

**Cat Lake First Nation**  
**Consolidated Financial Statements**  
*March 31, 2014*

**Cat Lake First Nation  
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*For the year ended March 31, 2014*

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**CAT LAKE FIRST NATION**

**March 31, 2014**

**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.

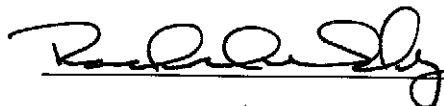
The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through its Council.

The Council, composed of Council Members, reviews the First Nations'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.

 Chief

24 July 2014  
Date

 Councilor

24 July 2014  
Date

## **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, 2014, 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.

The consolidated financial statements of Cat Lake First Nation for the year ended March 31, 2013 were audited by another auditor who expressed a disclaimer of opinion on those statements on September 23, 2013. The results of operations for the current year and changes in net debts and cash flows are dependant on the closing balances of the prior year being fairly presented and I was unable, through additional procedures, to determine that the closing balances from the prior year/opening balances of the current year were in fact fairly presented. As a consequence, I was unable to determine whether adjustments might have been necessary to the consolidated statement of operations and accumulated operating surplus and the 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 paragraphs, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Cat Lake First Nation as at March 31, 2014 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 24, 2014

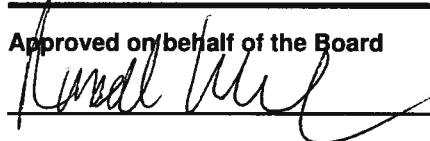
PETER STETSKO PROFESSIONAL CORPORATION

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

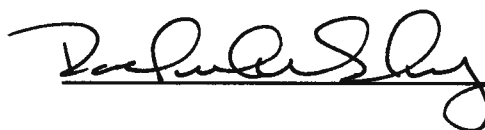
**Cat Lake First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2014*

	2014	2013
<b>Financial assets</b>		
Cash resources <i>(Note 3)</i>	1,829,861	3,258,987
Accounts receivable <i>(Note 4)</i>	1,039,859	1,403,922
Investment in partnership and business entities <i>(Note 5)</i>	154	154
Funds held in Ottawa Trust Fund <i>(Note 6)</i>	245,435	230,015
<b>Total financial assets</b>	<b>3,115,309</b>	<b>4,893,078</b>
<b>Liabilities</b>		
Accounts payable and accruals <i>(Note 7)</i>	2,071,910	3,738,772
Deferred revenue <i>(Note 8)</i>	6,358,346	6,640,356
<b>Total liabilities</b>	<b>8,430,256</b>	<b>10,379,128</b>
<b>Net debt</b>	<b>(5,314,947)</b>	<b>(5,486,050)</b>
<b>Contingent liabilities</b> <i>(Note 9)</i>		
<b>Non-financial assets</b>		
Tangible capital assets <i>(Note 10) (Schedule 1)</i>	28,725,473	25,549,198
Inventories held for use <i>(Note 11)</i>	103,375	146,776
Prepaid expenses	52,772	53,122
<b>Total non-financial assets</b>	<b>28,881,620</b>	<b>25,749,096</b>
<b>Accumulated surplus</b>	<b>23,566,673</b>	<b>20,263,046</b>

