

**CURVE LAKE FIRST NATION**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

**CURVE LAKE FIRST NATION**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

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22 Winookeedaa Street  
Curve Lake, ON K0L 1R0

## CURVE LAKE FIRST NATION

For The Year Ended March 31, 2016

### 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, 2016, 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, 2016 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  
Licensed Public Accountants

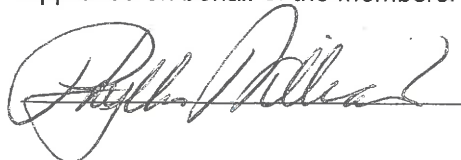
Peterborough, Ontario  
July 25, 2016

# CURVE LAKE FIRST NATION

## STATEMENT OF FINANCIAL POSITION At March 31, 2016

	2016 \$	2015 \$
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	401,126	718,479
Investments (note 3)	26,261,677	28,189,390
Due from Government and other Government organizations (note 4)	364,396	275,122
Other accounts receivable (note 5)	147,236	170,730
Mortgages due from First Nation members (note 6)	3,646,500	3,569,363
Funds held in trust by the Federal Government (note 7)	547,650	534,703
<b>TOTAL FINANCIAL ASSETS</b>	<b>31,368,585</b>	<b>33,457,787</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (note 8)	1,504,828	1,287,146
Islands in the Trent Settlement payable (note 9)	1,000,000	1,110,000
Due to Government and other Government organizations (note 10)	207,371	63,439
Deferred revenue (note 11)	832,934	143,685
Long term debt (note 12)	564,122	600,392
<b>TOTAL LIABILITIES</b>	<b>4,109,255</b>	<b>3,204,662</b>
<b>NET FINANCIAL ASSETS</b>	<b>27,259,330</b>	<b>30,253,125</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 1)	11,815,673	9,562,540
Prepaid expenses (note 13)	66,371	50,838
Inventory of land held for resale	42,074	42,074
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>11,924,118</b>	<b>9,655,452</b>
<b>ACCUMULATED SURPLUS (note 14)</b>	<b>39,183,448</b>	<b>39,908,577</b>

Approved on behalf of the members:

 Chief

 Councillor

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, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
<b>REVENUES</b>			
Indigenous and Northern Affairs Canada (INAC) (notes 15 and 16)	5,048,085	5,114,770	4,977,947
Federal Government other (note 16)	1,279,703	1,272,178	1,253,397
Province of Ontario (note 16)	1,478,593	2,100,230	1,932,949
Other First Nations	3,375,790	3,639,544	3,087,650
Other	2,062,462	2,733,711	3,133,780
<b>TOTAL REVENUES</b>	<b>13,244,633</b>	<b>14,860,433</b>	<b>14,385,723</b>
<b>EXPENSES</b>			
Administration	160,953	467,846	1,582,013
Community operations	835,789	1,040,844	1,085,934
Economic development	447,283	460,886	467,870
Cultural	30,725	39,532	34,318
Education	4,181,334	4,234,320	4,102,338
Land management	3,574,254	4,049,910	3,333,271
Social development	743,593	1,249,435	1,216,882
Health	1,325,256	1,385,144	1,674,193
Gaming revenue programs	2,623,151	2,611,349	503,746
<b>TOTAL EXPENSES</b>	<b>13,922,338</b>	<b>15,539,266</b>	<b>14,000,565</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>(677,705)</b>	<b>(678,833)</b>	<b>385,158</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>	<b>39,908,577</b>	<b>39,908,577</b>	<b>39,523,419</b>
<b>ACCUMULATED SURPLUS - end of year</b>	<b>39,230,872</b>	<b>39,229,744</b>	<b>39,908,577</b>

