

CURVE LAKE FIRST NATION
FINANCIAL STATEMENTS
MARCH 31, 2015

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TABLE OF CONTENTS

	Page Number
MANAGEMENT REPORT	
INDEPENDENT AUDITORS' REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Change in Net Financial Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 17
Schedule 1: Schedule of Tangible Capital Assets	18
Schedule 2: Schedule of Segment Disclosure	19 - 21
TRUST FUND	
Independent Auditors' Report	22
Statement of Financial Position	23
Statement of Continuity	23
Notes to the Financial Statements	24 - 25



22 Winookeedaa Street
Curve Lake, ON K0L 1R0

CURVE LAKE FIRST NATION

For The Year Ended March 31, 2015

MANAGEMENT REPORT

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

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

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's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the First Nation's financial statements for issuance to the members. 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 financial statements and the independent auditor's report.

The financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Collins Barrow Kawarthas LLP has full and free access to Council.

Chief

Date

INDEPENDENT AUDITORS' REPORT

To Council and the Members of Curve Lake First Nation

Report on the Financial Statements

We have audited the accompanying financial statements of Curve Lake First Nation, which comprise the statement of financial position as at March 31, 2015, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Curve Lake First Nation as at March 31, 2015 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Peterborough, Ontario
July 29, 2015

CURVE LAKE FIRST NATION

STATEMENT OF FINANCIAL POSITION At March 31, 2015

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash (note 2)	718,479	495,005
Investments (note 3)	28,189,390	28,542,377
Due from Government and other Government organizations (note 4)	275,122	305,941
Other accounts receivable (note 5)	170,730	225,085
Mortgages due from First Nation members (note 6)	3,569,363	3,419,818
Funds held in trust by the Federal Government (note 7)	534,703	518,423
TOTAL FINANCIAL ASSETS	33,457,787	33,506,649
LIABILITIES		
Accounts payable and accrued liabilities (note 8)	1,287,146	744,260
Islands in the Trent Settlement payable (note 9)	1,110,000	1,160,000
Due to Government and other Government organizations (note 10)	63,439	152,626
Deferred revenue (note 11)	143,685	804,722
Long term debt (note 12)	600,392	633,908
TOTAL LIABILITIES	3,204,662	3,495,516
NET FINANCIAL ASSETS	30,253,125	30,011,133
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	9,562,540	9,448,383
Prepaid expenses (note 13)	50,838	16,829
Inventory of land held for resale	42,074	47,074
TOTAL NON-FINANCIAL ASSETS	9,655,452	9,512,286
ACCUMULATED SURPLUS (note 14)	39,908,577	39,523,419



The accompanying notes are an integral part of these financial statements

CURVE LAKE FIRST NATION

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended March 31, 2015

	Budget 2015 \$ (Unaudited)	Actual 2015 \$	Actual 2014 \$
REVENUES			
Aboriginal Affairs and Northern Development Canada (AANDC) (notes 15 and 16)	5,008,306	4,977,947	4,797,946
Federal Government other (note 16)	1,257,160	1,253,397	1,288,062
Province of Ontario (note 16)	1,933,172	1,932,949	2,079,619
Other First Nations	2,479,659	3,087,650	2,228,396
Other	1,410,488	3,133,780	2,912,925
TOTAL REVENUES	12,088,785	14,385,723	13,306,948
EXPENSES			
Administration	1,254,729	1,605,445	1,435,744
Community operations	983,732	1,062,502	1,144,823
Economic development	529,624	467,870	554,359
Cultural	45,535	34,318	30,091
Education	4,136,096	4,094,585	3,998,578
Land management	3,172,286	3,333,271	2,537,827
Social development	1,286,587	1,224,635	1,334,952
Health	1,625,948	1,674,193	1,600,429
Gaming revenue	238,310	503,746	540,869
TOTAL EXPENSES	13,272,847	14,000,565	13,177,672
ANNUAL SURPLUS/(DEFICIT)	(1,184,062)	385,158	129,276
ACCUMULATED SURPLUS - beginning of year	39,523,419	39,523,419	39,394,143
ACCUMULATED SURPLUS - end of year	38,339,357	39,908,577	39,523,419