Approved on behalf of the Board



Chief



Councillor

# Cat Lake First Nation

## Consolidated Statement of Operations and Accumulated Operating Surplus

*For the year ended March 31, 2014*

	<i>2014 Budget</i>	2014	2013
Aboriginal Affairs and Northern Development Canada			
Grant	454,412	484,225	454,412
Fixed Contribution	1,941,419	1,976,871	2,472,564
Set Contribution	743,508	4,791,430	10,865,928
	<b>3,139,339</b>	<b>7,252,526</b>	<b>13,792,904</b>
First Nation and Inuit Health	937,254	1,355,241	933,736
Rental income	12,000	12,000	19,500
Interest income	40	23,811	13,865
Province of Ontario	253,750	237,600	237,600
NDL Construction Ltd.	-	523,788	688,288
Administration fees	52,354	72,030	90,023
Funding recoveries	-	(65,499)	(48,199)
Ontario First Nations Limited Partnership	854,548	846,279	854,548
Ministry of Community and Social Services	591,299	874,517	829,452
Other revenue	695,444	793,767	785,898
Trust Fund revenue	-	15,420	6,100
Deferred revenue, beginning of year	-	6,640,356	5,880,842
Deferred revenue, end of year	-	(6,358,346)	(6,640,356)
Musselwhite	1,501,227	1,343,302	1,529,331
Sioux Lookout Area Aboriginal Management Board	22,871	89,099	22,871
Nishnawbe-Aski Nation	44,783	89,351	44,783
Ministry of Health and Long-Term Care	42,911	53,092	40,170
	<b>8,147,820</b>	<b>13,798,334</b>	<b>19,081,356</b>
<b>Expenses</b>			
Administration	4,669,751	4,897,981	5,358,234
Casino Rama	551,943	704,972	120,251
Economic Development	74,707	117,074	108,914
Education	1,280,575	2,181,345	1,470,463
Health Authority	1,100,132	1,572,954	1,013,557
Social Assistance	839,506	1,020,381	1,126,355
	<b>8,516,614</b>	<b>10,494,707</b>	<b>9,197,774</b>
<b>Operating surplus</b>	<b>(368,794)</b>	<b>3,303,627</b>	<b>9,883,582</b>
<b>Accumulated surplus, beginning of year</b>	<b>-</b>	<b>20,263,046</b>	<b>10,379,464</b>
<b>Accumulated surplus, end of year</b>	<b>(368,794)</b>	<b>23,566,673</b>	<b>20,263,046</b>

*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, 2014*

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
<b>Annual operating surplus</b>	-	<b>3,303,627</b>	9,883,582
Purchases of tangible capital assets	-	<b>(4,210,147)</b>	(11,171,118)
Amortization of tangible capital assets	<b>468,084</b>	<b>1,033,872</b>	543,324
Acquisition of inventories held for use	-	-	(17,987)
Use of inventories held for use	-	<b>43,401</b>	-
Acquisition of prepaid expenses	-	-	(149)
Use of prepaid expenses	-	<b>350</b>	-
<b>Increase (decrease) in net debt</b>	<b>468,084</b>	<b>171,103</b>	(762,348)
<b>Net debt, beginning of year</b>	-	<b>(5,486,050)</b>	(4,723,702)
<b>Net debt, end of year</b>	<b>468,084</b>	<b>(5,314,947)</b>	(5,486,050)

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



**Cat Lake First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2014*

	<b>2014</b>	<b>2013</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Operating surplus	3,303,627	9,883,582
Non-cash items		
Amortization	1,033,872	543,324
	<b>4,337,499</b>	<b>10,426,906</b>
Changes in working capital accounts		
Accounts receivable	364,063	623,444
Prepaid expenses	350	(149)
Accounts payable and accruals	(1,666,862)	(261,035)
Deferred revenue	(282,010)	759,514
Inventories held for use	43,401	(17,987)
	<b>2,796,441</b>	<b>11,530,693</b>
<b>Capital activities</b>		
Purchases of tangible capital assets	(4,210,147)	(11,171,118)
<b>Investing activities</b>		
Ottawa trust fund revenue	(15,420)	(6,100)
<b>Increase (decrease) in cash resources</b>	<b>(1,429,126)</b>	<b>353,475</b>
<b>Cash resources, beginning of year</b>	<b>3,258,987</b>	<b>2,905,512</b>
<b>Cash resources, end of year</b>	<b>1,829,861</b>	<b>3,258,987</b>
<b>Supplementary cash flow information</b>		
Interest paid	32,406	28,334
Interest received	23,808	13,865

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

**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 Expert Resource 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 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 method basis include:

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

***Basis of presentation***

Sources of financing 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 consolidated statement of financial position with an offsetting amount in revenue on the consolidated statement of operations and accumulated 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 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.

**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**

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 losses are recognized when undiscounted cash flows from its use and disposal are less than the assets' carrying amount. Any impairment is included in surplus for the year.

***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.

***Inventories held for use***

Inventories held for use are 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.

***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 debt is comprised of two components, non-financial assets and 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 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 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 seven 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 consolidated financial statements as disclosed in the significant accounting policies.

**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. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

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.

**Cat Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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

**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.

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 Nation.

**Recent accounting pronouncements**

**Liability for contaminated sites**

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The First Nation has not yet determined the effect of the new section in its consolidated financial statements.

3. **Cash resources**

	<b>2014</b>	<b>2013</b>
Administration	<b>(20,527)</b>	(37,920)
Cash on hand	<b>175,781</b>	-
Casino Rama	<b>46,471</b>	1,441
Expert Resource	<b>1,357,852</b>	1,892,803
Health Authority	<b>145,775</b>	98,503
Social Assistance	<b>73,733</b>	(76,118)
Other funds held in trust	<b>50,776</b>	1,380,278
	<b>1,829,861</b>	3,258,987

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 \$456,558 (2013 - \$2,362,122).

