

**CURVE LAKE FIRST NATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2018**

**CURVE LAKE FIRST NATION  
FINANCIAL STATEMENTS  
MARCH 31, 2018**

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Curve Lake, ON K0L 1R0

## CURVE LAKE FIRST NATION

**For The Year Ended March 31, 2018**

### 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 auditor, 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 Aug 2/18

## INDEPENDENT AUDITOR'S 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, 2018, 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.

#### *Auditor's 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 auditor's 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, 2018 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### *Collins Barrow Kawartha LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
August 02, 2018

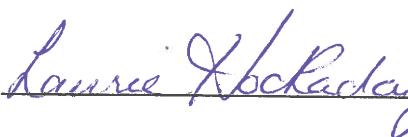
# CURVE LAKE FIRST NATION

## STATEMENT OF FINANCIAL POSITION At March 31, 2018

	2018	2017
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	182,467	756,160
Investments (note 3)	26,983,023	24,285,646
Due from Government and other Government organizations (note 4)	605,741	265,565
Other accounts receivable (note 5)	403,978	303,048
Mortgages due from First Nation members (note 6)	3,785,073	3,697,248
Funds held in trust by the Federal Government (note 7)	572,881	559,406
<b>TOTAL FINANCIAL ASSETS</b>	<b>32,533,163</b>	<b>29,867,073</b>
<b>LIABILITIES</b>		
Bank indebtedness (note 2)	984,395	531,972
Accounts payable and accrued liabilities (note 8)	1,169,034	1,168,631
Due to Government and other Government organizations (note 9)	177,554	167,373
Deferred revenue (note 10)	732,802	465,931
Long term debt (note 11)	490,565	527,668
<b>TOTAL LIABILITIES</b>	<b>3,554,350</b>	<b>2,861,575</b>
<b>NET FINANCIAL ASSETS</b>	<b>28,978,813</b>	<b>27,005,498</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 1)	13,438,387	12,251,244
Prepaid expenses (note 12)	85,942	89,329
Inventory of land held for resale	-	42,074
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>13,524,329</b>	<b>12,382,647</b>
<b>ACCUMULATED SURPLUS (note 13)</b>	<b>42,503,142</b>	<b>39,388,145</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, 2018

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
<b>REVENUES</b>			
Indigenous and Northern Affairs Canada (INAC) (notes 14 and 15)	5,660,216	5,692,265	5,517,492
Federal Government other (note 15)	1,706,773	1,696,269	1,248,065
Province of Ontario (note 15)	2,510,917	2,747,686	2,302,724
Other	5,258,042	6,163,940	4,124,214
<b>TOTAL REVENUES</b>	<b>15,135,948</b>	<b>16,300,160</b>	<b>13,192,495</b>
<b>EXPENSES</b>			
Administration	1,649,636	1,710,229	2,358,558
Community operations	1,189,808	1,579,836	1,431,855
Economic development	444,224	540,426	471,475
Cultural	199,341	157,026	56,818
Education	5,473,630	4,827,013	4,407,160
Land management	423,024	398,380	436,223
Social development	1,245,440	1,291,840	1,159,333
Health	2,016,635	2,055,960	2,114,213
Gaming revenue programs	932,872	624,453	598,459
<b>TOTAL EXPENSES</b>	<b>13,574,610</b>	<b>13,185,163</b>	<b>13,034,094</b>
<b>ANNUAL SURPLUS</b>	<b><u>1,561,338</u></b>	<b>3,114,997</b>	<b>158,401</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>39,388,145</b>	<b>39,229,744</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>42,503,142</b>	<b>39,388,145</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, 2018

	Budget 2018 \$ (Unaudited)	Actual 2018 \$	Actual 2017 \$
<b>ANNUAL SURPLUS</b>	1,561,338	3,114,997	158,401
Amortization of tangible capital assets	609,354	643,248	609,354
Acquisition of tangible capital assets	(686,082)	(1,837,639)	(1,058,282)
Loss on disposal of tangible capital assets	-	7,248	13,357
(Increase)/decrease in prepaid expenses	-	3,387	(22,958)
Decrease in inventory of land held for resale	-	42,074	-
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	1,484,610	1,973,315	(300,128)
<b>NET FINANCIAL ASSETS - beginning of year</b>	27,005,498	27,005,498	27,305,626
<b>NET FINANCIAL ASSETS - end of year</b>	28,490,108	28,978,813	27,005,498

