<u>30,131,088</u>
	<b>37,772,384</b>	<b>31,460,286</b>
<b>Accumulated Surplus (Note 8)</b>	<b>\$165,777,037</b>	<b>\$ 35,520,171</b>
<b>Contingent liability (Note 10)</b>		
<b>Asset retirement obligations (Note 11)</b>		

Approved by the Chief and Council:

  
 Chief  
 /Chief Mary Duckworth

  
 Council

  
 Councillor Ian Duckworth

  
 Councillor Douglas Heil  
  
 Councillor Nikki van Oirschot

**Caldwell First Nation**  
**Consolidated Statement of Change in Net Financial Assets**

<b>For the year ended March 31</b>	<b>2024 Budget</b>	<b>2024</b>	<b>2023</b>
<b>Annual surplus</b>	<b>(843,003)</b>	<b>20,171,017</b>	<b>1,826,329</b>
Acquisition of tangible capital assets	-	(13,075,021)	(8,139,455)
Proceeds on disposal of tangible capital assets	-	52,500	203,949
Disposal of gas station building	-	6,080,296	-
Amortization of tangible capital assets	-	342,378	258,119
Change in inventory	(843,003)	13,571,170	(5,851,058)
Change in prepaid expenses and deposits	-	1,147,344	(1,177,223)
<b>Change in Net Financial Assets</b>	<b>(843,003)</b>	<b>14,806,845</b>	<b>(6,939,950)</b>
<b>Net Financial Assets, Beginning of Year</b>	<b>-</b>	<b>4,059,885</b>	<b>10,999,835</b>
<b>Adjustment due to change in policy (Note 2)</b>	<b>-</b>	<b>109,137,923</b>	<b>-</b>
<b>Net Financial Assets, End of Year</b>	<b>\$ (843,003)</b>	<b>128,004,653</b>	<b>\$ 4,059,885</b>

**Caldwell First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**

For the year ended March 31	2024 Budget	2024	2023
<b>Revenue</b>			
Indigenous Services Canada	\$ 10,619,489	\$ 8,662,853	\$ 1,634,673
Association of Iroquois and Allied Indians	778,196	796,373	1,143,012
Ontario First Nations Limited Partnership	715,964	742,964	518,067
Investment and trust revenue	6,006,622	8,226,689	4,827,930
Rent	225,469	359,734	237,943
Marina and bait sales	-	37,832	-
Employment and training	169,898	-	-
Crop sales and insurance	133,115	132,966	534,447
Ministry of Children, Community and Social Service	383,248	381,548	351,924
Ministry of Health and Long-Term Care	98,400	98,400	89,322
First Nations and Inuit Health Branch	185,414	185,414	178,365
Program administrative fees	2,808,719	381,384	324,032
General	822,182	698,630	317,479
Canadian Mortgage and Housing Corporation	9,873,417	4,084,666	254,367
Indigenous Economic Development Fund	97,573	97,573	-
Hydro One	665,874	736,979	20,102
Parks Canada	349,007	230,987	209,722
Environment and Climate Change Canada	526,310	134,188	65,000
Field Liason Representative	524,900	518,399	320,173
Ontario Trillium Foundation	202,182	73,638	103,549
Windsor-Detroit Bridge Authority	1,228,782	813,186	21,219
First Nations Financial Management Board	289,713	233,150	131,390
Ministry of Indigenous Affairs	85,000	85,000	85,000
Canada Community Revitalization Fund	-	-	750,000
Enbridge	40,000	6,994	-
	<b>36,829,474</b>	<b>27,719,547</b>	<b>12,117,716</b>
<b>Expenses</b>			
Health Care - Schedule 1	1,652,143	1,715,516	2,071,601
Internally Developed - Schedule 2	7,200,660	8,385,182	6,091,707
General - Schedule 3	28,819,674	4,033,858	2,128,079
	<b>37,672,477</b>	<b>14,134,556</b>	<b>10,291,387</b>
Earnings from government enterprises	-	6,586,026	-
<b>Annual surplus</b>	<b>(843,003)</b>	<b>20,171,017</b>	<b>1,826,329</b>
Accumulated surplus, beginning of year	-	35,520,172	33,693,843
Opening impact of change in accounting treatment (Note 2)	-	110,085,848	-
<b>Accumulated surplus, end of year (Note 8)</b>	<b>\$ (843,003)</b>	<b>\$ 165,777,037</b>	<b>\$ 35,520,172</b>