**Cat Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

**4. Accounts receivable**

	<i>2014</i>	<i>2013</i>
Aboriginal Affairs and Northern Development Canada	<b>670,400</b>	647,668
First Nation and Inuit Health	<b>1,366</b>	127,775
Ministry of Community and Social Services	<b>33,769</b>	43,753
Musselwhite	<b>250,338</b>	310,937
NDL Construction Ltd.	-	137,408
Nishnawbe-Aski Nation	<b>57,250</b>	51,150
Other accounts receivable	<b>310,486</b>	430,996
Allowance for doubtful accounts	<b>(283,750)</b>	(345,765)
	<b>1,039,859</b>	1,403,922

**5. Investments in partnerships and business entities**

The First Nation has investments in the following entities:

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

	<i>Investment cost</i>	<i>2013 Total investment</i>
<b>Significantly Influenced Businesses:</b>		
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, 2014*

**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.

	<i>2014</i>	<i>2013</i>
<b>Capital Trust</b>		
Balance, beginning of year	4,904	4,904
Balance, end of year	4,904	4,904
<b>Revenue Trust</b>		
Balance, beginning of year	225,111	219,011
Interest	15,420	6,100
	240,531	225,111
	245,435	230,015

**7. Accounts payable and accruals**

	<i>2014</i>	<i>2013</i>
Trade payables	1,658,641	3,489,106
Accrued salaries and benefits payable	154,138	121,161
Other accrued liabilities	235,837	96,191
Payroll remittances	23,293	32,314
	2,071,909	3,738,772

**8. Deferred revenue**

	<i>2014</i>	<i>2013</i>
AANDC - Electrical Grid	8,402	-
AANDC - Minor capital - school facilities	292,776	286,438
AANDC - School servicing	155,389	375,069
Ontario First Nations Limited Partnership	5,901,779	5,978,849
	6,358,346	6,640,356

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.

**9. 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.

**Cat Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**10. Tangible capital assets**

The First Nation does not amortize tangible capital assets under construction until they are put into service. \$350,100 reported in housing and \$85,000 reported in furniture and fixtures are under construction at year end.

**11. Inventories held for use**

	<i>2014</i>	<i>2013</i>
Building supplies	-	40,000
Fuel	<b>87,124</b>	106,776
Road supplies	<b>16,251</b>	-
	<b>103,375</b>	<b>146,776</b>

**12. Segments**

During 2014, 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.

**13. 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.



**Cat Lake First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2014*

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**14. 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 Expert Resource Agreement with MNP Management Services Ltd., under the approval of AANDC, that expires on March 31, 2014. 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:

	<b>2014</b>	<b>2013</b>
Aboriginal Affairs and Northern Development Canada	<b>7,252,526</b>	13,792,904
First Nation and Inuit Health	<b>1,355,241</b>	933,736
Province of Ontario	<b>237,600</b>	237,600
	<b>8,845,367</b>	14,964,240

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**15. 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, 2013.

**16. Comparative figures**

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

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

*For the year ended March 31, 2014*

	<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>
<b>Cost</b>							
Balance, beginning of year	24,575,957	740,000	1,087,327	391,672	291,278	4,609,230	31,695,464
Acquisition of tangible capital assets	3,343,294	-	64,168	-	169,432	145,453	3,722,347
Construction-in-progress	-	-	-	-	85,000	350,100	435,100
Balance, end of year	<b>27,919,251</b>	<b>740,000</b>	<b>1,151,495</b>	<b>391,672</b>	<b>545,710</b>	<b>5,104,783</b>	<b>35,852,911</b>
<b>Accumulated amortization</b>							
Balance, beginning of year	2,505,699	725,600	681,646	245,843	85,315	2,380,834	6,624,937
Annual amortization	634,730	9,600	116,088	39,167	36,972	99,778	936,335
Balance, end of year	<b>3,140,429</b>	<b>735,200</b>	<b>797,734</b>	<b>285,010</b>	<b>122,287</b>	<b>2,480,612</b>	<b>7,561,272</b>
<b>Net book value of tangible capital assets</b>	<b>24,778,822</b>	<b>4,800</b>	<b>353,761</b>	<b>106,662</b>	<b>423,423</b>	<b>2,624,171</b>	<b>28,291,639</b>
2013 Net book value of tangible capital assets	22,070,258	14,400	405,681	145,829	205,963	2,228,396	25,070,527