*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, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(677,705)	(678,833)	385,158
Amortization of tangible capital assets	483,470	501,357	483,470
Acquisition of tangible capital assets	(2,089,325)	(2,754,490)	(605,380)
Loss on disposal of tangible capital assets	-	-	7,753
Increase in prepaid expenses	-	(15,533)	(34,009)
Decrease in inventory of land held for resale	-	-	5,000
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(2,283,560)	(2,947,499)	241,992
<b>NET FINANCIAL ASSETS - beginning of year</b>	30,253,125	30,253,125	30,011,133
<b>NET FINANCIAL ASSETS - end of year</b>	27,969,565	27,305,626	30,253,125

*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, 2016

	2016 \$	2015 \$
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Annual surplus/(deficit)	(678,833)	385,158
(Increase)/decrease in due from Government and other Government organizations	(89,274)	30,819
Decrease in other accounts receivable	23,494	54,355
Increase in prepaid expenses	(15,533)	(34,009)
Decrease in inventory of land held for resale	-	5,000
Increase in accounts payable and accrued liabilities	217,682	542,886
Decrease in Islands in the Trent Settlement payable	(110,000)	(50,000)
Increase/(decrease) in due to Government and other Government organizations	97,636	(89,187)
Increase/(decrease) in deferred revenue	689,249	(661,037)
Non-cash charges to operations:		
Amortization of tangible capital assets	501,357	483,470
Loss on disposal of tangible capital assets	-	7,753
<b>Net increase in cash from operating transactions</b>	<b>635,778</b>	<b>675,208</b>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	(2,754,490)	(605,380)
<b>INVESTING</b>		
Decrease in investments	1,927,713	352,987
Increase in mortgages due from First Nation Members	(77,137)	(149,545)
Increase in funds held in trust by the Federal Government	(12,947)	(16,280)
<b>Net increase in cash from investing transactions</b>	<b>1,837,629</b>	<b>187,162</b>
<b>FINANCING</b>		
Debt principal repayments	(36,270)	(33,516)
<b>INCREASE/(DECREASE) IN CASH</b>	<b>(317,353)</b>	<b>223,474</b>
<b>CASH - beginning of year</b>	<b>718,479</b>	<b>495,005</b>
<b>CASH - end of year</b>	<b>401,126</b>	<b>718,479</b>

Interest received during the year was \$907,536 (2015 - \$244,303). Interest paid during the year was \$10,074 (2015 - \$14,691).

*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, 2016**

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#### **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, 2016**

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**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, 2016**

**2. CASH**

Cash consists of the following:

	2016 \$	2015 \$
<b>Externally restricted</b>		
Ontario First Nation Limited Partnership	(33,781)	254,353
Apartment replacement	11,935	11,958
	(21,846)	266,311
<b>Unrestricted</b>		
General	198,464	258,013
Islands of the Trent	104,881	90,395
Social assistance	54,127	55,427
Library	65,500	48,333
	422,972	452,168
	401,126	718,479

The overdraft in the Ontario First Nation Limited Partnership bank account is a result of outstanding cheques at March 31, 2016.

**3. INVESTMENTS**

Investments are comprised of the following:

	2016 \$	2015 \$
Fixed income bonds with interest rates between 1.7% and 5.68%, maturity dates between May 21, 2016 and April 11, 2022 held at CIBC Asset Management.	26,111,164	28,040,494
GIC bearing interest at 0.5% maturing August 15, 2016	129,369	127,974
GIC bearing interest at 0.65% maturing May 2, 2016	21,144	20,922
	26,261,677	28,189,390

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

**4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS**

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

	2016	2015
	\$	\$
Federal Government		
Health Canada	28,630	37,255
Canada Mortgage and Housing Corporation	25,713	67,609
Indigenous and Northern Affairs Canada	231,028	84,721
	285,371	189,585
Province of Ontario	79,025	85,537
	364,396	275,122

**5. OTHER ACCOUNTS RECEIVABLE**

Other accounts receivable consist of the following:

	2016	2015
	\$	\$
Service charges	121,303	105,466
Union of Ontario Indians	-	217
Due from members	3,575	34,414
Other receivables	22,358	30,633
	147,236	170,730

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

**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:

	2016	2015
	\$	\$
Mortgages due from First Nation members	3,956,019	3,842,882
Provision for forgiveness	(309,519)	(273,519)
	3,646,500	3,569,363