*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, 2018

	2018	2017
	\$	\$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	3,114,997	158,401
Items not involving cash		
Amortization of tangible capital assets	643,248	609,354
Loss on disposal of tangible capital assets	7,248	13,357
Change in non-cash assets and liabilities		
Due from Government and other Government organizations	(340,176)	98,831
Other accounts receivable	(100,930)	(155,812)
Prepaid expenses	3,387	(22,958)
Inventory of land held for resale	42,074	-
Accounts payable and accrued liabilities	403	(336,197)
Islands in the Trent Settlement payable	-	(1,000,000)
Due to Government and other Government organizations	10,181	6,298
Deferred revenue	266,871	(367,003)
<b>Net change in cash from operating activities</b>	<b>3,647,303</b>	<b>(995,729)</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(1,837,639)	(1,058,282)
<b>INVESTING ACTIVITIES</b>		
Decrease in investments	(2,697,377)	1,976,031
Increase in mortgages due from First Nation Members	(87,825)	(50,748)
Increase in funds held in trust by the Federal Government	(13,475)	(11,756)
<b>Net change in cash from investing activities</b>	<b>(2,798,677)</b>	<b>1,913,527</b>
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(37,103)	(36,454)
<b>NET CHANGE IN CASH AND BANK INDEBTEDNESS</b>	<b>(1,026,116)</b>	<b>(176,938)</b>
<b>CASH AND BANK INDEBTEDNESS - beginning of year</b>	<b>224,188</b>	<b>401,126</b>
<b>CASH AND BANK INDEBTEDNESS - end of year</b>	<b>(801,928)</b>	<b>224,188</b>
<b>Comprised of:</b>		
Cash	182,467	756,160
Bank indebtedness	(984,395)	(531,972)
	<b>(801,928)</b>	<b>224,188</b>

Interest received during the year was \$981,453 (2017 - \$937,275). Interest paid during the year was \$9,241 (2017 - \$11,658).

*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, 2018**

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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, 2018**

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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, 2018**

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**2. CASH AND BANK INDEBTEDNESS**

Cash and bank indebtedness consist of the following:

	2018	2017
	\$	\$
<b>Externally restricted</b>		
Ontario First Nation Limited Partnership	44,493	544,508
Apartment replacement	11,908	11,908
	<u>56,401</u>	<u>556,416</u>
<b>Unrestricted</b>		
General	(924,698)	(531,972)
Islands of the Trent	104,449	104,819
Social assistance	(59,697)	11,616
Library	21,617	83,309
	<u>(858,329)</u>	<u>(332,228)</u>
	<u>(801,928)</u>	<u>224,188</u>

The overdraft in the general and social assistance bank accounts is a result of outstanding cheques at year end.

**3. INVESTMENTS**

Investments are comprised of the following:

	2018	2017
	\$	\$
Fixed income bonds with interest rates between 1.7% and 4.65%, maturity dates between March 1, 2019 and January 5, 2026 held at CIBC Asset Management.		
	26,829,236	24,133,370
GIC bearing interest at 0.90% maturing September 4, 2018	132,158	130,919
GIC bearing interest at 0.90% maturing May 2, 2018	21,629	21,357
	<u>26,983,023</u>	<u>24,285,646</u>

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2018**

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

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

	2018	2017
	\$	\$
<b>Federal Government</b>		
Indigenous and Northern Affairs Canada	54,187	55,950
Health Canada	-	5,245
Canada Mortgage and Housing Corporation	116,530	139,250
Canadian Heritage	121,971	-
	<hr/>	<hr/>
	292,688	200,445
<b>Province of Ontario</b>	<hr/>	<hr/>
	313,053	65,120
	<hr/>	<hr/>
	605,741	265,565

