

**Cat Lake First Nation
Consolidated Financial Statements**

March 31, 2020

Cat Lake First Nation Contents

For the year ended March 31, 2020

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Management's Responsibility

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

The accompanying consolidated financial statements of Cat Lake First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Cat Lake First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

Grant Thornton LLP is appointed by the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

A handwritten signature in blue ink, appearing to read "M. J. Mohr", is placed above a horizontal line.

Band Manager



Independent Auditor's Report

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

Qualified Opinion

We have audited the consolidated financial statements of Cat Lake First Nation ("the First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated operating surplus, change in net debt 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 matters described in the *Basis for Qualified Opinion*, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Cat Lake First Nation as at March 31, 2020, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

During our audit, we noted that Cat Lake First Nation reports its long-term investments in three 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 consolidated in the First Nation's financial statements. As a result, we were unable to determine whether adjustments might have been necessary in respect of the investment in business entities and the elements making up the consolidated statement of financial position, consolidated statement of operations and accumulated operating surplus and consolidated statements of change in net debt and cash flows.

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 First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of 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 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 First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation'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 the 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 First Nation'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 First Nation'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 First Nation 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 Entity and the organizations it controls 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, handwritten font.

Cat Lake First Nation
Consolidated Statement of Financial Position
As at March 31, 2020

	2020	2019
Financial assets		
Cash resources (Note 3)	914,369	43,046
Accounts receivable (Note 4)	1,005,854	1,094,844
Due from government and other government organizations (Note 5)	1,058,716	2,256,311
Portfolio investments (Note 6)	22	22
Investments in business entities	52	155
Funds held in Ottawa Trust Fund (Note 8)	303,583	294,497
	3,282,596	3,688,875
Liabilities		
Accounts payable and accruals (Note 9)	4,140,945	3,526,538
Due to government and other government organizations (Note 10)	287,176	524,010
Deferred revenue (Note 11)	1,372,929	1,897,054
Long-term debt (Note 12)	2,963,637	3,646,491
	8,764,687	9,594,093
Net debt	(5,482,091)	(5,905,218)
Contingent liabilities (Note 13)		
Non-financial assets		
Tangible capital assets (Note 14) (Schedule 1)	28,867,009	29,197,612
Inventories held for use (Note 15)	283,991	17,211
	29,151,000	29,214,823
Accumulated surplus	23,668,909	23,309,605

Approved on behalf of the Council



Chief



Councillor

Cat Lake First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2020

	2020 Budget	2020	2019
Indigenous Services Canada			
Grant (Note 18)	565,145	490,767	557,538
Fixed Contribution (Note 18)	4,870,677	6,337,802	5,100,171
Flexible Contribution (Note 18)	-	404,303	-
Set Contribution (Note 18)	92,016	459,390	244,338
	5,527,838	7,692,262	5,902,047
First Nation and Inuit Health Branch (Note 18)	966,174	2,151,602	1,856,247
Administration fees	631,755	1,730,169	695,248
Canada Mortgage and Housing Corporation	-	17,798	-
Fuel and oil revenue	-	-	99,253
HST and sales tax rebates	-	-	434,031
Interest income	-	15,032	13,716
Ministry of Community and Social Services (Note 18)	660,000	1,899,456	2,712,612
Ministry of Energy, Northern Development and Mines (Note 18)	266,728	269,395	266,728
Ministry of Health (Note 18)	53,439	210,712	147,250
Musselwhite	270,000	148,123	769,002
Nishnawbe-Aski Nation	288,105	261,932	184,721
OFNLP2008	800,212	1,116,898	1,284,238
Other revenue	217,560	960,303	2,048,017
Rental income	39,900	31,124	59,600
Trust Fund revenue	-	9,086	9,916
Windigo First Nations Council	-	436	100,266
Deferred revenue, beginning of year	-	1,897,054	1,908,404
Deferred revenue, end of year	-	(1,372,929)	(1,897,054)
Funding recoveries	(96,612)	(52,224)	(37,814)
	9,625,099	16,986,229	16,556,428
Expenses			
Administration	4,453,030	5,622,751	6,078,034
Economic development	1,231,044	900,581	417,942
Education	2,242,424	3,876,202	3,063,937
Health Authority	1,486,050	2,807,600	2,312,952
Social Assistance	1,027,419	2,740,449	2,758,371
OFNLP2008	800,212	679,239	351,758
	11,240,179	16,626,822	14,982,994
Surplus (deficit) before other items	(1,615,080)	359,407	1,573,434
Other expenses			
Loss on disposal of investments	-	(103)	-
Surplus (deficit)	(1,615,080)	359,304	1,573,434
Accumulated surplus, beginning of year	-	23,309,605	21,736,171
Accumulated surplus, end of year	(1,615,080)	23,668,909	23,309,605