The accompanying notes are an integral part of these financial statements

CURVE LAKE FIRST NATION

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended March 31, 2015

	Budget 2015 \$ (Unaudited)	Actual 2015 \$	Actual 2014 \$
ANNUAL SURPLUS/(DEFICIT)	(1,184,062)	385,158	129,276
Amortization of tangible capital assets	460,136	483,470	460,136
Acquisition of tangible capital assets	(174,279)	(605,380)	(575,540)
Loss on disposal of tangible capital assets	-	7,753	-
(Increase)/decrease in prepaid expenses	-	(34,009)	17,944
Decrease in inventory of land held for resale	-	5,000	30,000
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(898,205)	241,992	61,816
NET FINANCIAL ASSETS - beginning of year	30,011,133	30,011,133	29,949,317
NET FINANCIAL ASSETS - end of year	29,112,928	30,253,125	30,011,133

The accompanying notes are an integral part of these financial statements

CURVE LAKE FIRST NATION

STATEMENT OF CASH FLOWS For the Year Ended March 31, 2015

	2015 \$	2014 \$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus/(deficit)	385,158	129,276
(Increase)/decrease in due from Government and other Government organizations	30,819	(95,933)
(Increase)/decrease in other accounts receivable	54,355	(94,236)
(Increase)/decrease in prepaid expenses	(34,009)	17,944
Decrease in inventory of land held for resale	5,000	30,000
Increase in accounts payable and accrued liabilities	542,886	213,662
Increase/(decrease) in Islands in the Trent Settlement payable	(50,000)	1,160,000
Increase/(decrease) in due to Government and other Government organizations	(89,187)	46,298
Decrease in deferred revenue	(661,037)	(438,801)
Non-cash charges to operations:		
Amortization of tangible capital assets	483,470	460,136
Loss on disposal of tangible capital assets	7,753	-
Net increase in cash from operating transactions	675,208	1,428,346
CAPITAL		
Acquisition of tangible capital assets	(605,380)	(575,540)
INVESTING		
(Increase)/decrease in investments	352,987	(2,714,199)
Increase in mortgages due from First Nation Members	(149,545)	(68,581)
Increase in funds held in trust by the Federal Government	(16,280)	(14,367)
Net increase/(decrease) in cash from investing transactions	187,162	(2,797,147)
FINANCING		
Debt principal repayments	(33,516)	(32,208)
INCREASE/(DECREASE) IN CASH	223,474	(1,976,549)
CASH - beginning of year	495,005	2,471,554
CASH - end of year	718,479	495,005

Interest received during the year was \$572,145 (2013- \$870,610). Interest paid during the year was \$16,619 (2013- \$17,392).

The accompanying notes are an integral part of these financial statements

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the Curve Lake First Nation.

The reporting entity includes the Curve Lake First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. There are no non-consolidated entities.

All interdepartmental assets and liabilities and revenues and expenses have been eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the First Nation are not included in these financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Inventory

Inventory, which consists of land available for resale, is recorded at the lower of cost and market.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	10-50 years
Buildings	25-40 years
Machinery and equipment	10-50 years
Vehicles	3-5 years
Furniture and fixtures	10 years
Computer hardware and software	4 years
Roads and bridges	20-50 years
Water and sewer	30-100 years

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

Assets under construction are not amortized. When assets under construction are put into service they are transferred to the appropriate tangible capital asset classification.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue. Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met. Expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(f) 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. Tangible capital and other non-financial assets are accounted for as assets by the First Nation because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold.

(g) Reserves

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

(h) Deferred Revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

(i) Government Funding

Government funding is recognized in the financial statements as revenue in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Reimbursement for program costs is dependent ultimately upon their acceptance by the various agencies that fund the programs.

(j) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the First Nation's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The First Nation's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates. ; and
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(k) Financial Instruments

The First Nation's financial instruments consist of cash, investments, due from Government and other Government organizations, other accounts receivable, mortgages due from First Nation members, funds held in trust by the Federal Government, accounts payable and accrued liabilities, Islands in the Trent payable, due to Government and other Government organizations and long term debt. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments approximates their fair values and that the First Nation does not have any significant concentration of interest, currency or credit risk.

