

Cat Lake First Nation
Consolidated Financial Statements
March 31, 2015

Cat Lake First Nation

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For the year ended March 31, 2015

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CAT LAKE FIRST NATION

March 31, 2015

MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTING

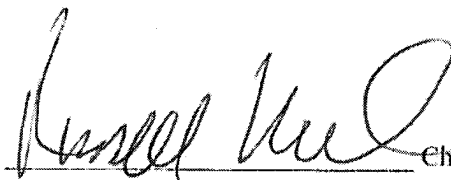
The accompanying consolidated financial statements of Cat Lake First Nation are the responsibility of management and have been approved by the Chief and Council. These financial statements have been prepared by management in accordance generally accepted accounting principals for governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 2 to the financial statements.

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through its Council.


The Council, composed of Council Members, reviews the First Nation's financial statements and recommends their approval. The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Council also considers, for review and approval by the members, the engagement of external auditors.

The financial statements have been audited by Peter Stetsko Professional Corporation, independent external auditor appointed by the First Nation. The accompanying Auditor's Report outlines his responsibilities, the scope of his examination and his opinion on the First Nation's financial statements.



Date

Chief



Date

Councilor

PETER STETSKO

CHARTERED ACCOUNTANT

136 NORTH McKELLAR STREET - POST OFFICE BOX 10281
THUNDER BAY, ONTARIO
P7B 6T7

INDEPENDENT AUDITOR'S REPORT

To the Chief, Council and Members of:
Cat Lake First Nation

I have audited the accompanying consolidated financial statements of Cat Lake First Nation, which comprise the consolidated statement of financial position as at March 31, 2015, together with the consolidated statements of operations and accumulated operating surplus, changes in net debt and cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

PETER STETSKO

CHARTERED ACCOUNTANT

136 NORTH McKELLAR STREET - POST OFFICE BOX 10281
THUNDER BAY, ONTARIO
P7B 6T7

INDEPENDENT AUDITOR'S REPORT (cont'd)

Basis for Qualified Opinion

Cat Lake First Nation reports its long-term investments in two business entities at cost as current financial information is not available. Canadian public sector accounting standards require that long-term investments in which the First Nation has significant influence, be accounted for using the equity method and adjustments be made to investment income to increase or decrease the First Nation's income to that which would have been recognized if results of the investment operations had been consolidated with the First Nation. As a result, I was unable to determine whether adjustments might have been necessary in respect of the investment in partnerships and business entities and the elements making up the consolidated statement of financial position, consolidated statement of operations and accumulated surplus and consolidated statements of changes in net debt and cash flows.

Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Cat Lake First Nation as at March 31, 2015 and the results of its consolidated operations and changes in its net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

The supplementary information contained in Schedules 1 through 3 are presented for the purposes of additional analysis and is not a part of the basic audited consolidated financial statements. The supplementary information in these Schedules has been subjected to auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.



THUNDER BAY, ONTARIO
JULY 22, 2015

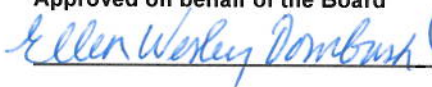
PETER STETSKO PROFESSIONAL CORPORATION

Authorized to practice public accounting by
The Institute of Chartered Accountants of Ontario

Cat Lake First Nation
Consolidated Statement of Financial Position
As at March 31, 2015

	2015	2014
Financial assets		
Cash resources (Note 3)	1,137,862	1,829,861
Accounts receivable (Note 4)	441,589	1,039,859
Investment in partnership and business entities (Note 5)	154	154
Funds held in Ottawa trust fund (Note 6)	258,373	245,435
Total financial assets	1,837,978	3,115,309
Liabilities		
Accounts payable and accruals (Note 7)	1,650,612	2,071,910
Due to government and other government organizations (Note 8)	945,143	-
Deferred revenue (Note 9)	2,244,178	6,358,346
Total liabilities	4,839,933	8,430,256
Net debt	(3,001,955)	(5,314,947)
Contingent liabilities (Note 10)		
Subsequent events (Note 11)		
Non-financial assets		
Tangible capital assets (Note 12) (Schedule 1)	27,962,581	28,725,473
Inventories held for use (Note 13)	318,317	103,375
Prepaid expenses	-	52,772
Total non-financial assets	28,280,898	28,881,620
Accumulated surplus	25,278,943	23,566,673