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

**Caldwell First Nation  
Consolidated Statement of Cash Flows**

<u>For the year ended March 31</u>	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Annual surplus	\$20,171,017	\$ 1,826,329
Items not affecting cash:		
Amortization of tangible capital assets	342,378	258,119
Gain on disposal of property, plant and equipment	(24,286)	-
	<u>20,489,109</u>	<u>2,084,448</u>
Changes in non-cash working capital:		
Accounts receivable	763,953	(911,286)
Inventories	1,147,344	(1,177,223)
Prepaid expenses	(206,529)	88,331
Accounts payable and accrued liabilities	362,618	176,378
Deferred contributions	(3,348,268)	724,632
	<u>19,208,227</u>	<u>985,280</u>
<b>Cash flows from investing activities</b>		
Change in investment in related parties	12,040,858	(10,000)
Impact of Consolidation	1,256,660	-
Purchase of portfolio investments	(197,500)	(5,000,000)
	<u>10,981,698</u>	<u>(5,010,000)</u>
<b>Cash flows (to) financing activities</b>		
Proceeds from long-term debt	<u>20,000</u>	-
<b>Cash flows to capital activities</b>		
Acquisition of tangible capital assets	(13,075,020)	(8,139,455)
Proceeds from disposal of tangible capital assets	52,500	203,949
Gas station building adjustment	6,080,296	
	<u>(6,942,224)</u>	<u>(7,935,506)</u>
<b>Change in Cash</b>	<b>1,304,305</b>	<b>(11,960,226)</b>
<b>Cash, beginning of the year before the undernoted</b>	<b>8,351,015</b>	<b>20,311,241</b>
<b>Cash, beginning of the year impact of consolidation</b>	<b>-</b>	<b>-</b>
<b>Cash, beginning of the year</b>	<b>\$ 8,351,015</b>	<b>\$ 20,311,241</b>
<b>Cash, end of the year</b>	<b>\$ 9,655,320</b>	<b>\$ 8,351,015</b>

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, 2024

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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, 2024

### 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, 2024

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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%
Road	Diminishing balance	8%
Equipment and tiling	Diminishing balance	20%
Solar equipment	Diminishing balance	30%
Computer equipment	Diminishing balance	30%
Sewer installations	Diminishing balance	20%

**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 the 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, 2024

### 1. Significant Accounting Policies (continued)

#### Basis of Consolidation

These consolidated financial statements include the accounts of the organization and its wholly-owned subsidiaries:

- Caldwell First Nation Holdings GP Inc.
- CFN Holdings Limited Partnership
- CFN Cannabis GP Inc.
- CFN Cannabis Operating LP
- Three Fires Leamington General Partner Inc.
- Three Fires Leamington LP
- Three Fires DMTFP General Partner Inc.
- Three Fires DMTFP LP
- Three Fires CTBR General Partner Inc.
- Three Fires CTBR LP
- Three Fires SW General Partner Inc.
- Three Fires SW LP
- Three Fires SBLC General Partner Inc.
- Three Fires SBLC LP
- Three Fires Windsor General Partner Inc.
- Three Fires Windsor LP
- Three Fires Essex General Partner Inc.
- Three Fires Essex LP
- Three Fires BW General Partner Inc.
- Three Fires BW LP
- CA-KSP-SI SHY General Partner Inc.
- CA-KSP-SI SHY LP
- Northwind Business Development General Partner Inc.
- Caldwell Settlement Trust
- Caldwell First Nation Minors' Trust
- The Happy Snapper Inc.
- CFN Limestone 2 Holding Ltd.
- CFN Limestone 1 Holding Ltd.
- CFN St. Thomas Holding Ltd.

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. In the prior period, 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. In

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2024

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### 1. Significant Accounting Policies (continued)

the current year, The Happy Snapper Inc. was consolidated. See Note 2 for more information.

Organizations accounted for on a modified equity basis include:  
Caldwell Gas and Variety Ltd.  
Northwind Business Development LP  
Turtle Landing Inc.