2. CASH

Cash consists of the following:

	2015	2014
	\$	\$
Externally restricted		
Ontario First Nation Limited Partnership	254,353	354,389
Apartment replacement	11,958	32,730
	266,311	387,119
Unrestricted		
General	258,013	(26,470)
Islands of the Trent	90,395	60,560
Social assistance	55,427	43,558
Library	48,333	30,238
	452,168	107,886
	718,479	495,005

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

3. INVESTMENTS

Investments are comprised of the following:

	2015	2014
	\$	\$
Fixed income bonds with interest rates between 1.7% and 5.68%, maturity dates between April 22, 2015 and April 11, 2022 held at CIBC Asset Management.	28,040,494	28,413,673
GIC bearing interest at 1.1% maturing August 6, 2015	127,974	128,704
GIC bearing interest at 0.8% maturing May 1, 2015	20,922	-
	28,189,390	28,542,377

The First Nation is exposed to interest rate risk as the market value of the investments will generally rise if interest rates fall and conversely fall if interest rates rise.

4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

Due from Government and other Government organizations consists of the following:

	2015	2014
	\$	\$
Federal Government		
Health Canada	37,255	89,622
Canada Mortgage and Housing Corporation	67,609	64,405
Aboriginal Affairs and Northern Development Canada	84,721	70,508
	189,585	224,535
Province of Ontario	85,537	81,406
	275,122	305,941

5. OTHER ACCOUNTS RECEIVABLE

Other accounts receivable consist of the following:

	2015	2014
	\$	\$
Service charges	105,466	104,559
Union of Ontario Indians	217	3,610
Due from members	34,414	27,547
Other receivables	30,633	89,369
	170,730	225,085

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

6. MORTGAGES DUE FROM FIRST NATION MEMBERS

The amount shown as mortgages due from First Nation members represents the amount of funds due from First Nation members with respect to approved loans. The unexpended portion of approved loans is not recorded until an actual expenditure has been incurred. The First Nation members have a legal obligation to repay the full amount of the approved loans. Interest is charged on these loans at rates between 0% and 6.25%. The provision for forgiveness is calculated as a percentage of the initial mortgage balance and is provided for, if the First Nation members' loan balance is current.

Mortgages due from First Nation members and provision for forgiveness are as follows:

	2015	2014
	\$	\$
Mortgages due from First Nation members	3,842,882	3,711,337
Provision for forgiveness	(273,519)	(291,519)
	3,569,363	3,419,818

7. FUNDS HELD IN TRUST

The funds held by the Federal Government on behalf of the First Nation of \$534,703 (2014 - \$518,423) are for the use of the First Nation for specific projects. At the request of the First Nation, these funds can be obtained.

	Opening Balance	Additions	Withdrawals	Closing Balance
	\$	\$	\$	\$
Capital	69,509	-	-	69,509
Revenue	448,914	16,280	-	465,194
	518,423	16,280	-	534,703

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust 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.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2015	2014
	\$	\$
Trade payables	807,331	285,390
Accrued salaries and employee benefits	196,179	174,299
Due to School Boards	205,186	203,318
Other accrued liabilities	78,450	81,253
	1,287,146	744,260

9. ISLANDS IN THE TRENT SETTLEMENT PAYABLE

Islands in the Trent payable consists of amounts owing to members who are eligible for the per-capita distribution but have not yet picked up their cheque.

10. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

Due to Government and other Government organizations consists of the following:

	2015	2014
	\$	\$
Federal Government		
Health Canada	22,357	61,703
Aboriginal Affairs and Northern Development Canada	5,918	5,918
Receiver General	18,791	18,632
	47,066	86,253
Province of Ontario	16,373	66,373
	63,439	152,626

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

11. DEFERRED REVENUE

Included in deferred revenue are the following amounts:

	Balance March 31, 2014 \$	Funding Received/ (recovered) 2015 \$	Revenue Recognized 2015 \$	Balance March 31, 2015 \$
AANDC				
Flooding claim	4,000	-	-	4,000
Lot servicing	1,394	-	-	1,394
Land survey	16	-	-	16
RLEMP - Training	11,970	-	-	11,970
	17,380	-	-	17,380
Other Federal	63,335	-	63,335	-
Provincial - library	11,484	18,318	15,318	14,484
Other	712,523	29,962	630,664	111,821
	804,722	48,280	709,317	143,685