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

Cat Lake First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2020

	2020 Budget	2020	2019
Annual surplus	-	359,304	1,573,434
Purchases of tangible capital assets	-	(1,431,444)	(1,674,216)
Amortization of tangible capital assets	1,762,047	1,762,047	1,790,829
Acquisition of inventories held for use	(266,780)	(266,780)	-
Use of inventories held for use	-	-	233,123
	1,495,267	63,823	349,736
Use of prepaid expenses	-	-	105,008
Decrease in net debt	1,495,267	423,127	2,028,178
Net debt, beginning of year	-	(5,905,218)	(7,933,396)
Net debt, end of year	1,495,267	(5,482,091)	(5,905,218)

Cat Lake First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Operating surplus	359,304	1,573,434
Non-cash items		
Amortization	1,762,047	1,790,829
Ottawa Trust Fund	(9,086)	(9,915)
Loss on disposal of investment in business entities	103	-
	2,112,368	3,354,348
Changes in working capital accounts		
Accounts receivable	88,990	(615,219)
Due from government organizations	1,197,595	(1,790,510)
Accounts payable and accruals	614,407	514,282
Deferred revenue	(524,125)	(11,350)
Due to government organizations	(236,834)	(58,800)
Inventories held for use	(266,780)	233,123
Prepaid expenses	-	105,008
	2,985,621	1,730,882
Financing activities		
Proceeds from long-term debt financing	345,944	-
Repayment of long-term debt financing	(299,859)	(530,466)
Repayment of capital financing	(728,939)	(492,557)
Cash used in financing activities	(682,854)	(1,023,023)
Capital activities		
Purchases of tangible capital assets	(1,431,444)	(1,674,216)
Investing activities		
Purchase of portfolio investments	-	(22)
Increase (decrease) in cash resources	871,323	(966,379)
Cash resources, beginning of year	43,046	1,009,425
Cash resources, end of year	914,369	43,046

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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:

Principles of consolidation

The consolidated 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 OFNLP2008

All inter-entity balances have been eliminated upon 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 consolidated 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:

- 1089907 Ontario Inc. (Operating as Keewatin Contracting)

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.

Cash resources

Cash and cash equivalents 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.

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 consolidated statement of financial position with an offsetting amount in accumulated operating surplus. Trust monies consist of:

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

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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

Tangible capital assets

Tangible capital assets are initially recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the assets. Cost includes overhead attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Tangible capital assets are written down when conditions indicate they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their book value. The net write-downs are accounted for as expenses in the consolidated statement of operations and accumulated operating surplus.

Contributed tangible capital assets are recorded into revenue at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at nominal value.

Certain assets have historical or cultural value, including works of art, historical documents, and historical and cultural artifacts, are not recognized as tangible capital assets.

Tangible capital assets that are not yet ready for use are recorded as construction in progress. No amortization is recorded until the asset is ready for use.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
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 First 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 discounted future cash flows. Any impairment is included in surplus for the year ended.

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.

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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 consolidated 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 monies are recognized when measurable, earned and collection is reasonably assured. These monies 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.

Administration fees

It is the First Nation's policy to allocate certain administrative costs to the various programs. Such allocations are recorded as administration recovery revenue.

Net financial assets (net debt)

The First Nation's consolidated 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).