**5. OTHER ACCOUNTS RECEIVABLE**

Other accounts receivable consist of the following:

	2018	2017
	\$	\$
Service charges	140,500	122,065
Due from members	7,304	1,714
Other receivables	256,174	179,269
	<hr/>	<hr/>
	403,978	303,048

**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:

	2018	2017
	\$	\$
Mortgages due from First Nation members	4,116,632	4,019,767
Provision for forgiveness	(331,559)	(322,519)
	<hr/>	<hr/>
	3,785,073	3,697,248

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2018**

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**7. FUNDS HELD IN TRUST**

The funds held by the Federal Government on behalf of the First Nation of \$572,881 (2017 - \$559,406) 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	489,897	13,475	-	503,372
	<b>559,406</b>	<b>13,475</b>	<b>-</b>	<b>572,881</b>

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.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following:

	2018 \$	2017 \$
Trade payables	568,997	277,376
Accrued salaries and employee benefits	196,312	199,475
Due to School Boards	321,407	280,743
Other accrued liabilities	82,318	411,037
	<b>1,169,034</b>	<b>1,168,631</b>

**9. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS**

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

	2018 \$	2017 \$
Federal Government		
Indigenous and Northern Affairs Canada	-	5,892
Health Canada	65,613	65,951
Receiver General	33,452	31,870
	<b>99,065</b>	<b>103,713</b>
Province of Ontario	<b>78,489</b>	<b>63,660</b>
	<b>177,554</b>	<b>167,373</b>

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2018

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**10. DEFERRED REVENUE**

Included in deferred revenue are the following amounts:

	Balance March 31, 2017 \$	Funding Received/ (recovered) 2018 \$	Revenue Recognized 2018 \$	Balance March 31, 2018 \$
<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
Professional and Institutional Development	6,020	-	-	6,020
Economic Development Opportunities	7,627	-	-	7,627
Estates Management	34,824	-	26,901	7,923
Special Education	71,640	-	52,837	18,803
Economic Development Planning	30,950	23,560	-	54,510
Post Secondary Student Support Program	-	114,750	-	114,750
Curve Lake School Expansion	-	117,791	82,469	35,322
Children Services	-	79,300	-	79,300
Instructional Service Formula	-	19,800	17,800	2,000
School Effectiveness	-	32,000	4,585	27,415
	168,441	387,201	188,592	367,050
<b>Other Federal</b>				
Canadian Heritage	64,010	-	64,010	-
	64,010	-	64,010	-
<b>Provincial</b>				
Library	13,484	18,312	20,312	11,484
Independent Electricity System Operator	28,500	-	28,500	-
OSRCF	-	33,984	24,247	9,737
Safer Vital Communities	-	30,425	-	30,425
	41,984	82,721	73,059	51,646
<b>Other</b>	<b>191,496</b>	<b>614,129</b>	<b>491,519</b>	<b>314,106</b>
	465,931	1,084,051	817,180	732,802

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2018**

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**11. LONG TERM DEBT**

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

	2018	2017
	\$	\$
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	490,565	527,668

(b) Interest expense on long term debt amounted to \$9,241 (2017 - \$9,968)

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

	Principal	Interest	Total
	\$	\$	\$
2019	37,726	8,618	46,344
2020	38,399	7,945	46,344
2021	39,107	7,237	46,344
2022	39,845	6,499	46,344
2023	40,577	5,767	46,344
2024 and subsequent years	294,911	14,512	309,423
	490,565	50,578	541,143

**12. PREPAID EXPENSES**

Prepaid expenses consist of the following:

	2018	2017
	\$	\$
Insurance	11,388	11,388
Employee benefits	29,385	22,284
Post secondary living allowances	29,200	33,600
Prepaid honoraria	15,969	22,057
	85,942	89,329

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2018**

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**13. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