#### **Asset Retirement Obligations**

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2024

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### 2. Change in Accounting Treatments

During the year, there were two changes in accounting treatment noted for Caldwell First Nation.

(a) Caldwell Settlement Trust agreement and Caldwell First Nation Minors' Trust agreement were amended and restated in the year. It was determined that Caldwell First Nation controls both the Caldwell Settlement Trust and the Caldwell First Nation Minors' Trust (collectively, "the Trusts").

As a result, the Trusts are fully consolidated. This change in accounting treatment is applied prospectively.

Upon consolidation of the Trusts, there were adjustments to opening accumulated surplus totalling \$110,362,839.

(b) It was determined that The Happy Snapper no longer meets the definition of a Government Business Entity ("GBE"). Caldwell First Nation has concluded that given their involvement in The Happy Snapper and the amount of financial support has provided it, that this entity cannot currently be considered self-sufficient nor can it be expected to be so in the near future. Therefore, the Nation has ceased to classify it as a GBE.

As a result, The Happy Snapper is now classified as an Other Government Organization ("OGO"), and has become a governmental unit which is fully consolidated. This change in accounting treatment is applied prospectively. The Happy Snapper was consolidated using the modified equity basis of accounting in the comparative figures.

Upon conversion of The Happy Snapper to Canadian public sector accounting standards, there were adjustments to opening accumulated surplus totalling (\$276,991).

	2024
Change due to the Trusts as noted above (a)	\$ 110,362,839
Change due to The Happy Snapper as noted above (b)	<u>(276,991)</u>
Accumulated surplus opening impact of change in accounting treatment	110,085,848
Consolidation impact	<u>(947,925)</u>
Net Financial Assets opening impact of change in accounting treatment	<u>\$ 109,137,923</u>

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## Caldwell First Nation Notes to Consolidated Financial Statements

**March 31, 2024**

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### 3. Investments

Short term investments include Caldwell Youth Trusts. A trust is established each year to hold distributions 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 the following:

	2024	2023
Peace Hills Trust, Guaranteed Investment Certificate, 2 years, 3.95%, maturing on January 19, 2025	\$ 5,000,000	\$ 5,000,000
Peace Hills Trust, Guaranteed Investment Certificate, 1 year, 5.25%, maturing on January 30, 2025	197,500	-
Caldwell Settlement Trust - see below	<u>108,180,407</u>	<u>-</u>
	<u><b>\$ 113,377,907</b></u>	<u><b>\$ 5,000,000</b></u>

Caldwell Settlement Trust investments are comprised of funds invested with Peace Hills Trust. The fair market value at March 31, 2024 is approximately \$116,141,134. The investments are held in Federal, Provincial and domestic bonds and Canadian, United States and International equity instruments. The Federal, Provincial and domestic bonds have interest rates between 1.89% and 6.4% and maturity dates between September 2024 and December 2054. Included in the investment balance are amounts held in cash totaling \$5,013,895.

Prior year Caldwell Settlement Trust investments are not consolidated - see note 2 for more details.

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## Caldwell First Nation Notes to Consolidated Financial Statements

**March 31, 2024**

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### 4. 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.

	2024	2023
<b>Loans and Advances</b>		
The Happy Snapper Inc.	\$ -	\$ 1,098,275
Turtle Landing Inc.	785,160	785,160
Caldwell Gas and Variety Inc.	6,553,118	-
<b>Investment in related parties</b>		
Caldwell Gas and Variety Inc.	1,792,217	-
Northwind Business Development LP	4,793,809	-
The Happy Snapper Inc.	-	10
Turtle Landing Inc.	1	1
	<hr/> <b>13,924,304</b>	<hr/> <b>1,883,445</b>

The promissory note receivable from Caldwell Gas and Variety Inc. is repayable in monthly blended instalments of \$126,635 starting April 1, 2024, which includes \$15,000 per month of interest, maturing on March 1, 2029.

The shares in Turtle Landing Inc. and Caldwell Gas and Variety Inc. 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.

The partnership interest in Northwind Business Development LP is owned and controlled by the Band and is considered an investment in a business partnership and is 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 \$27,000 (2023 - \$90,300). These transactions are 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. As per note 2, The Happy Snapper has been consolidated in the year, therefore the \$27,000 has been eliminated.