Approved on behalf of the Board

 (for) Chief

 Councillor

Cat Lake First Nation

Consolidated Statement of Operations and Accumulated Operating Surplus

For the year ended March 31, 2015

	2015 Budget	2015	2014
Aboriginal Affairs and Northern Development Canada			
Grant	484,225	445,168	484,225
Fixed Contribution	1,934,280	2,704,424	1,976,871
Set Contribution	940,800	1,168,760	4,791,430
	3,359,305	4,318,352	7,252,526
First Nation and Inuit Health	839,875	997,081	1,355,241
Interest income	-	8,856	23,811
Ministry of Health and Long-Term Care	42,911	65,120	53,092
Nishnawbe-Aski Nation	89,151	101,603	89,351
NDL Construction Ltd.	-	-	523,788
Ontario First Nations Limited Partnership	854,548	866,723	846,279
Province of Ontario	237,600	251,416	237,600
Ministry of Community and Social Services	626,400	921,179	874,517
Musselwhite	1,501,227	1,091,934	1,343,302
Rental income	12,000	30,960	12,000
Trust Fund revenue	-	12,938	15,420
Sioux Lookout Area Aboriginal Management Board	22,871	67,583	89,099
Windigo First Nations Council	-	209,729	-
Other revenue	73,711	511,536	793,767
Administration fees	108,697	269,848	72,030
Deferred revenue, beginning of year	-	6,358,346	6,640,356
Deferred revenue, end of year	-	(2,244,178)	(6,358,346)
	7,768,296	13,839,026	13,863,833
Expenses			
Administration	3,182,651	4,376,114	4,897,981
Casino Rama	854,548	796,762	704,972
Economic Development	61,284	170,066	117,074
Education	1,358,229	2,736,262	2,181,345
Health Authority	1,106,184	1,589,980	1,572,954
Social Assistance	867,079	1,261,658	1,020,381
	7,429,975	10,930,842	10,494,707
Operating surplus before other items	338,321	2,908,184	3,369,126
Funding recoveries	-	(1,195,914)	(65,499)
Operating surplus	338,321	1,712,270	3,303,627
Accumulated surplus, beginning of year	-	23,566,673	20,263,046
Accumulated surplus, end of year	338,321	25,278,943	23,566,673

The accompanying notes are an integral part of these financial statements

Cat Lake First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2015

	2015 Budget	2015	2014 (Restated)
Annual operating surplus	-	1,712,270	3,303,627
Purchases of tangible capital assets	-	(687,005)	(4,210,147)
Amortization of tangible capital assets	379	1,449,897	1,033,872
Use of prepaid expenses	-	52,772	350
Use of inventories held for use	-	-	43,401
Acquisition of inventories held for use	-	(214,942)	-
Increase (decrease) in net debt	379	2,312,992	171,103
Net debt, beginning of year	-	(5,314,947)	(5,486,050)
Net debt, end of year	379	(3,001,955)	(5,314,947)