**7. FUNDS HELD IN TRUST**

The funds held by the Federal Government on behalf of the First Nation of \$547,650 (2015 - \$534,703) 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	465,194	12,947	-	478,141
	534,703	12,947	-	547,650

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, 2016**

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following:

	2016	2015
	\$	\$
Trade payables	183,696	369,304
Accrued salaries and employee benefits	116,500	196,179
Due to School Boards	734,770	643,213
Other accrued liabilities	469,862	78,450
	<b>1,504,828</b>	<b>1,287,146</b>

**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:

	2016	2015
	\$	\$
Federal Government		
Health Canada	87,586	22,357
Indigenous and Northern Affairs Canada	-	5,918
Receiver General	14,273	18,791
	<b>101,859</b>	<b>47,066</b>
Province of Ontario	59,216	16,373
	<b>161,075</b>	<b>63,439</b>

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

**11. DEFERRED REVENUE**

Included in deferred revenue are the following amounts:

	Balance March 31, 2014 \$	Funding Received/ (recovered) 2016 \$	Revenue Recognized 2016 \$	Balance March 31, 2016 \$
<b>INAC</b>				
Flooding claim	4,000	-	-	4,000
Lot servicing	1,394	-	-	1,394
Land survey	16	-	-	16
RLEMP - Training	11,970	-	-	11,970
Profesional and Institutional Development	-	35,000	-	35,000
Economic Development Opportunities	-	89,061	-	89,061
	17,380	124,061	-	141,441
<b>Other Federal</b>				
INAC - Curve Lake Flood Claim	-	141,967	141,967	-
	-	141,967	141,967	-
<b>Provincial</b>				
Library	14,484	17,312	18,312	13,484
Independent Electricity System Operator	-	26,994	12,310	14,684
	14,484	44,306	30,622	28,168
<b>Other</b>	111,821	4,333,576	3,782,072	663,325
	143,685	4,643,910	3,954,661	832,934

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

**12. LONG TERM DEBT**

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

	2016	2015
	\$	\$
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 Indigenous and Northern Affairs Canada	564,122	600,392

- (b) Interest expense on long term debt amounted to \$10,074 (2015 - \$14,691)

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

	Principal \$	Interest \$	Total \$
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	39,107	7,237	46,344
2022 and subsequent years	375,469	30,980	406,449
	564,122	74,047	638,169

**13. PREPAID EXPENSES**

Prepaid expenses consist of the following:

	2016	2015
	\$	\$
Insurance	11,388	11,388
Employee benefits	11,954	7,850
Post secondary living allowances	43,029	31,600
	66,371	50,838



**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

**14. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2016 \$	2015 \$
<b>Surplus</b>		
Operating	14,790,991	16,307,059
<b>Invested In Capital Assets</b>		
Tangible capital assets - net book value	11,815,673	9,562,540
Long term debt	(564,122)	(600,392)
	11,251,551	8,962,148
<b>Surplus</b>	26,042,542	25,269,207
<b>Restricted</b>		
Apartment replacement	33,266	27,266
Ontario First Nation Limited Partnership	9,533,594	11,064,166
Education	150,000	150,000
Minor capital	150,000	150,000
Education project reserve	94,043	92,648
Capital housing program	1,372,228	1,372,228
Housing project reserve	1,306,421	1,248,359
<b>Total Restricted</b>	12,639,552	14,104,667
<b>Held in Trust by the Federal Government</b>		
Capital	69,509	69,509
Revenue	478,141	465,194
<b>Total Held in Trust by the Federal Government</b>	547,650	534,703
	39,229,744	39,908,577

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

**15. RECONCILIATION OF INAC FUNDING TO REPORTED REVENUE**

	\$
<b>INAC Funding Per Confirmation</b>	5,238,831
<b>Add 2015 Deferred Revenue</b>	
Flooding claim	4,000
Lot servicing	1,394
Land surveys	16
RLEMP - Training	11,970
	17,380
<b>Less 2016 Deferred Revenue</b>	
Flooding claim	4,000
Lot servicing	1,394
Land surveys	16
RLEMP - Training	11,970
Profesional and Institutional Development	35,000
Economic Development Opportunities	89,061
	141,441
<b>INAC Revenue For The Year</b>	5,114,770