Use of estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility 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 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.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the annual surplus (deficit) in the periods in which they become known.

Expense allocation

Certain expenses which pertain to the operations as a whole have been allocated to various programs at the discretion of Chief and Council.

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

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

Segments

The First Nation conducts its business through seven reportable segments: Administration, OFNLP2008, Economic Development, Education, Health Authority, Social Assistance and Ottawa Trust Fund. 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 consolidated financial statements as disclosed in the significant accounting policies.

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 Nations 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.

3. Cash resources

	2020	2019
Administration	27,856	37,928
OFNLP2008	3,652	4,855
Health Authority	89,505	86,861
Social Assistance	273,627	255,665
ISC Funds Account	519,729	(342,263)
	914,369	43,046

4. Accounts receivable

	2020	2019
Members	113,853	121,134
Musselwhite	48,385	-
Nishnawbe-Aski Nation	222,246	180,069
Ontario First Nations Limited Partnership	-	706,312
Trade receivables	82,029	246,774
Windigo Tribal Council	725,518	-
	1,192,031	1,254,289
Less: allowance for doubtful accounts	186,177	159,445
	1,005,854	1,094,844

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

5. Due from government and other government organizations

	2020	2019
Federal government		
Indigenous Services Canada	752,560	773,911
First Nation and Inuit Health Branch	82,092	499,284
Harmonized Sales Tax Receivable	71,516	238,634
	906,168	1,511,829
Provincial government		
Ministry of Energy, Northern Development and Mines	67,349	108,070
Ministry of Community and Social Services	49,163	633,417
Ministry of Transportation	2,995	2,995
Province of Ontario	33,041	-
	152,548	744,482
	1,058,716	2,256,311

6. Portfolio investments

	2020	2019
Investment in 2472881 Ontario Ltd.	10	10
Investment in OFN Asset Management GP Corporation	1	1
Investment in Sovereign Wealth LP	1	1
Investment in First Nation LP	10	10
	22	22

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

7. Investments in partnerships and business entities

Summary financial information for each First Nation business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

The First Nation has investments in the following entities:

	2020
Significantly influenced businesses:	
1089907 Ontario Inc. (Operating as Keewatin Contracting) - 51%	51
Five Rivers Business Development Corporation - 100%	1
	52

	2019
Significantly influenced businesses:	
1133407 Ontario Inc. (Operating as Pipestone Contracting) - 34.3%	103
1089907 Ontario Inc. (Operating as Keewatin Contracting) - 51%	51
Five Rivers Business Development Corporation - 100%	1
	155

Cat Lake First Nation is also in partnership with Windigo Partnership and Windigo Community Economic Development Corporation.

The First Nation does not own a significant portion of the partnership, nor can it exhibit control over the operations. No amount was expended by the First Nation to become a partner in the operation.

8. 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.

	2020	2019
Capital Trust		
Balance, beginning of year	4,904	4,904
Balance, end of year	4,904	4,904
Revenue Trust		
Balance, beginning of year	289,593	279,678
Interest	9,086	9,915
Balance, end of year	298,679	289,593
	303,583	294,497

The trust funds arise from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

9. Accounts payable and accruals

	2020	2019
Trade payables	3,350,713	2,887,853
Accrued salaries and benefits payable	153,960	5,805
Other accrued liabilities	306,079	267,115
Payroll remittances	330,193	365,765
	4,140,945	3,526,538

10. Due to government and other government organizations

	2020	2019
Federal Government		
Indigenous Services Canada	190,564	190,564
First Nation and Inuit Health Branch	96,612	295,632
	287,176	486,196
Provincial		
Ministry of Community and Social Services	-	37,814
	287,176	524,010

11. Deferred revenue

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
ISC - Covid-19 Response	-	276,617	119,821	156,796
FNIB - Community Health Promo	-	266,798	178,552	88,246
Ontario First Nation Limited Partnership	1,897,054	1,116,955	1,886,122	1,127,887
	1,897,054	1,660,370	2,184,495	1,372,929