Cat Lake First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2015

	2015	2014
<hr/>		
Cash provided by (used for) the following activities		
Operating activities		
Operating surplus	1,712,270	3,303,627
Non-cash items		
Amortization	1,449,897	1,033,872
	3,162,167	4,337,499
Changes in working capital accounts		
Accounts receivable	598,270	364,063
Prepaid expenses	52,772	350
Accounts payable and accruals	(421,298)	(1,666,862)
Due to government organizations	945,143	-
Deferred revenue	(4,114,168)	(282,010)
Inventories held for use	(214,942)	43,401
	7,944	2,796,441
<hr/>		
Capital activities		
Purchases of tangible capital assets	(687,005)	(4,210,147)
<hr/>		
Investing activities		
Ottawa trust fund revenue	(12,938)	(15,420)
<hr/>		
decrease in cash resources	(691,999)	(1,429,126)
<hr/>		
Cash resources, beginning of year	1,829,861	3,258,987
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Cash resources, end of year	1,137,862	1,829,861
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Supplementary cash flow information		
Interest paid	28,730	32,406
Interest received	8,856	23,808
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1. Operations

Cat Lake First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members. Cat Lake First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. These include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities..

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Cat Lake First Nation
- Cat Lake First Nation Recipient Appointed Advisor Account
- Cat Lake First Nation Health Authority
- Cat Lake First Nation Casino Rama

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Cat Lake First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the cost method. Under the cost method, only the First Nation's initial investment is reported in the consolidated financial statements. Entities accounted for by the cost basis include:

- 1133407 Ontario Inc. (Operating as Pipestone Contracting)
- 1089907 Ontario Inc. (Operating as Keewatin Contracting)

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated operating surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Cash resources

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

2. Significant accounting policies *(Continued from previous page)*

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records]for buildings, community infrastructure, equipment and vehicles. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Buildings	straight-line	25-30 years
Community infrastructure	straight-line	25 years
Equipment	straight-line	5-10 years
Fuel tanks	straight-line	10 years
Furniture and fixtures	straight-line	5-10 years
Housing	straight-line	25 years
Radio station	straight-line	5 years
street lights	straight-line	10 years
Vehicles	straight-line	10 years

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using undiscounted future cash flows. Any impairment is included in surplus for the year.

Inventories held for use

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Asset classification

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

Net financial assets (net debt)

The First Nation's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the First Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Rental revenue is recognized over the rental term. Other revenues are earned from other services provided by the First Nation and are recognized when the service has been provided and collectibility is reasonably assured.

Revenues from trust moneys are recognized when measurable, earned and collection is reasonably assured. these moneys are reported on by the Government of Canada

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Segments

The First Nation conducts its business through 7 reportable segments: Administration, Casino Rama, Economic Development, Education, Health Authority, Social Assistance and Ottawa Trust Funds.. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both 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.

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

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary

Amortization is based on the estimated useful lives of tangible capital assets

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

2. Significant accounting policies *(Continued from previous page)*

Provision for site rehabilitation

The Ontario Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. A liability is recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used and is equal to a proportion of the estimated total expenditure required for closure and post-closure care. The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future revenue generation, are expensed in the current year.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2015.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. The First Nation is in the early stages of remediating a site. Costs of remediation and benefits given up are not yet determinable.

Other Economic interests

Cat Lake first Nation is a member of Tikinagan Child and Family Services. Tikinagan Child and Family Services is an organization comprised of thirty First Nations, whose purpose is to provide child and family services to the thirty member First Nations.

Cat Lake First Nation is a member of Windigo First Nations Tribal Council. Windigo First Nations Tribal Council is an organization comprised of seven First Nations. The Tribal Council enhances the technical services provided by the First Nation.

Cat Lake First Nation is a member of Windigo First Nation Education Authority. Windigo First Nations Education Authority is an organization of four First Nations. The Education Authority enhances education services provided by the First Nation.

Cat Lake First Nation is a member of the Sioux Lookout Area Aboriginal Management Board ("SLAAMB"). SLAAMB is an organization comprised of twenty-six First Nations. SLAAMB enhances the education and training services provided by the First Nations.

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

3. Cash resources

	2015	2014
Administration	21,378	(20,527)
Cash on hand	66,150	175,781
Casino Rama	102,915	46,471
Health Authority	28,953	145,775
Recipient Appointed Advisor	852,169	1,357,852
Social Assistance	55,079	73,733
Other funds held in trust	11,218	50,776
	1,137,862	1,829,861

Under the terms of a capital funding agreement with AANDC, The First Nation was provided separate funds for the construction of a school. These funds are administered by an independent financial manager. The balance of restricted cash at year end is \$103,324 (2014 - \$456,558).