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

*For the year ended March 31, 2014*

	<i>Subtotal</i>	<i>Radio Station</i>	<i>Street Lights</i>	<i>Vehicles</i>	<i>2014</i>	<i>2013</i>
<b>Cost</b>						
Balance, beginning of year	31,695,464	10,227	10,274	938,750	32,654,715	21,483,597
Acquisition of tangible capital assets	3,722,347	-	-	52,700	3,775,047	294,893
Construction-in-progress	435,100	-	-	-	435,100	10,876,226
Balance, end of year	<b>35,852,911</b>	<b>10,227</b>	<b>10,274</b>	<b>991,450</b>	<b>36,864,862</b>	32,654,716
<b>Accumulated amortization</b>						
Balance, beginning of year	6,624,937	10,227	7,705	462,648	7,105,517	6,562,193
Annual amortization	936,335	-	1,027	96,510	1,033,872	543,325
Balance, end of year	<b>7,561,272</b>	<b>10,227</b>	<b>8,732</b>	<b>559,158</b>	<b>8,139,389</b>	7,105,518
<b>Net book value of tangible capital assets</b>	<b>28,291,639</b>	<b>-</b>	<b>1,542</b>	<b>432,292</b>	<b>28,725,473</b>	25,549,198
2013 Net book value of tangible capital assets	25,070,527	-	2,569	476,102	25,549,198	

**Cat Lake First Nation**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2014*

	<i>2014 Budget</i>	<i>2014</i>	<i>2013</i>
<b>Consolidated expenses by object</b>			
Administration	68,283	72,030	119,558
Amortization	468,084	1,033,872	543,324
Bad debts	134,645	-	77,715
Bank charges and interest	19,805	32,407	28,334
Funeral	47,551	30,304	7,484
Co-management fees	180,000	180,000	-
Community donations	-	395,514	169,812
Consulting	-	179,088	-
Contracted services	126,982	915,734	432,564
Contracted services - travel	-	62,793	8,000
Community events	-	-	617
Equipment rental and supplies	16,069	36,876	26,384
Honourarium	374,617	259,062	230,228
Insurance	-	97,062	29,093
Miscellaneous	436,539	644,896	260,603
Food	3,329	49,171	27,340
Office supplies	168,234	139,010	54,946
Postage	3,050	1,410	4,410
Professional fees	736,416	371,832	1,001,992
Rent	189,578	-	-
Repairs and maintenance	166,164	241,110	299,479
Materials	-	18,996	-
Salaries and benefits	3,362,595	3,387,576	3,041,397
Social assistance	734,810	837,432	986,457
Student expenses	10,830	6,530	840
Supplies	342,189	545,040	438,108
Telephone	65,181	42,428	56,279
Training	16,078	16,549	10,175
Travel	152,812	393,414	689,457
Utilities	355,710	441,625	394,137
Vehicle	-	1,179	-
Fuel	337,063	61,767	259,041
	<b>8,516,614</b>	<b>10,494,707</b>	<b>9,197,774</b>

**Cat Lake First Nation**  
**Schedule 3 - Consolidated Schedule of Revenue and Expenses**

*For the year ended March 31, 2014*

	<i>Schedule #</i>	<b>Current Operating Surplus (Deficit)</b>	<i>Prior Year Operating Surplus (Deficit)</i>
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
<b>[Total]</b>		-	-

**Cat Lake First Nation**  
**Schedule 3 - Consolidated Schedule of Revenue and Expenses and Accumulated Surplus (Deficit)**  
*For the year ended March 31, 2014*

