

**CURVE LAKE FIRST NATION
FINANCIAL STATEMENTS
MARCH 31, 2022**

**CURVE LAKE FIRST NATION
FINANCIAL STATEMENTS
MARCH 31, 2022**

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CURVE LAKE FIRST NATION

For the Year Ended March 31, 2022

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 Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Baker Tilly KDN LLP has full and free access to Council.

Chief

Date March 21, 2023

Baker Tilly KDN LLP
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INDEPENDENT AUDITOR'S REPORT

To Council and the Members of Curve Lake First Nation

Opinion

We have audited the financial statements of Curve Lake First Nation (the First Nation), which comprise the statement of financial position as at March 31, 2022, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
March 28, 2023

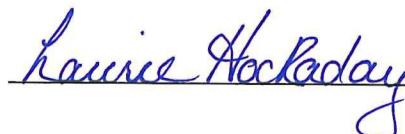
CURVE LAKE FIRST NATION

STATEMENT OF FINANCIAL POSITION At March 31, 2022

	2022	2021
	\$	\$
FINANCIAL ASSETS		
Cash (note 2)	55,244,270	60,455,731
Investments (note 3)	32,014,718	30,578,280
Due from Government and other Government organizations (note 4)	3,941,687	1,322,864
Other accounts receivable (note 5)	1,476,136	413,021
Mortgages due from First Nation members (note 6)	2,627,380	2,896,425
Funds held in trust by the Federal Government (note 7)	625,993	614,180
TOTAL FINANCIAL ASSETS	95,930,184	96,280,501
LIABILITIES		
Construction line of credit (note 12)	1,634,632	1,595,110
Accounts payable and accrued liabilities (note 8)	8,261,621	7,344,283
Due to Government and other Government organizations (note 9)	1,687,489	1,342,357
Deferred revenue (note 10)	8,266,840	6,084,766
Long term debt (note 13)	2,433,204	2,547,242
TOTAL LIABILITIES	22,283,786	18,913,758
NET FINANCIAL ASSETS	73,646,398	77,366,743
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	22,653,300	18,761,936
Prepaid expenses (note 11)	57,176	73,606
TOTAL NON-FINANCIAL ASSETS	22,710,476	18,835,542
ACCUMULATED SURPLUS (note 14)	96,356,874	96,202,285

Approved on behalf of the members:

 Keith Knott Chief

 Laurie Hockaday 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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
REVENUES			
Indigenous Services Canada (ISC) (notes 15 and 16)	11,702,845	11,687,583	10,156,377
Federal Government other (note 16)	1,727,241	2,026,523	304,230
Province of Ontario (note 16)	3,426,813	2,790,703	2,818,968
Other	3,202,585	5,904,631	4,544,599
TOTAL REVENUES	20,059,484	22,409,440	17,824,174
EXPENSES			
Administration	1,342,556	1,172,730	1,350,944
Community operations	1,828,020	1,927,125	1,618,336
Economic Development/ Consultation	2,634,214	1,915,675	1,059,244
Cultural	156,028	147,407	82,061
Education	6,755,093	6,487,221	5,157,814
Land management	359,527	5,926,173	6,046,450
Social development	1,155,057	1,033,379	1,411,049
Health	2,938,111	2,896,871	2,666,386
Gaming revenue programs	1,062,500	748,270	889,157
TOTAL EXPENSES	18,231,106	22,254,851	20,281,441
ANNUAL SURPLUS/(DEFICIT)	1,828,378	154,589	(2,457,267)
ACCUMULATED SURPLUS - beginning of year		96,202,285	98,659,552
ACCUMULATED SURPLUS - end of year		96,356,874	96,202,285