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

12. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2015	2014
	\$	\$
Mortgage payable to CMHC, repayable in blended monthly payments of \$3,862, interest at 1.83%, maturing December 1, 2029, secured by specific rental buildings and by Aboriginal Affairs and Northern Development Canada	600,392	633,908

- (b) Interest expense on long term debt amounted to \$14,691 (2014 - \$16,549)

- (c) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2016	35,692	10,652	46,344
2017	36,376	9,968	46,344
2018	37,045	9,299	46,344
2019	37,726	8,618	46,344
2020	38,399	7,945	46,344
2021 and subsequent years	415,154	38,217	453,371
	600,392	84,699	685,091

13. PREPAID EXPENSES

Prepaid expenses consist of the following:

	2015	2014
	\$	\$
Insurance	11,388	9,819
Employee benefits	7,850	7,010
Post secondary living allowances	31,600	-
	50,838	16,829

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

14. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2015 \$	2014 \$
Surplus/(Deficit)		
Operating	16,307,059	16,819,804
Library	-	3,170
	16,307,059	16,822,974
Invested In Capital Assets		
Tangible capital assets - net book value	9,562,540	9,448,383
Long term debt	(600,392)	(633,908)
	8,962,148	8,814,475
Surplus	25,269,207	25,637,449
Restricted		
Apartment replacement	27,266	21,266
Ontario First Nation Limited Partnership	11,064,166	10,471,333
Education	150,000	150,000
Minor capital	150,000	150,000
Education project reserve	92,648	92,648
Capital housing program	1,372,228	1,372,228
Housing project reserve	1,248,359	1,110,072
Total Restricted	14,104,667	13,367,547
Held in Trust by the Federal Government		
Capital	69,509	69,509
Revenue	465,194	448,914
Total Held in Trust by the Federal Government	534,703	518,423
	39,908,577	39,523,419

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

15. RECONCILIATION OF AANDC FUNDING TO REPORTED REVENUE

	\$
AANDC Funding Per Confirmation	4,977,947
Add 2014 Deferred Revenue	17,380
Less 2015 Deferred Revenue	
Flooding claim	4,000
Lot servicing	1,394
Land surveys	16
RLEMP - Training	11,970
	17,380
AANDC Revenue For The Year	4,977,947

16. GOVERNMENT TRANSFERS

Government transfers consists of the following:

	2015	2014
	\$	\$
Aboriginal Affairs and Northern Development Canada		
Operating	4,584,225	4,402,305
Capital	393,722	395,641
	4,977,947	4,797,946
Health Canada - operating	1,142,841	1,115,356
Canada Mortgage and Housing Corporation - operating	40,100	40,928
Human Resources Development Canada - operating	70,456	131,778
	1,253,397	1,288,062
Province of Ontario - operating	1,932,949	2,079,619
	8,164,293	8,165,627

17. PENSION AGREEMENTS

Some of the employees of the First Nation are eligible to be members of a contributory pension plan. Employer contributions to the plan by the First Nation during the year amounted to \$134,447 (2014 - \$134,606). These contributions which match the employee's contributions for current service, are expensed during the year in which services are rendered and represent the total pension obligation of the First Nation.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

18. EXPENSES BY OBJECT

The expenses for the year reported on the Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2015 \$	Actual 2015 \$	Actual 2014 \$
Salaries and benefits	4,023,086	4,152,024	3,930,723
Materials	565,873	772,507	769,044
Occupancy costs	255,555	327,709	388,618
Contracted services	3,771,672	4,022,164	3,112,403
Bank charges and interest	51,828	32,412	22,739
Program costs	4,144,697	4,202,526	4,494,009
Amortization	460,136	483,470	460,136
Loss on disposal of tangible capital assets	-	7,753	-
	13,272,847	14,000,565	13,177,672

19. BUDGET FIGURES

The budget, approved by the First Nation, for 2015 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

20. TRUST FUNDS

Trust funds administered by the First Nation amounting to \$5,641,970 (2014 - \$6,054,272) have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations and Accumulated Surplus. As such balances are held in trust by the First Nation for the benefit of others, they are not presented as part of the First Nation financial position or operations.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

21. CONTINGENT LIABILITIES

The First Nation, in the course of its operations, has been named in several lawsuits the outcome of which is indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

Curve Lake First Nation, along with six other First Nations, are contingently liable for a loan. The purpose of the loan is to finance Treaty negotiations. Once the Treaty has been settled, the proceeds of the settlement will be used to repay the loan. Curve Lake's share of this loan at March 31, 2015 is \$29,700 (2014 - \$29,700).