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## Caldwell First Nation Notes to Consolidated Financial Statements

**March 31, 2024**

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### 4. Investment in Related Parties (continued)

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

	2024	2023
Assets	\$ 803,455	\$ 847,108
Liabilities	1,201,443	1,124,087
Revenue	64,834	91,833
Net loss	(121,009)	(13,672)

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

	2024	2023
Assets	785,170	785,170
Liabilities	785,170	785,170
Revenue	-	-
Net income	-	-

The following is key financial statement items for Caldwell Gas and Variety Ltd.:

	2024	2023
Assets	12,008,115	-
Liabilities	10,215,888	-
Revenue	22,964,946	-
Net income	1,792,217	-

The following is key financial statement items for Northwind Business Development LP.:

	2024	2023
Assets	4,811,959	8,460,315
Liabilities	18,140	8,553,117
Revenue	67,567,320	-
Net income (loss)	4,793,809	(92,812)

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## Caldwell First Nation Notes to Consolidated Financial Statements

**March 31, 2024**

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### 5. Deferred Revenue

	2024	2023
Association of Iroquois and Allied Indians		
Communication Anti Hate	\$ -	\$ 5,156
First Nation Child Welfare law Initiative	- -	45,748
Language Champions	1,130	1,094
Policing Legislation	- -	3,896
Residential Schools	54,286	34,015
Healthy Babies, Healthy Children	22,529	- -
Youth Planning Funding	25,000	- -
Canada Mortgage and Housing Corporation	5,298,642	9,383,309
Centre for Indigenous Environmental Resources	- -	7,560
Environment and Climate Change Canada	327,241	75,000
Enbridge	42,006	10,000
First Nations Confederacy of Cultural Education		
Centres	52,110	- -
Health Canada	61,214	- -
Indigenous Services Canada		
Adult Startup	60,951	- -
Child and Family Services	1,912	163,398
Early Learning and Child Care	225,303	179,240
Enhanced Housing	102,197	- -
Jordan's Principle	21,149	- -
Housing Program	2,500	- -
Rapid Housing Initiative	1,139,050	96,409
Skills Link	24,913	- -
Youth Employment Strategy	- -	73,495
Ministry of Agriculture & Agri-Food	25,000	75,000
Ministry of Indigenous Affairs (Ontario) - ICCGP	170,000	- -
Ministry of Health	1,700	- -
Ontario First Nations Economic Developers Association	38,299	- -
Ontario Trillium Fund		
Youth Opportunities Fund	75,443	- -
Other	6,176	- -
Parks Canada		
Point Pelee National Park	160,112	170,855
Other	47,321	185,943
Windsor Detroit Bridge Authority	415,595	1,228,781
Transport Canada	8,089	19,237
	<hr/> <b>\$ 8,409,868</b>	<hr/> <b>\$ 11,758,136</b>

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

**March 31, 2024**

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**6. Inventory**

	<b>2024</b>	<b>2023</b>
Tobacco	\$ -	\$ 827,392
Fuel	- -	321,301
Store	- -	28,529
Wine	<u>29,879</u>	-
	<b><u>\$ 29,879</u></b>	<b><u>\$ 1,177,222</u></b>

Inventories of \$Nil (2023 - \$Nil) are recognized as an expense and included in cost of sales.