4. Accounts receivable

	2015	2014
Aboriginal Affairs and Northern Development Canada	63,151	670,400
First Nation and Inuit Health	7,450	1,366
Ministry of Community and Social Services	-	33,769
Musselwhite	84,021	250,338
Nishnawbe-Aski Nation	69,119	57,250
Other accounts receivable	513,128	310,486
Allowance for doubtful accounts	(295,280)	(283,750)
	441,589	1,039,859

5. Investments in partnerships and business entities

The First Nation has investments in the following entities:

	Investment cost	2015 Total investment
Significantly Influenced Businesses:		
1133407 Ontario Inc. (Operating as Pipestone Contracting) - 34.3%	103	103
1089907 Ontario Inc. (Operating as Keewatin Contracting) - 51%	51	51
	154	154

	Investment cost	2014 Total investment
Significantly Influenced Businesses:		
1133407 Ontario Inc. (Operating as Pipestone Contracting) - 34.3%	103	103
1089907 Ontario Inc. (Operating as Keewatin Contracting) - 51%	51	51
	154	154

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

6. Funds held in Ottawa Trust Fund

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Council

	2015	2014
Capital Trust		
Balance, beginning of year	4,904	4,904
Balance, end of year	4,904	4,904
Revenue Trust		
balance, beginning of year	240,531	225,111
interest	12,938	15,420
Balance, end of year	253,469	240,531
	258,373	245,435

7. Accounts payable and accruals

	2015	2014
Trade payables	1,343,670	1,658,641
Accrued salaries and benefits payable	158,553	154,138
Other accrued liabilities	139,747	235,838
Payroll remittances	8,642	23,293
	1,650,612	2,071,910

8. Due to government and other government organizations

	2015	2014
Aboriginal Affairs and Northern Development Canada	203,202	-
First Nation and Inuit Health	741,941	-
	945,143	-

Amounts repayable to Aboriginal Affairs and Northern Development Canada is made up of funds remaining from a school construction project. Amounts repayable to First Nation and Inuit Health is based on a ministerial audit recovering funds from 2008-2011 and recovery of surplus funds from 2014.

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

9. Deferred revenue

	<i>Balance, March 31, 2014</i>	<i>Funding Received, 2015</i>	<i>Revenue Recognized</i>	<i>Balance, March 31, 2015</i>
AANDC - Electrical Grid	8,402	235,000	242,246	1,156
AANDC - Electrical Systems	-	375,000	-	375,000
AANDC - Minor Capital - school facilities	292,776	-	292,776	-
AANDC - School Servicing	155,389	-	155,389	-
Ontario First Nations Limited Partnership	5,901,779	867,181	4,900,938	1,868,022
	6,358,346	1,477,181	5,591,349	2,244,178

Ontario First Nations Limited Partnership funding is provided as part of a settlement with the Ontario Government over gaming revenue produced on First Nation territory. The First Nation is restricted to spending the funds on eligible expenditures outlined in the partnership agreement in one of six categories (Community Development, Health, Education, Economic Development, Cultural Development, Permitted Interim Investments). Where funds have not been spent in accordance with the agreement, funding is deferred to the subsequent year.

10. Contingent liabilities

The First Nation has agreements with AANDC and other government bodies for each restricted fund which states that the First Nation may be required to return any surplus which may arise. The First Nation is solely responsible for any deficits.

11. Subsequent events

Subsequent to the year end, two fires occurred in the community. The first fire destroyed a school bus, resulting in a financial statement loss of \$3,768. The second fire destroyed the First Nation's warehouse containing housing and renovation supplies. The estimated loss to capital assets is \$521,926 and the estimated loss to inventories held for use is \$128,221.