	2018	2017
	\$	\$
<b>Surplus</b>		
Operating	14,856,343	13,720,164
<b>Invested In Tangible Capital Assets</b>		
Tangible capital assets - net book value	13,438,387	12,251,244
Long term debt	(490,565)	(527,668)
	12,947,822	11,723,576
<b>Surplus</b>	<b>27,804,165</b>	<b>25,443,740</b>
<b>Restricted</b>		
Apartment replacement	45,266	39,266
Ontario First Nation Limited Partnership	10,751,071	10,120,336
Education	150,000	150,000
Minor capital	150,000	150,000
Education project reserve	96,832	95,593
Capital housing program	1,372,228	1,372,228
Housing project reserve	1,559,799	1,456,676
New Seniors Centre	900	900
<b>Total Restricted</b>	<b>14,126,096</b>	<b>13,384,999</b>
<b>Held in Trust by the Federal Government</b>		
Capital	69,509	69,509
Revenue	503,372	489,897
<b>Total Held in Trust by the Federal Government</b>	<b>572,881</b>	<b>559,406</b>
	<b>42,503,142</b>	<b>39,388,145</b>

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2018**

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

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	\$
<b>INAC Funding Per Confirmation</b>	<b>5,890,874</b>
<b>Add 2017 Deferred Revenue</b>	
Flooding claim	4,000
Lot servicing	1,394
Land surveys	16
RLEMP - Training	11,970
Professional and Institutional Development	6,020
Economic Development Opportunities	7,627
Estates Management	34,824
Special Education	71,640
Economic Development Planning	30,950
	<hr/>
	168,441
<b>Less 2018 Deferred Revenue</b>	
Lot servicing	1,394
Land surveys	16
RLEMP - Training	11,970
Professional and Institutional Development	6,020
Economic Development Opportunities	7,627
Estates Management	7,923
Special Education	18,803
Economic Development Planning	54,510
Post Secondary Student Support Program	114,750
Curve Lake School Expansion	35,322
Children Services	79,300
Instructional Services Formula	2,000
School Effectiveness	27,415
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	367,050
<b>INAC Revenue For The Year</b>	<b>5,692,265</b>

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**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2018**

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**15. GOVERNMENT TRANSFERS**

Government transfers consists of the following:

	2018	2017
	\$	\$
Indigenous and Northern Affairs Canada		
Operating	5,245,741	5,058,739
Capital	446,524	458,753
	<u>5,692,265</u>	<u>5,517,492</u>
Federal Government other		
Health Canada - operating	1,181,348	1,136,621
Canada Mortgage and Housing Corporation - operating	38,444	38,444
Canada Mortgage and Housing Corporation - capital	125,928	-
Human Resources Development Canada - operating	95,077	73,000
Canadian Heritage	255,472	-
	<u>1,696,269</u>	<u>1,248,065</u>
Province of Ontario - operating	<u>2,747,686</u>	<u>2,302,724</u>
	<u>10,136,220</u>	<u>9,068,281</u>

**16. 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 \$237,508 (2017 - \$196,400). 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.

**17. BUDGET FIGURES**

The budget, approved by the First Nation, for 2018 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.

**18. TRUST FUNDS**

Trust funds administered by the First Nation amounting to \$4,640,392 (2017 - \$5,007,374) 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, 2018**

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**19. EXPENSES BY OBJECT**

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

	Budget 2018 \$	Actual 2018 \$	Actual 2017 \$
Salaries and benefits	5,557,444	5,388,450	5,114,619
Materials	678,918	805,051	798,423
Occupancy costs	267,801	298,915	314,290
Contracted services	602,984	604,597	733,247
Bank charges and interest	54,370	21,319	22,950
Program costs	5,818,939	5,416,334	5,427,854
Amortization	609,354	643,248	609,354
Interdepartmental charges	(15,200)	-	-
Loss on disposal of tangible capital assets	-	7,249	13,357
	13,574,610	13,185,163	13,034,094

**20. 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, 2018 is \$29,700 (2017 - \$29,700).

During the fiscal years 2003/04 to 2016/17 the First Nation entered into loan agreements in the amount of \$1,594,863 with the Federal Government for flooding claims. Expenditures to March 31, 2018 amounted to \$1,505,314. Total claims are expected to be equal to or greater than amounts received.