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March 31, 2024

7. Tangible Capital Assets

2024

	Land	Land - Reserve Status	Buildings	Buildings under construction	Roads	Hunting and fishing facilities	Gas station	Orchard trees	Vineyard vines	Drainage and tiling	Equipment	Solar equipment	Computer equipment	Infrastructure	Total
Cost, beginning of year	\$ 10,209,925	\$ 8,287,370	\$ 3,643,939	\$ 1,051,077	\$ 59,204	\$ 160,257	\$ 6,208,057	\$ 44,120	\$ -	\$ 736,200	\$ 49,603	\$ 64,379	\$ 1,000,486	\$ 31,514,617	
Opening adjustment (Note 2)	509,035		198,567							134,757	48,923		15,925		907,207
Additions	-	-	271,002	12,377,072	-	-	-	-	116,910	-	115,834	-	45,838	-	12,926,656
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gas station	-	-	-	(6,208,057)	-	-	-	-	-	-	(52,500)	-	-	-	(6,260,557)
<b>Cost, end of the year</b>	<b>10,718,960</b>	<b>8,287,370</b>	<b>4,113,508</b>	<b>7,220,092</b>	<b>59,204</b>	<b>160,257</b>	<b>6,208,057</b>	<b>44,120</b>	<b>116,910</b>	<b>134,757</b>	<b>848,457</b>	<b>49,603</b>	<b>126,142</b>	<b>1,000,486</b>	<b>39,087,922</b>
Accumulated amortization, beginning of the year	-	-	733,408	-	2,368	27,291	-	-	-	-	352,375	48,182	45,399	174,506	1,383,528
Opening adjustment (Note 2)	-	-	1,996	-	-	-	-	-	-	67,378	16,254	-	1,553	-	87,180
Amortization	-	-	94,999	-	-	1,319	-	7,942	11,691	-	118,739	1,421	15,668	23,220	274,999
Disposals	-	-	-	-	-	-	-	-	-	-	(41,786)	-	-	-	(41,786)
Accumulated amortization, end of year	-	-	830,403	-	2,368	28,610	-	7,942	11,691	-	445,582	49,603	62,620	197,726	1,703,921
Net carrying amount, end of year	\$ 10,718,960	\$ 8,287,370	\$ 3,283,105	\$ 7,220,092	\$ 56,836	\$ 131,647	\$ 6,208,057	\$ 36,178	\$ 105,219	\$ 402,875	\$ 0	\$ 63,522	\$ 802,760	\$ 37,384,000	

2023  
Total

Cost, beginning of year	\$ 10,361,731	\$ 8,287,370	\$ 3,628,020	\$ 208,124	\$ 59,204	\$ 60,257	\$ 100,000	\$ 6,208,057	\$ 44,120	\$ -	\$ 678,442	\$ 49,603	\$ 55,079	\$ 250,486	\$ 23,579,112
Additions	52,143	-	15,919	842,953	-	-	6,208,057	-	-	-	57,758	-	9,300	750,000	8,139,454
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	(203,949)	-	-	-	-	-	-	-	-	-	-	-	-	-	(203,949)
<b>Cost, end of the year</b>	<b>10,209,925</b>	<b>8,287,370</b>	<b>3,643,939</b>	<b>1,051,077</b>	<b>59,204</b>	<b>160,257</b>	<b>6,208,057</b>	<b>44,120</b>			<b>736,200</b>	<b>49,603</b>	<b>64,379</b>	<b>1,000,486</b>	<b>31,514,616</b>
Accumulated amortization, beginning of the year	-	-	640,389	-	-	25,918	-	-	-	-	272,125	40,365	41,250	105,364	1,125,410
Amortization	-	-	93,019	-	2,368	1,373	-	-	-	-	80,250	7,817	4,149	69,142	258,118
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	-	733,408	-	2,368	27,291	-	-	-	-	352,375	48,182	45,399	174,506	1,383,528
Net carrying amount, end of year	\$ 10,209,925	\$ 8,287,370	\$ 2,910,531	\$ 1,051,077	\$ 56,836	\$ 132,966	\$ 6,208,057	\$ 44,120	\$ -	\$ 383,825	\$ 1,421	\$ 18,980	\$ 825,980	\$ 30,131,088	

Note 2: Opening adjustment required for first time consolidation of The Happy Snapper.

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

**March 31, 2024**

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**8. Accumulated Surplus**

	<b>2024</b>	<b>2023</b>
<b>Operating reserves</b>		
Investment in tangible capital assets - Ontario First Nations Limited Partnership	\$ 2,954,487	\$ 3,225,070
Investment in tangible capital assets - Ministry of Health	33,218	36,260
Investment in tangible capital assets - Canada Mortgage and Housing Corporation	4,998,454	913,788
Investment in land - reserve status	8,287,370	8,287,370
Investment in tangible capital assets - general	21,110,471	11,588,304
Investment in tangible capital assets - gas station	-	6,080,296
Investment in related parties	13,924,304	1,883,446
Caldwell Settlement Trusts	113,247,153	-
<b>Internal restricted reserves</b>		
Ontario First Nations Limited Partnership	277,594	66,047
Field liaison representative	324,956	205,023
Chief and council future projects	-	1,139,080
Farming	417,449	770,756
Consultation resources	16,391	16,391
Hunting and fishing	24,953	24,953
Hydro One Networks Inc.	150,000	-
<b>Unrestricted</b>	<hr/> 10,237	1,283,387
	<hr/> <b>\$ 165,777,037</b>	<b>\$ 35,520,171</b>