12. Tangible capital assets

The First Nation does not amortize tangible capital assets under construction until they are put into service. \$790,556 reported in housing, \$14,848 in equipment, \$205,560 in buildings and \$32,500 in street lights are under construction at year end.

13. Inventories held for use

	2015	2014
Building supplies	128,221	-
Fuel	156,019	87,124
Road supplies	34,077	16,251
	318,317	103,375

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

14. Segments

During 2015, the First Nation had seven reportable segments: These segments are differentiated by major activities or services they provide. The First Nation's segments are as follows:

Administration - includes administration and governance activities.

Casino Rama - includes the use of the funding provided by the Ontario First Nations Limited Partnership.

Economic Development - includes activities for the growth of business activity and infrastructure on First Nation property.

Education - includes the operation of education programs.

Health Authority - includes the operations of the health programs and crisis co-ordination.

Social Assistance - includes the operations of the social assistance programs.

Ottawa Trust funds - includes the operations of funds held in a separate trust in Ottawa.

Inter-segment transfers are recorded at their exchange amount. The accounting policies are the same as those described in Note 2.

15. Economic dependence

Cat Lake First Nation receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of Treaties entered into with the Government of Canada. These treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

16. Government transfers

Cat Lake First Nation receives a significant portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada (AANDC). Under the terms of the arrangement, funding can be suspended if the First Nation does not comply with the terms of the agreement.

Due to certain deficiencies in its working capital position, the First Nation is party to an Recipient Appointed Advisor Agreement with MNP Management Services Ltd., under the approval of AANDC, that expires on March 31, 2015. Subsequent to year-end, the First Nation continued its agreement with MNP Management Services Ltd.

During the year, the First Nation recognized the following government transfers:

	2015	2014
Aboriginal Affairs and Northern Development Canada	4,318,352	7,252,526
First Nation and Inuit Health	997,081	1,355,241
Province of Ontario	251,416	237,600
	5,566,849	8,845,367

17. Budget information

The disclosed budget information has been approved by the Chief and Council of the Cat Lake First Nation at a Council meeting held on June 30, 2014.

18. Comparative figures

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

19. Recent accounting pronouncements

Assets

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 *Financial Statement Concepts*. The main features of this standard are as follows:

- Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.
- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

19. Recent accounting pronouncements *(Continued from previous page)*

Contingent Assets

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Contractual Rights

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

19. Recent accounting pronouncements *(Continued from previous page)*

Restructuring Transactions

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

- A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.
- A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.
- Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.
- The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.
- Restructuring-related costs are recognized as expenses when incurred.
- Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.
- The financial position and results of operations prior to the restructuring date are not restated.
- Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged

Cat Lake First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2015

	<i>Buildings</i>	<i>Community infrastructure</i>	<i>Equipment</i>	<i>Fuel Tanks</i>	<i>Furniture and fixtures</i>	<i>Housing</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	27,919,251	740,000	1,151,495	391,672	545,710	5,104,783	35,852,911
Acquisition of tangible capital assets	43,762	-	36,736	-	66,648	-	147,146
Construction-in-progress	-	-	-	-	-	440,456	440,456
Balance, end of year	27,963,013	740,000	1,188,231	391,672	612,358	5,545,239	36,440,513
Accumulated amortization							
Balance, beginning of year	3,140,429	735,200	797,734	285,010	122,287	2,480,612	7,561,272
Annual amortization	1,059,285	4,800	66,753	39,167	70,187	106,188	1,346,380
Balance, end of year	4,199,714	740,000	864,487	324,177	192,474	2,586,800	8,907,652
Net book value of tangible capital assets	23,763,299	-	323,744	67,495	419,884	2,958,439	27,532,861
Net book value of tangible capital assets	2014 24,778,822	4,800	353,761	106,662	423,423	2,624,171	28,291,639