During the fiscal years 2003/04 to 2014/15 the First Nation entered into loan agreements in the amount of \$1,045,775 with the Federal Government for flooding claims. Expenditures to March 31, 2015 amounted to \$1,051,606. Total claims are expected to be equal to or greater than amounts received.

22. SEGMENTED INFORMATION

Curve Lake First Nation is a territorial government that provides a range of services to its members. First Nation services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. 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 Note 1. For additional information see the Schedule of Segment Disclosure.

Administration

Administration consists of the activities of Council and general financial and administrative management of the First Nation and its programs and services.

Community Operations

Community Operations include police, fire, public works and operation of waste management, water systems and buildings not included under other segments.

Economic Development

Economic development includes the operations of the resource centre, cottage and small business centre rentals and the various employment oriented programs of the First Nation.

Education

Education includes the Curve Lake School, schools off the First Nation and post secondary education.

Land Management

Lands includes the First Nation lands management function including lot purchases, flooding claims and Williams Treaty negotiations.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

22. SEGMENTED INFORMATION, continued

Social Development

Social development consists of General Assistance to members and inhabitants of the First Nation, homes for the aged and child care services.

Health

Health services includes operations of the health centre, medical transportation, and various other health related programs of the First Nation.

Gaming Revenue

Gaming revenue consists of funds received from the Ontario First Nation Limited Partnership and related expenditures.

23. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

CURVE LAKE FIRST NATION

SCHEDULE 1: SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended March 31, 2015

	Cost				Accumulated Amortization			Net Book Value			
	Opening Balance \$	Additions \$	Disposals \$	Transfers \$	Closing Balance \$	Opening Balance \$	Amortization \$	Disposals \$	Closing Balance \$	2015 \$	2014 \$
Tangible Capital Assets											
Land	2,708,116	-	-	-	2,708,116	-	-	-	-	2,708,116	2,708,116
Land Improvements	1,078,456	35,035	-	-	1,113,491	522,030	56,736	-	578,766	534,725	556,426
Residential Buildings	1,135,736	30,216	-	-	1,165,952	283,935	28,392	-	312,327	853,625	851,801
Non-Residential Buildings	5,447,578	115,352	15,513	-	5,547,417	3,095,818	136,775	7,760	3,224,833	2,322,584	2,351,760
Vehicles	263,062	-	-	-	263,062	213,182	20,434	-	233,616	29,446	39,065
Computer Equipment	373,804	113,484	-	-	487,288	294,653	55,539	-	350,192	137,096	79,151
Other Equipment	1,160,192	244,198	-	-	1,404,390	416,335	119,413	-	535,748	868,642	754,672
Roads and Bridges	1,748,067	1,275	70,896	-	1,678,446	1,267,240	38,243	70,896	1,234,587	443,859	480,827
Waterworks and Septic Systems	817,337	5,680	-	-	823,017	399,643	27,938	-	427,581	395,436	417,694
	14,732,348	545,240	86,409	-	15,191,179	6,492,836	483,470	78,656	6,897,650	8,293,529	8,239,512
Assets Under Construction											
Non-Residential Buildings	6,368	60,140	-	-	66,508	-	-	-	-	66,508	6,368
Waterworks and Septic Systems	1,202,503	-	-	-	1,202,503	-	-	-	-	1,202,503	1,202,503
	1,208,871	60,140	-	-	1,269,011	-	-	-	-	1,269,011	1,208,871
Total	15,941,219	605,380	86,409	-	16,460,190	6,492,836	483,470	78,656	6,897,650	9,562,540	9,448,383