**16. GOVERNMENT TRANSFERS**

Government transfers consists of the following:

	2016 \$	2015 \$
Indigenous and Northern Affairs Canada		
Operating	4,698,522	4,584,225
Capital	416,248	393,722
	5,114,770	4,977,947
Health Canada - operating	1,168,837	1,142,841
Canada Mortgage and Housing Corporation - operating	38,444	40,100
Human Resources Development Canada - operating	64,897	70,456
	1,272,178	1,253,397
Province of Ontario - operating	2,100,230	1,932,949
	8,487,178	8,164,293

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2016**

**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 \$182,838 (2015 - \$134,447). These contributions which match the employees' contributions for current service, are expensed during the year in which services are rendered and represent the total pension obligation of the First Nation.

**18. EXPENSES BY OBJECT**

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

	Budget 2016 \$	Actual 2016 \$	Actual 2015 \$
Salaries and benefits	4,401,516	4,444,799	4,152,024
Materials	644,426	854,683	772,507
Occupancy costs	254,941	372,987	327,709
Contracted services	4,451,002	4,819,446	4,022,164
Bank charges and interest	54,229	18,466	32,412
Program costs	3,632,754	4,527,528	4,202,526
Amortization	483,470	501,357	483,470
Loss on disposal of tangible capital assets	-	-	7,753
	13,922,338	15,539,266	14,000,565

**19. BUDGET FIGURES**

The budget, approved by the First Nation, for 2016 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 \$5,264,102 (2015 - \$5,641,970) 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, 2016**

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**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, 2016 is \$29,700 (2015 - \$29,700).

During the fiscal years 2003/04 to 2015/16 the First Nation entered into loan agreements in the amount of \$1,187,742 with the Federal Government for flooding claims. Expenditures to March 31, 2016 amounted to \$1,275,916. 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, post secondary education and childcare.

**Land Management**

Land mananement includes the First Nation's 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, 2016**

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**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 Programs**

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, 2016

	Cost				Accumulated Amortization		Net Book Value			
	Opening Balance \$	Additions \$	Disposals \$	Transfers \$	Closing Balance \$	Opening Balance \$	Amortization \$	Closing Balance \$	2016 \$	2015 \$
Tangible Capital Assets										
Land	2,708,116	1,539,295	-	-	4,247,411	-	-	-	4,247,411	2,708,116
Land Improvements	1,113,491	80,426	-	-	1,193,917	578,766	64,079	642,845	551,072	534,725
Residential Buildings	1,165,952	164,245	-	-	1,330,197	312,327	28,393	340,720	989,477	853,625
Non-Residential Buildings	5,547,417	403,219	-	-	5,950,636	3,224,833	136,297	3,361,130	2,589,506	2,322,584
Vehicles	263,062	44,658	-	-	307,720	233,616	14,723	248,339	59,381	29,446
Computer Equipment	487,288	83,448	-	-	570,736	350,192	62,170	412,362	158,374	137,096
Other Equipment	1,404,390	108,873	-	38,202	1,551,465	535,748	130,878	666,626	884,839	868,642
Roads and Bridges	1,678,446	230,130	-	28,306	1,936,882	1,234,587	35,715	1,270,302	666,580	443,859
Waterworks and Septic Systems	823,017	7,300	-	-	830,317	427,581	29,102	456,683	373,634	395,436
	15,191,179	2,661,594	-	66,508	17,919,281	6,897,650	501,357	7,399,007	10,520,274	8,293,529
Assets Under Construction										
Non-Residential Buildings	66,508	92,896	-	(66,508)	92,896	-	-	-	92,896	66,508
Waterworks and Septic Systems	1,202,503	-	-	-	1,202,503	-	-	-	1,202,503	1,202,503
	1,269,011	92,896	-	(66,508)	1,295,399	-	-	-	1,295,399	1,269,011
Total	16,460,190	2,754,490	-	-	19,214,680	6,897,650	501,357	7,399,007	11,815,673	9,562,540