Cat Lake First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2015

	<i>Subtotal</i>	<i>Radio Station</i>	<i>Street Lights</i>	<i>Vehicles</i>	<i>2015</i>	<i>2014</i>
Cost						
Balance, beginning of year	35,852,911	10,227	10,274	991,450	36,864,862	32,654,716
Acquisition of tangible capital assets	147,146	-	32,500	66,903	246,549	3,775,047
Construction-in-progress	440,456	-	-	-	440,456	435,100
Balance, end of year	36,440,513	10,227	42,774	1,058,353	37,551,867	36,864,863
Accumulated amortization						
Balance, beginning of year	7,561,272	10,227	8,732	559,158	8,139,389	7,105,518
Annual amortization	1,346,380	-	1,027	102,490	1,449,897	1,033,872
Balance, end of year	8,907,652	10,227	9,759	661,648	9,589,286	8,139,390
Net book value of tangible capital assets	27,532,861	-	33,015	396,705	27,962,581	28,725,473
2014 Net of tangible capital assets	28,291,639	-	1,542	432,292	28,725,473	

Cat Lake First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Consolidated expenses by object			
Administration	144,698	269,848	72,030
Amortization	379	1,449,897	1,033,872
Audit fees	30,500	30,323	30,000
Bad debts	-	11,530	-
Bank charges and interest	20,378	28,730	32,407
Co-management fees	180,000	180,000	180,000
Community donations	300,000	469,703	395,514
Consulting	-	-	179,088
Contracted services	270,650	974,895	915,734
Contracted services - travel	-	-	62,793
Equipment rental and supplies	10,000	34,055	36,876
Food	6,298	8,563	49,171
Fuel	243,623	102,453	61,767
Funeral	40,000	23,393	30,304
Honourarium	398,000	208,350	259,062
Insurance	32,002	80,378	97,062
Materials	-	300	18,996
Miscellaneous	6,250	21,619	644,896
Office supplies	11,900	3,298	139,010
Postage	3,360	18,351	1,410
Professional fees	629,201	416,923	371,832
Rent	5,174	9,450	-
Repairs and maintenance	108,000	54,867	241,110
Salaries and benefits	2,313,405	3,345,061	3,387,576
Social assistance	693,200	1,059,744	837,432
Student expenses	11,696	7,659	6,530
Supplies	1,443,565	809,753	545,040
Telephone	32,000	81,421	42,428
Training	33,475	96,204	16,549
Travel	43,950	559,525	393,414
Utilities	418,271	574,549	441,625
Vehicle	-	-	1,179
	7,429,975	10,930,842	10,524,707

Cat Lake First Nation
Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)
For the year ended March 31, 2015