CURVE LAKE FIRST NATION

SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended March 31, 2015

	Administration		Community Operations		Economic Development		Cultural	
	Actual 2015 \$	Actual 2014 \$	Budget 2015 \$	Actual 2014 \$	Budget 2015 \$	Actual 2014 \$	Budget 2015 \$	(Unaudited)
Revenues								
AANDC	571,685	548,961	571,685	631,936	154,513	121,211	158,513	-
Federal Government other	17,057	36,859	-	68,428	53,399	94,919	53,434	-
Province of Ontario	3,429	3,195	-	19,482	90,000	130,000	90,000	-
Other	260,263	236,238	332,100	361,482	155,486	273,351	182,263	49,625
	852,434	825,253	903,785	1,081,328	453,398	619,481	484,210	49,625
Expenses								
Salaries and benefits	698,913	667,617	646,241	191,015	252,871	250,540	269,564	67,609
Materials	335,998	358,756	177,000	192,317	11,782	13,807	8,964	-
Occupancy costs	425	843	2,000	205,272	27,632	32,281	24,450	-
Contracted services	160,397	111,547	105,600	96,645	-	-	-	-
Bank charges and interest	17,555	5,818	3,000	16,619	-	-	-	-
Program costs	1,811	33,824	12,800	253,275	146,910	208,617	206,388	77,926
Amortization	57,751	48,259	48,259	188,680	45,041	45,314	45,314	-
Interdepartmental charges	503,833	337,445	413,241	-	(35,616)	(7,500)	(40,000)	(100,000)
Allocated administration	(171,238)	(128,365)	(153,412)	1,000	19,250	11,300	14,944	-
	1,605,445	1,435,744	1,254,729	1,144,823	467,870	554,359	529,624	45,535
Net surplus/(deficit)	(753,011)	(610,491)	(350,944)	(63,495)	(14,472)	65,122	(45,414)	38
								4,090

CURVE LAKE FIRST NATION

SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2015

	Actual 2015 \$	Education Actual 2014 \$	Budget 2015 \$	Actual 2015 \$	Land Management Actual 2014 \$	Budget 2015 \$	Actual 2015 \$	Social Development Actual 2014 \$	Budget 2015 \$
			(Unaudited)			(Unaudited)			(Unaudited)
Revenues									
AANDC	3,191,553	3,112,466	3,215,553	197,186	189,348	197,186	200,235	194,024	216,438
Federal Government other	-	-	-	-	-	-	-	-	-
Province of Ontario	787,776	723,743	772,464	-	157,202	-	960,104	977,497	988,947
Other First Nations	-	-	-	3,087,650	2,228,396	2,479,659	-	-	-
Other	181,633	316,227	161,695	559,304	280,204	-	4,512	30,747	28,747
	4,160,962	4,152,436	4,149,712	3,844,140	2,855,150	2,676,845	1,164,851	1,202,268	1,234,132
Expenses									
Salaries and benefits	1,559,869	1,514,926	1,478,388	71,889	52,455	62,789	399,357	416,998	437,734
Materials	66,244	57,769	43,500	71,737	62,941	116,559	239	879	1,000
Occupancy costs	99,481	114,539	69,500	-	-	-	-	-	-
Contracted services	149,655	142,663	165,000	3,611,869	2,756,997	3,395,428	-	-	-
Bank charges and interest	-	-	-	166	302	-	-	-	-
Program costs	2,121,963	2,095,800	2,312,904	69,165	35,780	-	679,811	783,525	696,923
Amortization	32,869	27,300	27,300	1,278	751	751	78,955	87,130	87,130
Interdepartmental charges	-	-	-	(503,833)	(371,399)	(413,241)	26,000	13,900	18,800
Allocated administration	64,504	45,581	39,504	11,000	-	10,000	32,520	32,520	45,000
Loss on disposal of tangible capital assets	-	-	-	-	-	-	7,753	-	-
	4,094,585	3,998,578	4,136,096	3,333,271	2,537,827	3,172,286	1,224,635	1,334,952	1,286,587
Net surplus/(deficit)	66,377	153,858	13,616	510,869	317,323	(495,441)	(59,784)	(132,684)	(52,455)