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, 2022

	Budget 2022 \$ (Unaudited)	Actual 2022 \$	Actual 2021 \$
ANNUAL SURPLUS/(DEFICIT)	1,828,378	154,589	(2,457,267)
Amortization of tangible capital assets	806,441	818,903	806,441
Acquisition of tangible capital assets	(3,714,856)	(4,711,712)	(3,377,755)
Loss on disposal of tangible capital assets	-	1,445	5,483
Decrease in prepaid expenses	-	16,430	25,397
CHANGE IN NET FINANCIAL ASSETS	(1,080,037)	(3,720,345)	(4,997,701)
NET FINANCIAL ASSETS - beginning of year	77,366,743	77,366,743	82,364,444
NET FINANCIAL ASSETS - end of year	76,286,706	73,646,398	77,366,743

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, 2022

	2022	2021
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	154,589	(2,457,267)
Items not involving cash		
Amortization of tangible capital assets	818,903	806,441
Loss on disposal of tangible capital assets	1,445	5,483
Change in non-cash assets and liabilities		
Due from Government and other Government organizations	(2,618,823)	(154,980)
Other accounts receivable	(1,063,115)	(86,904)
Prepaid expenses	16,430	25,397
Accounts payable and accrued liabilities	917,338	453,837
Due to Government and other Government organizations	345,132	645,911
Deferred revenue	2,182,074	3,404,112
<u>Net change in cash from operating activities</u>	<u>753,973</u>	<u>2,642,030</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(4,711,712)	(3,377,755)
INVESTING ACTIVITIES		
Decrease in investments	(1,436,438)	(2,684,032)
Mortgages issued and interest added to First Nation Members	(139,492)	(119,149)
Mortgage principal repayments by First Nation members	408,537	353,598
<u>Increase in funds held in trust by the Federal Government</u>	<u>(11,813)</u>	<u>(13,251)</u>
<u>Net change in cash from investing activities</u>	<u>(1,179,206)</u>	<u>(2,462,834)</u>
FINANCING ACTIVITIES		
Debt principal repayments	(114,038)	(84,412)
Construction line of credit received/(repaid)	39,522	1,595,110
<u>Net change in cash from financing activities</u>	<u>(74,516)</u>	<u>1,510,698</u>
NET CHANGE IN CASH AND BANK INDEBTEDNESS	(5,211,461)	(1,687,861)
CASH AND CASH EQUIVALENTS - beginning of year	60,455,731	62,143,592
CASH AND CASH EQUIVALENTS - end of year	55,244,270	60,455,731

Interest received during the year was \$674,066 (2021 - \$737,840). Interest paid during the year was \$79,113 (2021 - \$43,253).

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, 2022

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.

Curve Lake First Nation does not have any related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

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) 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.

(d) 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 are recognized as revenue once eligibility criteria have been met. Unspent funding is recorded either as repayable or deferred revenue in accordance with the terms of the specific agreements. 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.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

(f) Restricted Amounts

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

(g) Deferred Revenue

Deferred revenue represents grants 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.

(h) 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.

(i) 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, 2022

2. CASH AND BANK INDEBTEDNESS

Cash and bank indebtedness consist of the following:

	2022	2021
	\$	\$
Externally restricted		
Ontario First Nation Limited Partnership	288,745	331,803
Apartment replacement	12,807	12,717
	<hr/>	<hr/>
	301,552	344,520
Internally restricted		
Williams Treaty	49,667,049	54,891,019
Unrestricted		
General	3,736,057	4,938,524
Social assistance	1,456,752	214,118
Library	82,860	67,550
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	5,275,669	5,220,192
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	55,244,270	60,455,731

3. INVESTMENTS

Investments, recorded at cost, are comprised of the following:

	2022	2021
	\$	\$
Cash and equivalents held at BMO	1,306,455	957,707
Pooled fixed income investments held at BMO	12,202,980	11,134,161
Pooled equity investments held at BMO	18,341,238	18,323,908
GIC bearing interest at 0.75% maturing May 16, 2023	141,370	139,829
GIC bearing interest at 0.3% maturing May 3, 2022	22,675	22,675
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	32,014,718	30,578,280

Breakdown by source:

	2022	2021
	\$	\$
General operating	37,705	36,183
Islands in the Trent	19,378,196	18,474,824
Ontario First Nation Limited Partnership	10,070,462	9,646,456
Apartment replacement	22,675	22,675
Williams Treaty	2,364,310	2,258,313
Education	141,370	139,829
	<hr/>	<hr/>
	32,014,718	30,578,280

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

4. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

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

	2022	2021
	\$	\$
Federal Government		
Indigenous Services Canada	2,957,035	1,136,623
Canada Mortgage and Housing Corporation	211,820	11,820
Other	382,500	52,231
	<u>3,551,355</u>	<u>1,200,674</u>
Province of Ontario	390,332	122,190
	<u>3,941,687</u>	<u>1,322,864</u>

5. OTHER ACCOUNTS RECEIVABLE

Other accounts receivable consist of the following:

	2022	2021
	\$	\$
Service charges	113,841	126,219
Accrued interest	48,215	42,707
Ontario First Nation Limited Partnership	555,301	-
Union of Ontario Indians	477,269	166,423
Due from members	21,295	7,819
Other receivables	260,215	69,853
	<u>1,476,136</u>	<u>413,021</u>

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 remains as a provision as long as the First Nation members' loan balance is current.

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

	2022	2021
	\$	\$
Mortgages due from First Nation members	2,836,587	3,170,632
Provision for forgiveness	(209,207)	(274,207)
	<u>2,627,380</u>	<u>2,896,425</u>

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

7. FUNDS HELD IN TRUST

The funds held by the Federal Government on behalf of the First Nation of \$625,993 (2021 - \$614,180) 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	544,671	11,813	-	556,484
	614,180	11,813	-	625,993

The funds held in trust arose 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:

	2022 \$	2021 \$
Trade payables	1,577,598	910,785
Accrued salaries and employee benefits	277,267	189,736
Due to School Boards	722,133	215,486
Williams Treaty distribution to members	5,615,554	5,828,536
Other accrued liabilities	69,069	199,740
	8,261,621	7,344,283

9. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

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

	2022 \$	2021 \$
Federal Government		
Indigenous Services Canada	490,792	324,670
Receiver General	44,230	56,958
Other	-	1,304
	535,022	382,932
Province of Ontario	1,152,467	959,425
	1,687,489	1,342,357

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

10. DEFERRED REVENUE

Included in deferred revenue are the following amounts:

	Balance March 31, 2021 \$	Funding Received/ (recovered) 2022 \$	Revenue Recognized 2022 \$	Balance March 31, 2022 \$
ISC				
Lot servicing/Land survey	1,410	-	-	1,410
RLEMP - Training	11,970	-	-	11,970
Profesional and Institutional				
Development	14,420	-	-	14,420
Education	236,886	641,245	46,868	831,263
FN Student Success Program	81,382	-	-	81,382
New Paths	31,127	-	-	31,127
Post Secondary support	480,131	351,554	502,538	329,147
LEDSP	90,204	102,233	17,497	174,940
Cultural Education	3,348	15,930	19,278	-
Summer student	8,790	18,680	18,680	8,790
Service Delivery	-	44,803	9,263	35,540
Basic Needs	-	244,067	-	244,067
Daycare	54,975	-	-	54,975
Children Services	511,723	155,044	326,064	340,703
Community Well Being	-	1,519,077	-	1,519,077
Employment experience	-	9,840	9,840	-
Capital	-	150,000	-	150,000
Water operations and maintenance	10,127	154,026	96,164	67,989
Water and Wastewater Action Plan	55,523	-	55,523	-
Water treatment plant	938,368	1,056,693	1,525,008	470,053
Housing	641,579	309,600	-	951,179
Water systems	-	4,300	-	4,300
Minor capital	-	48,183	-	48,183
Municipal services	-	198,552	-	198,552
RLEMP	42,339	-	39,564	2,775
Economic Development				
Opportunities	7,627	-	-	7,627
Emergency preparedness	9,274	-	9,274	-
COVID response	536,405	527,764	540,139	524,030
Employee assistance	19,680	-	-	19,680
Aboriginal Youth Suicide	-	11,091	11,091	-
Building Healthy Communities	14,274	95,484	105,053	4,705
NNADAP	26,413	61,457	53,010	34,860
Brighter Futures	18,345	133,232	64,157	87,420
Trauma Response	-	86,158	-	86,158
Community facilities	57,191	71,767	50,545	78,413
Community Health Promotion	27,431	300,722	304,602	23,551
Federal Tabocco Strategy	10,812	8,672	-	19,484
Children's Oral Health Initiative	4,859	15,221	14,294	5,786
Medical Transportation	57,139	170,192	227,331	-
Healthy Child Development	15,651	75,219	69,528	21,342
Aboriginal Diabetes Initiative	905	48,231	49,136	-