**21. CONTINGENT ASSET**

The First Nation has a contingent asset relating to the Williams Treaty along with six other member First Nations as at March 31, 2018. The contingent asset is dependent upon a ratification vote by the seven member First Nations' members on June 23, 2018 and final ratification by both the Government of Canada and Government of Ontario. The amount of the First Nation's contingent asset cannot be disclosed due to the terms of the agreement.

**CURVE LAKE FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 2018**

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**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.

**Social Development**

Social development consists of General Assistance to members and inhabitants of the First Nation, homemaker services, homes for the aged and the National Child Benefit program.

**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, 2018

	Cost					Accumulated Amortization					Net Book Value	
	Opening Balance \$	Additions \$	Disposals \$	Transfers \$	Closing Balance \$	Opening Balance \$	Amortization \$	Disposals \$	Closing Balance \$	2018 \$	2017 \$	
<b>Tangible Capital Assets</b>												
Land	4,247,411	125,268	-	-	4,372,679	98,791	2,334	-	803,381	-	4,372,679	4,247,411
Land Improvements	1,193,917	413,339	7,000	-	1,600,256	706,924	-	-	-	796,875	486,993	
Residential Buildings	1,348,183	186,220	-	-	1,534,403	372,668	31,947	-	404,615	1,129,788	975,515	
Non-Residential Buildings	6,109,393	5,480	-	-	6,114,873	3,518,236	157,655	-	3,675,891	2,438,982	2,591,157	
Vehicles	396,935	-	-	-	396,935	289,836	26,775	-	316,611	80,324	107,099	
Computer Equipment	782,338	37,769	-	-	820,107	509,465	94,816	-	604,281	215,826	272,873	
Other Equipment	1,689,087	93,216	3,690	-	1,778,613	810,074	159,553	1,108	968,519	810,094	879,013	
Roads and Bridges	1,936,882	153,413	-	-	2,090,295	1,314,702	44,401	-	1,359,103	731,192	622,180	
Waterworks and Septic Systems	851,617	32,086	-	-	883,703	486,113	29,310	-	515,423	368,280	365,504	
	18,555,763	1,046,791	10,690	-	19,591,864	8,008,018	643,248	3,442	8,647,824	10,944,040	10,547,745	
<b>Assets Under Construction</b>												
Residential Buildings	-	685,840	-	-	685,840	-	-	-	-	685,840	-	
Non-Residential Buildings	500,996	105,008	-	-	606,004	-	-	-	-	606,004	500,996	
Waterworks and Septic Systems	1,202,503	-	-	-	1,202,503	-	-	-	-	1,202,503	1,202,503	
	1,703,499	790,848	-	-	2,494,347	-	-	-	-	2,494,347	1,703,499	
<b>Total</b>	<b>20,259,262</b>	<b>1,837,639</b>	<b>10,690</b>	<b>-</b>	<b>22,086,211</b>	<b>8,008,018</b>	<b>643,248</b>	<b>3,442</b>	<b>8,647,824</b>	<b>13,438,387</b>	<b>12,251,244</b>	