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2024

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### 9. 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,	2023	2022
<b>Financial position</b>		
Accounts payable	\$ 122,354	\$ 94,154
Distribution payable	4,500,774	4,644,116
Net assets	<u>94,070,899</u>	<u>94,630,674</u>
Total assets	<u>98,694,027</u>	<u>99,368,944</u>
 <b>Operations</b>		
Total revenue	4,467,307	7,882,702
Total expenses	<u>(526,308)</u>	<u>(621,793)</u>
Revenue over expenses	<u>\$ 3,940,999</u>	<u>\$ 7,260,909</u>

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2024

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### **10. Contingent Liability**

A claim has been made against the First Nation for unpaid solicitor's accounts in the amount of \$190,000. The First Nation disputes these claims and both parties are engaged in negotiations to settle the matter.

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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### **11. Asset Retirement Obligations**

Effective April 1, 2022, the First Nation adopted new Public Sector Accounting Handbook Standard, PS Section 3280, Asset Retirement Obligations. The Standard requires an obligation to be recognized related to legal obligations associated with the retirement of tangible capital assets.

The First Nation has not recognized an asset retirement obligation for legal obligations associated with the retirement of its buildings, primarily expected to be the removal of asbestos, for both fiscal 2023 and fiscal 2024. Although there is potentially asbestos in the buildings, the asset retirement obligation has not been recorded because a reasonable estimate of the amount of the liability cannot be made at this time, as the appropriate experts have not yet been engaged.

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2024

### 12. 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.

	2024	2023
Advertising and promotion	\$ 33,908	\$ 3,609
Amortization of tangible capital assets	342,378	258,119
Communications and utilities	130,860	143,765
Community, economic and cultural development	760,747	475,250
Computer upgrades and IT support	65,936	49,849
Consulting fees	855,264	272,029
Council meetings	175,839	165,052
Crop inputs	57,898	118,249
Custom or contract work	20,644	7,057
Elections, membership meetings	191,731	85,955
Farm insurance and fees	2,706	3,704
Harvest costs	43,982	99,081
Health expenses	21,345	52,734
Honoraria	6,357	1,967
Insurance	88,198	70,091
Interest and bank charges	6,522	5,121
Memberships and Licences	9,006	8,000
Membership distributions	3,389,500	2,613,960
Office	188,951	115,099
Policy development	2,700	8,563
Professional fees	1,234,260	642,739
Programs and supplies	2,328,417	1,933,224
Property taxes	132,782	138,946
Rental	150,640	64,872
Repairs and maintenance	231,308	125,133
Salaries, benefits and administration	3,265,083	2,585,009
Small tools	2,050	-
Training	38,904	21,504
Travel and vehicle	286,197	185,297
Workshops and events	70,443	37,409
	<hr/> <u>\$14,134,556</u>	<hr/> <u>\$ 10,291,387</u>

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## Caldwell First Nation Notes to Consolidated Financial Statements

**March 31, 2024**

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### **13. Membership Distributions**

The First Nation paid out several membership distributions in the year. This included an annual sovereignty allocation to each member who applies before the deadline, a monthly wellness allowance to each member who applies before the deadline, and Western Door payments for eligible funeral costs.

Total membership distributions in the year were \$3,319,501 (2023 - \$2,613,960) which is 30% of expenditures (2023 - 26%).