# CURVE LAKE FIRST NATION

## SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended March 31, 2016

	Administration		Community Operations		Economic Development		Cultural	
	Actual 2016 \$	Actual 2015 \$	Budget 2016 \$	Actual 2015 \$	Budget 2016 \$	Actual 2015 \$	Actual 2016 \$	Budget 2016 \$
								(Unaudited)
<b>Revenues</b>								
INAC	592,715	571,685	667,715	680,646	662,775	694,946	158,045	154,513
Federal Government other	12,111	17,057	-	65,888	67,600	68,428	52,786	53,399
Province of Ontario	-	3,429	10,750	68,488	19,482	19,488	102,310	90,000
Other	110,847	112,540	80,000	490,432	499,506	471,586	118,151	155,486
	715,673	704,711	758,465	1,305,454	1,249,363	1,254,448	431,292	453,398
							408,133	408,133
							46,828	32,717
							46,828	30,725
<b>Expenses</b>								
Salaries and benefits	769,022	657,481	717,635	311,691	253,107	297,888	235,986	252,871
Materials	453,892	335,998	282,500	224,170	210,939	162,585	7,812	11,782
Occupancy costs	9,875	425	1,000	170,990	163,535	134,941	20,077	27,632
Contracted services	297,085	160,397	152,000	83,150	98,802	98,000	-	-
Bank charges and interest	8,246	17,555	5,413	10,074	14,691	48,816	-	-
Program costs	22,406	19,811	18,250	194,421	137,701	123,650	173,066	146,910
Amortization	58,914	57,751	57,751	207,223	203,159	203,159	47,587	45,041
Interdepartmental charges	(932,703)	503,833	(921,988)	(164,625)	-	(240,000)	(41,042)	(35,616)
Allocated administration	(218,891)	(171,238)	(151,608)	3,750	4,000	6,750	17,400	19,250
	467,846	1,582,013	160,953	1,040,844	1,085,934	835,789	460,886	467,870
							447,283	447,283
							39,532	34,318
<b>Net surplus (deficit)</b>	247,827	(877,302)	597,512	264,610	163,429	418,659	(29,594)	(14,472)
							7,296	(1,601)
								-

# CURVE LAKE FIRST NATION

## SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2016

	Education		Land Management		Social Development	
	Actual 2016 \$	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Budget 2016 \$ (Unaudited)
<b>Revenues</b>						
INAC	3,295,571	3,218,836	204,440	197,186	183,353	143,629
Federal Government other	-	-	-	-	-	-
Province of Ontario	841,934	714,514	-	-	972,102	521,009
Other First Nations	-	-	3,639,544	3,087,650	-	-
Other	197,126	173,692	383,016	559,304	4,512	-
	4,334,631	4,107,042	4,227,000	3,844,140	1,159,967	664,638
<b>Expenses</b>						
Salaries and benefits	1,631,108	1,570,439	77,671	71,889	405,459	458,073
Materials	73,407	64,000	47,971	71,737	1,746	1,000
Occupancy costs	135,407	67,500	-	-	-	-
Contracted services	158,645	152,700	4,273,820	3,611,869	-	-
Bank charges and interest	-	-	146	166	-	-
Program costs	2,128,870	2,242,503	234,710	69,165	697,652	134,525
Amortization	38,976	32,869	2,464	1,278	73,538	78,955
Interdepartmental charges	-	-	(606,591)	(503,833)	26,000	26,000
Allocated administration	67,907	51,323	19,719	11,000	45,040	45,040
Loss on disposal of tangible capital assets	-	-	-	-	-	-
	4,234,320	4,181,334	4,049,910	3,333,271	1,249,435	743,593
<b>Net surplus (deficit)</b>	100,311	(74,292)	177,090	510,869	(89,468)	(78,955)