## CURVE LAKE FIRST NATION

### SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended March 31, 2018

	Actual 2018 \$	Administrative 2017 \$	Budget 2018 \$	Actual 2018 \$	Community Operations Actual 2017 \$	Budget 2018 \$	Actual 2018 \$	Budget 2018 \$	Actual 2018 \$	Budget 2018 \$	Actual 2017 \$	Budget 2018 \$	Cultural Actual 2017 \$	Budget 2018 \$	
															(Unaudited)
															(Unaudited)
<b>Revenues</b>															
INAC	602,907	630,822	602,907	746,970	935,272	675,473	139,997	130,677	124,572	-	-	-	-	-	
Federal Government other	-	27,619	15,955	379,211	38,444	348,545	66,219	45,382	58,255	69,491	-	-	-	69,491	
Province of Ontario	-	-	-	219,969	19,482	104,048	118,500	113,500	90,000	-	-	-	-	-	
Other	3,017,015	197,627	2,921,768	581,214	500,409	555,496	177,110	146,838	123,631	120,973	60,937	105,000	105,000		
	3,619,922	856,068	3,540,630	1,927,364	1,493,607	1,683,562	501,826	436,397	396,458	190,464	60,937	174,491			
<b>Expenses</b>															
Salaries and benefits	1,028,220	925,351	1,129,261	425,683	334,856	422,699	269,516	275,038	228,316	88,525	85,496	95,836			
Materials	347,713	368,263	283,260	224,401	227,067	197,200	12,273	7,847	8,333	-	-	-	-	-	
Occupancy costs	505	2,614	-	153,472	159,032	124,900	25,335	27,275	25,000	-	-	-	-	-	
Contracted services	231,548	357,909	158,000	118,892	205,265	98,000	-	-	-	-	-	-	-	-	
Bank charges and interest	12,074	11,230	4,500	9,241	11,658	49,870	-	-	-	-	-	-	-	-	
Program costs	335,707	812,327	311,508	372,468	240,250	46,912	182,489	115,743	111,312	141,867	74,809	192,071			
Amortization	93,244	99,504	99,504	270,596	248,227	248,227	50,372	48,913	48,913	-	-	-	-	-	
Interdepartmental charges	-	-	-	-	-	-	(26,775)	(28,991)	(28,991)	(79,866)	(103,487)	(95,066)			
Allocated administration	(338,782)	(218,640)	(336,397)	2,500	5,500	2,000	22,350	25,650	22,350	6,500	6,500	6,500			
Loss on disposal of tangible capital assets	-	-	-	-	2,583	-	-	4,666	-	-	-	-	-	-	
	1,710,229	2,358,558	1,649,636	1,579,836	1,431,855	1,189,808	540,426	471,475	444,224	157,026	56,818	199,341			
<b>Net deficit</b>	1,909,693	1,502,490	1,890,994	347,528	61,752	493,754	(38,600)	(35,078)	(47,766)	33,438	4,119	(24,850)			

## CURVE LAKE FIRST NATION

### SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2018

	Actual 2018 \$	Education Actual 2017 \$	Budget 2018 \$	Actual 2018 \$	Land Management Actual 2017 \$	Budget 2018 \$	Actual 2018 \$	Social Development Actual 2017 \$	Budget 2018 \$
<b>Revenues</b>									
INAC	3,748,940	3,418,763	3,836,214	282,474	229,764	231,573	170,977	172,194	189,477
Federal Government other	-	-	-	-	-	-	-	-	-
Province of Ontario	892,791	905,442	897,203	-	-	-	-	-	-
Other	369,772	294,435	277,921	324,754	1,383,952	47,020	1,076,323	922,627	1,014,357
	5,011,503	4,618,640	5,011,338	607,228	1,613,716	278,593	1,251,973	1,095,145	1,206,334
<b>Expenses</b>									
Salaries and benefits	1,940,169	1,811,123	1,936,540	137,450	95,598	138,250	335,971	352,663	399,566
Materials	91,569	92,937	86,000	109,845	65,018	83,942	-	-	-
Occupancy costs	108,651	94,228	101,901	-	-	-	-	-	-
Contracted services	217,969	145,127	303,624	30,977	21,955	35,000	-	-	-
Bank charges and interest	-	-	-	4	62	-	-	-	-
Program costs	2,225,085	2,145,774	2,824,777	91,701	230,367	141,967	857,643	704,265	750,669
Amortization	62,292	39,510	39,510	7,002	2,464	2,464	63,026	67,205	67,205
Interdepartmental charges	-	-	-	-	-	-	-	-	-
Allocated administration	181,278	65,104	181,278	21,401	20,759	21,401	15,200	15,200	8,000
Loss on disposal of tangible capital assets	-	13,357	-	-	-	-	20,000	20,000	20,000
	4,827,013	4,407,160	5,473,630	398,380	436,223	423,024	1,291,840	1,159,333	1,245,440
<b>Net deficit</b>	<b>184,490</b>	<b>211,480</b>	<b>(462,292)</b>	<b>208,848</b>	<b>1,177,493</b>	<b>(144,431)</b>	<b>(39,867)</b>	<b>(64,188)</b>	<b>(39,106)</b>