	<b>2024</b>	<b>2023</b>
Sovereignty allocation (cost of living assistance)	\$ 1,332,000	\$ 2,613,960
Wellness allowance	1,987,500	-
Western Door Payments	70,000	-
	<hr/> <b>\$ 3,389,500</b>	<hr/> <b>\$ 2,613,960</b>

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

**March 31, 2024**

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### **14. 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, Trust, marina 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, 2024

### 15. 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.

	2024		
	Fair Value	Amortized Cost	Total
Cash	\$ -	\$ 9,655,320	\$ 9,655,320
Caldwell infant trusts	1,321,891	-	1,321,891
Guaranteed investment certificate	-	5,197,500	5,197,500
Caldwell Settlement Trust investments	-	108,280,407	108,280,407
Accounts receivable	-	619,279	619,279
Investment in related parties	-	13,924,304	13,924,304
Accounts payable and accrued liabilities	-	(1,162,289)	(1,162,289)
Caldwell infant trusts payable	(1,321,891)	-	(1,321,891)
	<hr/>	<hr/>	<hr/>
	\$ -	\$ 136,514,521	\$ 26,912,223

	2023		
	Fair Value	Amortized Cost	Total
Cash	\$ -	\$ 8,351,015	\$ 8,351,015
Caldwell infant trusts	1,204,284	-	1,204,284
Guaranteed investment certificate	-	5,000,000	5,000,000
Accounts receivable	-	1,383,232	1,383,232
Investment in related parties	-	1,883,446	1,883,446
Accounts payable and accrued liabilities	-	(799,672)	(799,672)
Caldwell infant trusts payable	(1,204,284)	-	(1,204,284)
	<hr/>	<hr/>	<hr/>
	\$ -	\$ 15,818,021	\$ 15,818,021

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## Caldwell First Nation Notes to Consolidated Financial Statements

March 31, 2024

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### 16. 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).

	2024			
	Level 1	Level 2	Level 3	Total
Caldwell infant trusts payable	<u>\$ 1,321,891</u>	\$ -	\$ -	<u>\$ 1,321,891</u>

	2023			
	Level 1	Level 2	Level 3	Total
Caldwell infant trusts payable	<u>\$ 1,204,284</u>	\$ -	\$ -	<u>\$ 1,204,284</u>

There were no transfers between Level 1 and Level 2 for the year ended March 31, 2024. There were also no transfers in or out of Level 3.

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## Caldwell First Nation Notes to Consolidated Financial Statements

**March 31, 2024**

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### **17. 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:

	<b>As at March 31</b>		<b>2024</b>	
	<b>Accounts receivable</b>	<b>Other accounts receivable</b>	<b>Total</b>	
Current	\$ 243,542	\$ -	\$ 243,542	
1 to 30 days	270,478	-	270,478	
31 to 60 days	107	-	107	
61 to 90 days	107	-	107	
Over 90 days	80,347	24,698	105,045	
<b>Total</b>	<b>\$ 594,581</b>	<b>\$ 24,698</b>	<b>\$ 619,279</b>	

  

	<b>As at March 31</b>		<b>2023</b>	
	<b>Accounts receivable</b>	<b>Other accounts receivable</b>	<b>Total</b>	
Current	\$ 313,899	\$ -	\$ 313,899	
1 to 30 days	895,557	-	895,557	
31 to 60 days	16,914	-	16,914	
61 to 90 days	2,277	-	2,277	
Over 90 days	104,449	50,186	154,635	
<b>Total</b>	<b>\$ 1,333,096</b>	<b>\$ 50,186</b>	<b>\$ 1,383,282</b>	

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

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## Caldwell First Nation Notes to Consolidated Financial Statements

**March 31, 2024**

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### **17. 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:

	2024				Total
	Within 6 months	6 months to 1 year	1 to 5 years	Over 5 years	
Accounts payable	\$ 1,162,289	\$ -	\$ -	\$ -	\$ 1,162,289
Infant trusts payable	- -	- -	- -	1,321,891	\$ 1,321,891
	<u>\$ 1,162,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,321,891</u>	<u>\$ 2,484,180</u>

  

	2023				Total
	Within 6 months	6 months to 1 year	1 to 5 years	Over 5 years	
Accounts payable	\$ 799,672	\$ -	\$ -	\$ -	\$ 799,672
Infant trusts payable	- -	- -	- -	1,204,284	\$ 1,204,284
	<u>\$ 799,672</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,204,284</u>	<u>\$ 2,003,956</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.

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## Caldwell First Nation Notes to Consolidated Financial Statements

**March 31, 2024**

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### **17. 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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