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

12. Long-term debt

	2020	2019
Toronto Dominion Bank Demand loan, repayable monthly without specific instalment amounts plus interest at TD prime plus 1.95% (4.4% per annum), with no specific maturity date. Secured by a general security agreement as well as the assignment of Ontario First Nation Limited Partnership and Musselwhite funding.	468,861	492,838
Toronto Dominion Bank Fixed rate term loan repayable in monthly instalments of \$66,046 including interest at 4.96%, maturing March 11, 2021. As collateral, the financial institution specified security interest on the First Nation's heavy equipment with a net book value of \$1,653,750.	771,666	1,500,605
Toronto Dominion Bank Fixed rate term loan repayable in monthly instalments of \$27,344 plus interest at TD prime plus 1.95% (4.4% per annum), maturing February 28, 2023. Secured by a general security agreement as well as the assignment of Ontario First Nation Limited Partnership and Musselwhite funding.	612,747	888,629
Canada Mortgage and Housing Corporation ("CMHC") A term loan has been advanced to Cat Lake First Nation. Until the project is complete, portions of the loan's proceeds will be advanced to the First Nation as required. Once the final advance is provided or the project is substantially complete, CMHC will begin its regular repayment process as set in the loan agreement. The loan will be used to finance the construction of a 7-unit multiplex. Project expected to be completed Summer 2020.	1,110,363	764,419
	2,963,637	3,646,491

Principal repayments on long-term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

2021	1,095,173
2022	342,056
2023	94,209
2024	55,844
2025	56,296
	<hr/>
	1,643,578
Thereafter	<hr/>
	1,320,059

Total interest charges for debt reported on the consolidated statement of operations and accumulated surplus are \$169,320 (2019 - \$183,360).

The demand loan is due on demand upon the request of the financial institution. The financial institution has not requested repayment of the balance as of March 31, 2020.

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

13. Contingent liabilities

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's consolidated financial statements.

Claims are currently outstanding against the First Nation. The outcome of the claims is not yet determinable, and accordingly, no provision has been made in these consolidated financial statements with respect to these matters. Any loss with respect to the claims will be recorded as an expense of the period in which the loss becomes likely and the amount is measurable.

14. Tangible capital assets

The consolidated schedule of tangible capital assets (Schedule 1) presents all balances and charges in the year relating to the tangible capital assets owned by the First Nation.

Housing includes construction-in-progress with a carrying value of \$4,283,794 (2019 - \$3,109,517). Buildings include construction-in-progress of \$345,728 (2019 - \$345,728). No amortization of these assets has been recorded during the year because it is currently under construction.

The First Nation holds works of art and historical treasures, which have not been included in tangible capital assets due to the inability of estimating future benefits associated with such property.

15. Inventories held for use

	2020	2019
Fuel	283,991	17,211

16. Segments

During 2020, 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.

OFNLP2008 - 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 coordination.

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

Ottawa Trust Fund - 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.

Cat Lake First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

17. Economic dependence

Cat Lake First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of Treaties entered into with the Government of Canada. These Treaties are administered by ISC 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.

18. Government transfers

	<i>Operating</i>	<i>Capital</i>	<i>2020</i>	<i>2019</i>
Indigenous Services Canada	7,068,496	623,766	7,692,262	5,902,047
Canada Mortgage and Housing Corporation	17,798	-	17,798	-
First Nation and Inuit Health Branch	2,099,416	52,186	2,151,602	1,856,247
Total federal transfers	9,185,710	675,952	9,861,662	7,758,294
Ministry of Community and Social Services	1,899,456	-	1,899,456	2,712,612
Ministry of Health	210,712	-	210,712	147,250
Ministry of Energy, Northern Development and Mines	269,395	-	269,395	266,728
Total provincial transfers	2,379,563	-	2,379,563	3,126,590
	11,565,273	675,952	12,241,225	10,884,884

19. 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 July 31, 2019. The budget was prepared on a cash basis while Public Sector Accounting Standards required a full accrual basis. As a result, the budget figures presented in the consolidated statement of operations and changes in net financial assets were adjusted to add amortization of \$1,762,047 and inventories of \$266,780.