	Department of AANDC Contributions	Other Revenue	Deferred Revenue (Net)	Total Expenses for the Year	Transfers	Surplus (Deficit)	Prior Year's Surplus (Deficit)	End of Year Surplus (Deficit)
<b>Administration</b>								
Band Support	516,393	24,178	-	1,053,131	-	(512,560)	(1,733,633)	(2,246,193)
Housing and Capital	-	-	-	157,246	-	(157,246)	432,188	274,942
Operations and Maintenance	354,967	-	-	453,450	-	(98,483)	989,468	890,985
Post Office	-	-	-	3,911	-	(3,911)	(14,507)	(18,418)
Winter Road - MNDM	-	237,600	-	237,600	-	-	237,096	237,096
Other Administration	-	2,313,356	-	2,171,681	196,179	337,854	1,566,373	1,904,227
Canada Economic Action Plan	-	-	-	-	-	-	126,749	126,749
Minor Capital	482,358	-	-	338,288	-	144,070	436,041	580,111
Capital - Sewage Liftstation	-	-	-	-	-	-	88,750	88,750
First Nations Waste Water Action Plan	-	-	-	-	-	-	(402)	(402)
Summer Students - Set Contribution	5,500	-	-	5,500	-	-	-	-
Registry Events - Set Contribution	400	-	-	400	-	-	-	-
Skills Link Program - Set Contribution	-	-	-	-	-	-	-	-
Water O&M - Set Contribution	48,746	-	-	48,746	-	-	-	-
Wastewater O&M - Set Contribution	121,677	-	-	121,677	-	-	-	-
Solid Waste Management - Set Contribution	-	-	-	-	-	-	-	-
Roads and Bridges - Set Contribution	-	-	-	-	-	-	(5,884)	(5,884)
Warehouse Replacement - Set Contribution	-	-	-	-	-	-	205,560	205,560
Adaptation Measures	-	-	-	-	-	-	-	-
Response - Set Contribution	-	-	-	-	-	-	-	-
Winter Road - Set Contribution	219,201	-	-	219,201	-	-	(73,089)	(73,089)
Electrical Grid	51,000	-	(8,402)	42,598	-	-	-	-
Power Utility	-	-	-	1,318	-	(1,318)	(96,743)	(98,061)
Capacity Development	35,000	-	-	43,234	-	(8,234)	-	(8,234)
	1,835,242	2,575,134	(8,402)	4,897,981	196,179	(299,828)	2,157,967	1,858,139
<b>Economic Development</b>								
	61,300	-	-	117,074	-	(55,774)	485,373	429,599
<b>Education</b>								
Education Facilities	256,384	158,800	-	434,672	-	(19,488)	23,379	3,891
Education Programs	698,894	66,242	-	1,247,647	(331,998)	(814,509)	1,081,121	266,612
Enhanced Teacher Salaries	38,900	-	-	38,900	-	-	(48,075)	(48,075)
Special Education	-	-	-	-	-	-	(39,739)	(39,739)
Parental and Community Engagement Strategy	-	-	-	-	-	-	(14,381)	(14,381)
Minor Capital - School Facilities	3,608,196	162,804	(6,338)	158,859	-	3,605,803	11,914,239	15,520,042
School Servicing	196,734	6,450	219,679	33	-	422,830	6,501,871	6,924,701
School Fire Replacement	-	-	-	-	-	-	49,855	49,855
Capital - Education Storage	-	-	-	-	-	-	-	-
Professional and Institutional Development	-	-	-	-	-	-	(13,206)	(13,206)
New Paths for Education	-	-	-	-	-	-	-	-
New Paths - Retention and Recruitment - Set Contribution	-	-	-	-	-	-	-	-
Band Operated School - Set Contribution	216,534	-	-	216,534	-	-	-	-
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	84,700	-	-	84,700	-	-	-	-
	5,100,342	394,296	213,341	2,181,345	(331,998)	3,194,636	19,474,533	22,669,169
<b>Health Authority</b>								
Community Health	-	1,456,391	-	1,457,072	(16,599)	(17,280)	(254,477)	(271,757)
Crisis Co-ordination	-	44,568	-	44,568	-	-	(218,176)	(218,176)
National Child Benefit - Set Contribution	70,842	-	-	71,314	-	(472)	35,543	35,071
	70,842	1,500,959	-	1,572,954	(16,599)	(17,752)	(437,110)	(454,862)
<b>Social Assistance</b>								
Social Assistance	55,800	53,100	-	87,532	-	21,368	(263,407)	(242,039)
Basic Needs - Set Contribution	115,700	825,187	-	850,537	66,792	157,142	87,511	244,653
Special Needs - Set Contribution	1,500	-	-	1,500	-	-	191	191
Home Support - Set Contribution	11,800	53,092	-	80,812	-	(15,920)	(55,385)	(71,305)
	184,800	931,379	-	1,020,381	66,792	162,590	(231,090)	(68,500)
<b>Casino Rama</b>								
	-	846,610	77,071	704,972	85,626	304,335	(1,416,642)	(1,112,307)
<b>Ottawa Trust Funds</b>								
Revenue	-	15,420	-	-	-	15,420	225,111	240,531
Capital	-	-	-	-	-	-	4,904	4,904
	-	15,420	-	-	-	15,420	230,015	245,435
	7,252,526	6,263,798	282,010	10,494,707	-	3,303,627	20,263,046	23,566,673