## CURVE LAKE FIRST NATION

### SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2018

	Actual 2018 \$	Health Actual 2017 \$	Budget 2018 \$	Actual 2018 \$	Actual 2017 \$	Gaming Revenue Programs \$	Budget 2018 \$	Actual 2018 \$	Actual 2017 \$	Consolidated Totals \$	Budget 2018 \$
<b>Revenues</b>											
INAC	-	-	-	-	-	-	-	-	-	5,517,492	5,660,216
Federal Government other	1,181,348	1,136,620	1,214,527	-	-	-	-	-	-	1,248,065	1,706,773
Province of Ontario	440,103	341,673	405,309	-	-	-	-	-	-	2,302,724	2,510,917
Other	313,241	282,582	291,834	1,255,188	1,257,110	932,872	6,163,940	4,124,214	3,114,997	158,401	5,258,042
	1,934,692	1,760,875	1,911,670	1,255,188	1,257,110	932,872	16,300,160	13,192,495	15,135,948		
<b>Expenses</b>											
Salaries and benefits	1,121,509	1,194,577	1,166,656	41,407	39,917	40,320	5,388,450	5,114,619	5,557,444		
Materials	19,250	37,291	20,183	-	-	-	805,051	798,423	678,918		
Occupancy costs	10,752	31,141	16,000	-	-	-	298,915	314,290	267,801		
Contracted services	5,211	2,991	8,360	-	-	-	604,597	733,247	602,984		
Bank charges and interest	-	-	-	-	-	-	21,319	22,950	54,370		
Program costs	773,357	718,642	674,625	436,017	385,677	765,098	5,416,334	5,427,854	5,818,939		
Amortization	96,716	103,531	103,531	-	-	-	643,248	609,354	609,354		
Interdepartmental charges	(55,588)	(55,587)	(55,588)	147,029	172,865	127,454	-	-	(15,200)		
Allocated administration	84,753	81,627	82,868	-	-	-	-	-	-		
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-		
	2,055,960	2,114,213	2,016,635	624,453	598,459	932,872	13,185,163	13,034,094	13,574,610		
<b>Net surplus/(deficit)</b>	(121,268)	(353,338)	(104,965)	630,735	658,651	-	-	-	-	1,561,338	

## 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, 2018, 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, 2018 and the continuity of the Trust Fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### *Collins Barrow Kawartha LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
August 02, 2018

# CURVE LAKE FIRST NATION

## TRUST FUND STATEMENT OF FINANCIAL POSITION At March 31, 2018

	Youth Allocation Fund 2018 \$	Youth Allocation Fund 2017 \$
<b>FINANCIAL ASSETS</b>		
Investments (note 2)	4,615,089	4,983,069
Accrued interest receivable	25,303	24,305
	<b>4,640,392</b>	<b>5,007,374</b>
<b>FUND BALANCE</b>	<b>4,640,392</b>	<b>5,007,374</b>

## TRUST FUND STATEMENT OF CONTINUITY For the Year Ended March 31, 2018

	Youth Allocation Fund 2018 \$	Youth Allocation Fund 2017 \$
<b>BALANCE - beginning of year</b>	<b>5,007,374</b>	<b>5,264,102</b>
<b>RECEIPTS</b>		
Investment income	80,840	119,973
<b>EXPENSES</b>		
Per-capita distributions	418,860	346,573
Investment management fees	28,962	30,128
	<b>447,822</b>	<b>376,701</b>
<b>BALANCE - end of year</b>	<b>4,640,392</b>	<b>5,007,374</b>

*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, 2018**

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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:

	2018	2017
	\$	\$
Cash account	55,930	35,335
Short term notes	79,072	142,354
Government bonds	2,864,533	3,093,580
Corporate bonds	1,615,554	1,711,800
	<hr/> 4,615,089	<hr/> 4,983,069
Market Value	4,507,418	4,955,683

The Government and corporate bonds have interest rates between 1.9% and 3.15% and mature from July 12, 2018 to September 20, 2029.

**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.