20. Uncertainty with respect to COVID-19

COVID-19 (coronavirus) has had a significant impact on First Nation communities through the restrictions put in place by the Canadian, Provincial and Municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, Band operations, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. The First Nation is actively monitoring the effect on its financial condition and operations.

Cat Lake First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	<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	28,313,806	740,000	4,030,971	391,672	629,236	8,972,985	43,078,670
Acquisition of tangible capital assets	60,988	-	-	-	23,676	-	84,664
Construction-in-progress	-	-	-	-	-	1,181,776	1,181,776
Balance, end of year	28,374,794	740,000	4,030,971	391,672	652,912	10,154,761	44,345,110
Accumulated amortization							
Balance, beginning of year	8,391,768	740,000	1,640,535	371,708	509,810	3,179,911	14,833,732
Annual amortization	1,040,549	-	373,517	7,985	41,855	146,539	1,610,445
Balance, end of year	9,432,317	740,000	2,014,052	379,693	551,665	3,326,450	16,444,177
Net book value of tangible capital assets	18,942,477	-	2,016,919	11,979	101,247	6,828,311	27,900,933
Net book value of tangible capital assets	19,922,038	-	2,390,436	19,964	119,426	5,793,074	28,244,938
	2019						

Cat Lake First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2020

	<i>Subtotal</i>	<i>Radio Station</i>	<i>Street Lights</i>	<i>Vehicles</i>	<i>2020</i>	<i>2019</i>
<hr/>						
Cost						
Balance, beginning of year	43,078,670	10,227	42,774	1,946,284	45,077,955	43,403,739
Acquisition of tangible capital assets	84,664	-	-	165,004	249,668	20,700
Construction-in-progress	1,181,776	-	-	-	1,181,776	1,653,516
Balance, end of year	44,345,110	10,227	42,774	2,111,288	46,509,399	45,077,955
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Accumulated amortization						
Balance, beginning of year	14,833,732	10,227	21,648	1,014,736	15,880,343	14,089,514
Annual amortization	1,610,445	-	3,250	148,352	1,762,047	1,790,829
Balance, end of year	16,444,177	10,227	24,898	1,163,088	17,642,390	15,880,343
Net book value of tangible capital assets	27,900,933	-	17,876	948,200	28,867,009	29,197,612
<hr/>						
Net book value of tangible capital assets		2019				
Net book value of tangible capital assets		28,244,938	-	21,126	931,548	29,197,612

Cat Lake First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2020

	2020	2019
Consolidated expenses by object		
Administration	1,730,169	694,748
Amortization	1,762,047	1,790,829
Bad debts	26,732	-
Bank charges and interest	62,152	27,155
Co-management fees	240,000	96,033
Community donations	410,590	710,099
Contracted services	15,750	214,598
Equipment rental and supplies	4,537	400
Food	194,110	33,542
Fuel	505,445	147,882
Funeral	14,556	90,570
Honourarium	363,425	253,773
Insurance	162,723	156,271
Interest on long-term debt	169,320	183,360
Materials	93,093	39,336
Miscellaneous	56,279	349,693
Office supplies	105,647	189,740
Postage	17,524	7,110
Professional fees	1,439,463	964,982
Program expense	-	233
Rent	56,769	105,625
Repairs and maintenance	78,850	48,969
Salaries and benefits	5,372,324	4,997,609
Social assistance	2,133,488	1,946,639
Student expenses	6,955	500
Supplies	400,791	792,977
Telephone	56,326	76,740
Training	113,588	150,265
Travel	678,924	666,628
Utilities	353,361	246,688
Vehicle	1,884	-
	16,626,822	14,982,994