# CURVE LAKE FIRST NATION

## SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2016

	Actual 2016 \$	Health Actual 2015 \$	Budget 2016 \$	Actual 2016 \$	Gaming Revenue Programs Actual 2015 \$	Budget 2016 \$	Actual 2016 \$	Consolidated Totals Actual 2015 \$	Budget 2016 \$
			(Unaudited)			(Unaudited)			(Unaudited)
<b>Revenues</b>									
INAC	-	-	-	-	-	-	5,114,770	4,977,947	5,048,085
Federal Government other	1,141,393	1,115,341	1,154,983	-	-	-	1,272,178	1,253,397	1,279,703
Province of Ontario	115,396	72,158	122,832	-	-	-	2,100,230	1,932,949	1,478,593
Other First Nations	-	-	-	-	-	-	3,639,544	3,087,650	3,375,790
Other	202,304	238,403	207,377	1,180,495	1,349,679	963,014	2,733,711	3,133,780	2,062,462
	1,459,093	1,425,902	1,485,192	1,180,495	1,349,679	963,014	14,860,433	14,385,723	13,244,633
<b>Expenses</b>									
Salaries and benefits	906,848	851,488	882,212	33,267	33,428	35,192	4,444,799	4,152,024	4,401,516
Materials	45,685	75,568	59,839	-	-	-	854,683	772,507	644,426
Occupancy costs	36,638	36,636	27,000	-	-	-	372,987	327,709	254,941
Contracted services	6,746	1,441	9,500	-	-	-	4,819,446	4,022,164	4,451,002
Bank charges and interest	-	-	-	-	-	-	18,466	32,412	54,229
Program costs	578,182	709,756	619,296	429,193	239,892	316,545	4,527,528	4,202,526	3,632,754
Amortization	72,655	64,417	64,417	-	-	-	501,357	483,470	483,470
Interdepartmental charges	(323,685)	(105,077)	(346,684)	2,145,889	230,426	2,268,414	-	-	-
Allocated administration	62,075	39,964	9,676	3,000	-	3,000	-	-	-
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	7,753	-
	1,385,144	1,674,193	1,325,256	2,611,349	503,746	2,623,151	15,539,266	14,000,565	13,922,338
<b>Net surplus/(deficit)</b>	73,949	(248,291)	159,936	(1,430,854)	845,933	(1,660,137)	(678,833)	385,158	(677,705)

## **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, 2016, 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, 2016 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  
Licensed Public Accountants

Peterborough, Ontario  
July 25, 2016

# CURVE LAKE FIRST NATION

## TRUST FUND STATEMENT OF FINANCIAL POSITION At March 31, 2016

	Youth Allocation Fund 2016 \$	Youth Allocation Fund 2015 \$
<b>FINANCIAL ASSETS</b>		
Investments (note 2)	5,238,998	5,629,618
Accrued interest receivable	25,104	12,352
	5,264,102	5,641,970
<b>FUND BALANCE</b>	5,264,102	5,641,970

## TRUST FUND STATEMENT OF CONTINUITY For the Year Ended March 31, 2016

	Youth Allocation Fund 2016 \$	Youth Allocation Fund 2015 \$
<b>BALANCE - beginning of year</b>	5,641,970	6,054,272
<b>RECEIPTS</b>		
Investment income	138,612	198,224
<b>EXPENSES</b>		
Per-capita distributions	485,123	578,029
Investment management fees	31,357	32,497
	516,480	610,526
<b>BALANCE - end of year</b>	5,264,102	5,641,970

*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, 2016**

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**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) 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:

	2016	2015
	\$	\$
Cash account	61,874	16,410
Money Market Fund	152,382	224,494
Government bonds	3,177,074	3,355,814
Corporate bonds	1,847,668	2,032,900
	5,238,998	5,629,618
Market Value	5,264,681	5,720,921

The Government and corporate bonds have interest rates between 1.9% and 3.2% and mature from June 15, 2017 to July 2, 2023.

**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.