	Department of AANDC Contributions	Other Revenue	Deferred Revenue (Net)	Total Expenses for the Year	Funding Recoveries	Transfers	Surplus (Deficit)	Prior Year's Surplus (Deficit)	End of Year Surplus (Deficit)
Administration									
Band Support	825,168	154,097	(375,000)	609,208	-	2,246,193	2,241,250	(2,246,193)	(4,943)
Housing and Capital	-	-	-	144,763	-	-	(144,763)	274,942	130,179
Operations and Maintenance	391,230	-	-	585,596	-	-	(194,366)	890,985	696,619
Post Office	-	-	-	-	-	18,418	18,418	(18,418)	-
Winter Road - MNM	-	251,416	-	263,496	-	-	(12,080)	237,096	225,016
Other Administration	-	1,640,272	-	1,767,780	-	(323,048)	(450,556)	1,904,227	1,453,671
Canada Economic Action Plan	-	-	-	-	-	-	-	126,749	126,749
Minor Capital	460,114	-	-	367,683	-	-	92,431	580,111	672,542
Capital - Sewage Liftstation	-	-	-	-	-	-	-	88,750	88,750
First Nations Waste Water Action Plan	-	-	-	-	-	-	-	(402)	(402)
Registry Events - Set Contribution	300	-	-	300	-	-	-	-	-
Water O&M - Set Contribution	42,830	-	-	42,830	-	-	-	-	-
Wastewater O&M - Set Contribution	106,719	-	-	106,719	-	-	-	-	-
Roads and Bridges - Set Contribution	-	-	-	-	-	-	-	(5,884)	(5,884)
Warehouse Replacement - Set Contribution	-	-	-	-	-	-	-	205,560	205,560
Winter Road - Set Contribution	245,493	-	-	245,493	-	73,089	73,089	(73,089)	-
Electrical Grid	235,000	-	7,246	242,246	-	-	-	-	-
Power Utility	-	-	-	-	-	98,061	98,061	(98,061)	-
Capacity Development	-	-	-	-	-	8,234	8,234	(8,234)	-
	2,306,854	2,045,785	(367,754)	4,376,114	-	2,120,947	1,729,718	1,858,139	3,587,857
Economic Development	61,300	11,750	-	170,066	-	-	(97,016)	429,599	332,583
Education									
Education Facilities	530,000	-	-	546,967	-	-	(16,967)	3,891	(13,076)
Education Programs	825,980	53,885	-	1,842,447	-	-	(962,582)	266,612	(695,970)
Enhanced Teacher Salaries	38,800	-	-	38,800	-	-	-	(48,075)	(48,075)
Special Education	-	-	-	-	-	-	-	(39,739)	(39,739)
Parental and Community Engagement Strategy	-	-	-	-	-	-	-	(14,381)	(14,381)
Minor Capital - School Facilities	-	337	292,776	33	(203,202)	-	89,878	15,520,042	15,609,920
School Servicing	-	757	155,390	144	(65,677)	-	90,326	6,924,701	7,015,027
School Fire Replacement	-	-	-	-	-	-	-	49,855	49,855
Professional and Institutional Development	-	-	-	-	-	-	-	(13,206)	(13,206)
Band Operated School - Set Contribution	199,171	-	-	199,171	-	-	-	-	-
Provincial School Accommodation - Set Contribution	-	-	-	-	-	-	-	5,500	5,500
Provincial School Transportation - Set Contribution	-	-	-	-	-	-	-	500	500
Fit Up of Education Facilities - Set Contribution	-	-	-	-	-	-	-	13,469	13,469
Tuition Agreements	108,700	-	-	108,700	-	-	-	-	-
	1,702,651	54,979	448,166	2,736,262	(268,879)	-	(799,345)	22,669,169	21,869,824
Health Authority									
Community Health	-	1,375,086	-	1,503,974	(926,823)	1,398,792	343,081	(271,757)	71,324
Crisis Co-ordination	-	50,906	-	29,675	(212)	218,176	239,195	(218,176)	21,019
National Child Benefit - Set Contribution	70,800	-	-	56,331	-	-	14,469	35,071	49,540
	70,800	1,425,992	-	1,589,980	(927,035)	1,616,968	596,745	(454,862)	141,883
Social Assistance									
Social Assistance	55,800	86,200	-	142,518	-	-	(518)	(242,039)	(242,557)
Basic Needs - Set Contribution	99,894	836,561	-	1,032,521	-	-	(96,066)	244,653	148,587
Special Needs - Set Contribution	1,100	-	-	1,100	-	-	-	191	191
Home Support - Set Contribution	19,953	65,120	-	85,519	-	68,500	68,054	(71,305)	(3,251)
	176,747	987,881	-	1,261,658	-	68,500	(28,530)	(68,500)	(97,030)
Casino Rama	-	867,181	4,033,756	796,762	-	(3,806,415)	297,760	(1,112,307)	(814,547)
Ottawa Trust Funds									
Revenue	-	12,938	-	-	-	-	12,938	240,531	253,469
Capital	-	-	-	-	-	-	-	4,904	4,904
	-	12,938	-	-	-	-	12,938	245,435	258,373
	4,318,352	5,406,506	4,114,168	10,930,842	(1,195,914)	-	1,712,270	23,566,673	25,278,943