CURVE LAKE FIRST NATION

SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2015

	Actual 2015 \$	Health Actual 2014 \$	Budget 2015 \$ (Unaudited)	Actual 2015 \$	Gaming Revenue Actual 2014 \$	Budget 2015 \$ (Unaudited)	Actual 2015 \$	Actual 2014 \$	Budget 2015 \$ (Unaudited)
Revenues									
AANDC	-	-	-	-	-	-	4,977,947	4,797,946	5,008,306
Federal Government other	1,115,341	1,087,856	1,135,298	-	-	-	1,253,397	1,288,062	1,257,160
Province of Ontario	72,158	68,500	62,273	-	-	-	1,932,949	2,079,619	1,933,172
Other First Nations	-	-	-	-	-	-	3,087,650	2,228,396	2,479,659
Other	238,403	251,528	274,383	1,349,679	1,133,019	-	3,133,780	2,912,925	1,410,488
	1,425,902	1,407,884	1,471,954	1,349,679	1,133,019	-	14,385,723	13,306,948	12,088,785
Expenses									
Salaries and benefits	851,488	740,341	860,722	33,428	27,312	-	4,152,024	3,930,723	4,023,086
Materials	75,568	82,575	64,500	-	-	-	772,507	769,044	565,873
Occupancy costs	36,636	35,683	26,500	-	-	-	327,709	388,618	255,555
Contracted services	1,441	4,551	9,144	-	-	-	4,022,164	3,112,403	3,771,672
Bank charges and interest	-	-	-	-	-	-	32,412	22,739	51,828
Program costs	709,756	643,013	679,526	239,892	359,603	-	4,202,526	4,494,009	4,144,697
Amortization	64,417	62,702	62,702	-	-	-	483,470	460,136	-
Interdepartmental charges	(105,077)	(6,400)	(117,110)	230,426	153,954	238,310	-	-	-
Allocated administration	39,964	37,964	39,964	-	-	-	-	-	-
Loss on disposal of tangible capital assets	-	-	-	-	-	-	7,753	-	-
	1,674,193	1,600,429	1,625,948	503,746	540,869	238,310	14,000,565	13,177,672	13,272,847
Net surplus/(deficit)	(248,291)	(192,545)	(153,994)	845,933	592,150	(238,310)	385,158	129,276	(1,184,062)

INDEPENDENT AUDITORS' REPORT

To Council and the Members of Curve Lake First Nation

Report on the Financial Statements

We have audited the accompanying financial statements of the Trust Fund of Curve Lake First Nation, which comprise the statement of financial position as at March 31, 2015, the statement of continuity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Fund of the First Nation as at March 31, 2015 and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Peterborough, Ontario
July 29, 2015

CURVE LAKE FIRST NATION

TRUST FUND STATEMENT OF FINANCIAL POSITION At March 31, 2015

	2015 Youth Allocation Fund \$	2014 Youth Allocation Fund \$
FINANCIAL ASSETS		
Investments (note 2)	5,629,618	6,040,558
Accrued interest receivable	12,352	13,714
	5,641,970	6,054,272
FUND BALANCES	5,641,970	6,054,272

TRUST FUND STATEMENT OF CONTINUITY For the Year Ended March 31, 2015

	2015 Youth Allocation Fund \$	2014 Youth Allocation Fund \$
BALANCE - beginning of year	6,054,272	6,632,212
RECEIPTS		
Investment income	198,224	103,416
EXPENSES		
Per-capita distributions	578,029	647,723
Investment management fees	32,497	33,633
	610,526	681,356
BALANCE - end of year	5,641,970	6,054,272

The accompanying notes are an integral part of these financial statements

CURVE LAKE FIRST NATION
TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Financial Instruments

The Trust Fund financial instruments consist of investments and accrued interest receivable. It is management's opinion that the fair value of financial instruments are not materially different from their carrying value. Unless otherwise noted, the Trust Fund does not have any significant concentration of credit, currency or interest rate risk.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 period and are based on the First Nation's best information and judgment. Actual results could differ from these estimates.

2. INVESTMENTS

Included in investments are the following investments recorded at cost:

	2015 \$	2014 \$
Cash account	16,410	21,044
Money Market Fund	224,494	10
Government bonds	3,355,814	3,983,874
Corporate bonds	2,032,900	2,035,630
	5,629,618	6,040,558
Market Value	5,720,921	6,040,558

The Government and corporate bonds have interest rates between 2.55% and 2.94% and mature from March 10, 2016 and July 25, 2019. The Trust Fund is exposed to interest rate risk as the market value of the fund will generally rise if interest rates fall and conversely fall if interest rates rise.

CURVE LAKE FIRST NATION
TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2015

3. YOUTH ALLOCATION FUND

The Youth Allocation Fund was created to hold the per-capita distribution for minor members. As each member reaches the age of eighteen, a cheque for \$10,000 plus accumulated interest will be issued to them.