Cat Lake First Nation
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Current Operating Surplus (Deficit)</i>
Administration					
Band Support	694,100	1,555,834	2,249,934	2,083,525	166,409
Other Administration	-	422,600	422,600	867,584	(444,984)
Housing and Capital	224,867	10,989	235,856	385,770	(149,914)
Minor Capital	616,832	-	616,832	256,981	359,851
Heavy Equipment	-	-	-	14,884	(14,884)
Registry Events - Set Contribution	6,016	-	6,016	6,016	-
Capacity Development	24,985	-	24,985	24,985	-
Winter Road - ISC	259,886	-	259,886	260,453	(567)
Winter Road - MNDM	-	269,395	269,395	392,270	(122,875)
Operations and Maintenance	587,040	-	587,040	569,057	17,983
Preventative/Least Disruptive Measures	295,750	-	295,750	295,827	(77)
COVID-19	276,617	(125,246)	151,371	151,371	-
Band Rep Services	581,917	-	581,917	314,028	267,889
Canadian Human Rights Tribunal	357,606	-	357,606	-	357,606
	3,925,616	2,133,572	6,059,188	5,622,751	436,437
Economic Development					
Economic Development	61,300	149,859	211,159	900,581	(689,422)
Education					
Band Operated School - Set Contribution	1,354	-	1,354	1,354	-
Education Facilities	139,239	-	139,239	141,622	(2,383)
Tuition Agreements	440,190	-	440,190	440,190	-
Education Programs	2,764,477	51,228	2,815,705	3,293,036	(477,331)
	3,345,260	51,228	3,396,488	3,876,202	(479,714)
Health Authority					
Crisis Co-ordination	-	59,301	59,301	59,301	-
Health Programs - Health Services	-	275,639	275,639	667	274,972
Health Programs - NNADAP	-	58,569	58,569	58,569	-
Health Programs - Brighter Futures	-	138,038	138,038	144,638	(6,600)
Health Programs - Healthy Communities	-	101,918	101,918	101,918	-
Health Programs - Management and Support	-	504,334	504,334	504,959	(625)
Health Programs - Non-Insured	-	110,091	110,091	112,426	(2,335)
Health Programs - Security	-	225,729	225,729	226,981	(1,252)
Health Programs - Child Nutrition - FASD	-	16,090	16,090	16,090	-
Health Programs - Healthy Babies	-	38,050	38,050	38,050	-
Health Programs - Aboriginal Headstart	127,686	-	127,686	127,686	-

Cat Lake First Nation
Schedule 3 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2020

	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Current Operating Surplus (Deficit)</i>
Health Programs - Maternal Child Health	-	20,510	20,510	21,587	(1,077)
Health Programs - Operations and Maintenance	-	134,441	134,441	135,014	(573)
Health Programs - Aboriginal Diabetes Initiatives	-	59,539	59,539	59,539	-
Health Programs - Community Health Promo	-	178,553	178,553	178,553	-
Health Programs - PDA	-	280,262	280,262	283,683	(3,421)
Health Programs - Suicide Prevention	-	15,410	15,410	15,410	-
Health Programs - Healthy Child Development	-	1,364	1,364	1,364	-
Health Services - Family Well Being	-	106,941	106,941	107,035	(94)
Health Services - Jordan's Principle - Suicide Prevention	-	596,531	596,531	601,389	(4,858)
Health Programs - Capital Investments	-	7,186	7,186	12,741	(5,555)
Health Programs - Medical Transport - Capital	-	45,000	45,000	-	45,000
	127,686	2,973,496	3,101,182	2,807,600	293,582
Social Assistance					
Social Services - Home Support - Set Contribution	19,200	-	19,200	19,200	-
Social Services - Home Support - Ministry of Health	-	210,712	210,712	209,292	1,420
Social Services - Basic Needs	-	1,440,790	1,440,790	1,866,427	(425,637)
Social Services - Service Delivery	213,200	439,103	652,303	645,530	6,773
	232,400	2,090,605	2,323,005	2,740,449	(417,444)
OFNLP2008					
OFNLP2008	-	1,886,121	1,886,121	679,239	1,206,882
Ottawa Trust Fund					
Ottawa Trust Fund	-	9,086	9,086	-	9,086
	7,692,262	9,293,967	16,986,229	16,626,822	359,407