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

10. DEFERRED REVENUE, continued

	Balance March 31, 2021 \$	Funding Received/ (recovered) 2022 \$	Revenue Recognized 2022 \$	Balance March 31, 2022 \$
Communicable Disease Emergencies Initiative	746	223,907	-	224,653
Drinking Water Program	8,890	25,000	30,035	3,855
Home and Community Care	66,375	371,875	144,421	293,829
COVID response	30,081	-	-	30,081
Home and Community Care	-	47,269	-	47,269
	4,126,400	7,297,088	4,338,903	7,084,585
CMHC	1,089,180	-	1,089,180	-
ISC - Curve Lake Flooding Claim	-	135,639	35,365	100,274
Other Federal	-	114,570	20,299	94,271
Provincial				
Library	11,484	15,312	15,312	11,484
Safer Vital Communities	30,425	-	-	30,425
Trillium	91,700	59,800	89,596	61,904
Vaccine program	42,705	88,141	88,141	42,705
Daycare safe restart	92,535	-	-	92,535
MTO	-	75,000	-	75,000
COVID-19	-	21,020	-	21,020
MIRR	-	200,000	41,575	158,425
Other	600,337	932,838	1,038,963	494,212
	1,958,366	1,642,320	2,418,431	1,182,255
	6,084,766	8,939,408	6,757,334	8,266,840

11. PREPAID EXPENSES

Prepaid expenses consist of the following:

	2022 \$	2021 \$
Insurance	25,615	19,479
Employee benefits	13,911	38,410
Prepaid honoraria	17,650	15,717
	57,176	73,606

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

12. CONSTRUCTION LINE OF CREDIT

During 2021, a construction line of credit was taken out with BMO to manage the new subdivision construction. The line of credit has an interest rate based on the bank's prime rate which was 2.7% at March 31, 2022.

13. LONG TERM DEBT

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

	2022	2021
	\$	\$
Mortgage payable to CMHC, repayable in blended monthly payments of \$3,862, interest at 0.96%, maturing December 1, 2029, secured by specific rental buildings and by Indigenous Services Canada.	332,279	373,384
Mortgage payable to CMHC, repayable in blended monthly payments of \$5,740, interest at 1.75%, maturing October 1, 2044, secured by specific rental buildings and by Indigenous Services Canada.	1,285,032	1,331,069
Mortgage payable to CMHC, repayable in blended monthly payments of \$3,354, interest at 1.75%, maturing October 1, 2044, secured by specific rental buildings and by Indigenous Services Canada.	750,753	777,649
Advances from CMHC for Senior feasibility study, terms to be finalized upon completion.	65,140	65,140
	<u>2,433,204</u>	<u>2,547,242</u>

(b) Interest expense on long term debt amounted to \$39,591 (2021 - \$42,075)

(c) The long term debt reported in (a) of this note is repayable as follows based on the current repayment terms:

	Principal	Interest	Total
	\$	\$	\$
2023	115,688	37,941	153,629
2024	117,394	36,235	153,629
2025	119,126	34,503	153,629
2026	120,885	32,744	153,629
2027	122,672	30,957	153,629
<u>2028 and subsequent years</u>	<u>1,837,439</u>	<u>291,000</u>	<u>2,128,439</u>
	<u>2,433,204</u>	<u>463,380</u>	<u>2,896,584</u>

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

14. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Surplus		
Operating	13,021,391	11,975,425
Invested In Tangible Capital Assets		
Tangible capital assets - net book value	22,653,300	18,761,936
Long term debt	(2,433,204)	(2,547,242)
Unfunded capital	(642,258)	(329,029)
	<u>19,577,838</u>	<u>15,885,665</u>
Surplus	32,599,229	27,861,090
Restricted		
Apartment replacement - externally restricted	276,409	63,920
Ontario First Nation Limited Partnership - externally restricted	12,830,307	12,354,643
Education	1,225,766	1,225,766
Minor capital	150,000	150,000
Education project reserve	106,832	104,504
Capital housing program	1,372,228	1,372,228
Housing project reserve	2,632,403	2,705,478
New seniors centre	900	900
Subdivision construction	-	584,586
William's Treaty - interest	3,473,295	2,887,191
Williams Treaty - distributions	30,792,304	36,277,799
Williams Treaty - externally restricted	10,000,000	10,000,000
Economic development - general	(14,693)	-
Economic development - training	83,516	-
Economic development - consultation	202,385	-
Total Restricted	63,131,652	67,727,015
Held in Trust by the Federal Government		
Capital	69,509	69,509
Revenue	556,484	544,671
Total Held in Trust by the Federal Government	625,993	614,180
	<u>96,356,874</u>	<u>96,202,285</u>

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

15. RECONCILIATION OF ISC FUNDING TO REPORTED REVENUE

	\$
ISC Funding Per Confirmation	14,220,345
Non-insured health benefits claims	24,411
Current year band rep receivables not included in reconciliation	476,798
Funeral and burial costs on 2022-23 confirm	4,661
	<hr/> <u>14,726,215</u>
Add 2021 Deferred Revenue	
Balance March 31, 2021 from note 10	<u>4,126,400</u>
Less 2022 Deferred Revenue	
Balance March 31, 2022 from note 10	<u>7,084,585</u>
Less Amounts Repayable/ Repaid	
Medical transportation	76,298
Vaccine funding	4,149
	<hr/> <u>80,447</u>
ISC Revenue For The Year	<u>11,687,583</u>

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

16. GOVERNMENT TRANSFERS

Government transfers consists of the following:

	2022	2021
	\$	\$
Indigenous Services Canada		
Operating	9,532,667	8,799,330
Capital	2,154,916	1,357,047
	<hr/> 11,687,583	<hr/> 10,156,377
Federal Government other		
Canada Mortgage and Housing Corporation - operating	109,189	109,688
Canada Mortgage and Housing Corporation - capital	1,289,180	-
Human Resources Development Canada - operating	244,260	104,142
Canadian Heritage	51,599	39,600
Fisheries	186,992	40,546
Parks	94,857	-
Other	50,446	10,254
	<hr/> 2,026,523	<hr/> 304,230
Province of Ontario		
Operating	2,790,703	2,818,968
	<hr/> 2,790,703	<hr/> 2,818,968
	<hr/> 16,504,809	<hr/> 13,279,575

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 \$303,417 (2021 - \$305,564). 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. BUDGET FIGURES

The budget, approved by the First Nation, for 2022 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.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

19. TRUST FUNDS

Trust funds administered by the First Nation amounting to \$2,958,424 (2021 - \$3,519,310) 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.

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.

During the fiscal years 2003/04 to 2021/22 the First Nation entered into loan agreements in the amount of \$1,666,148 with the Federal Government for flooding claims. Expenditures to March 31, 2022 amounted to \$1,860,381. Total claims are expected to be equal to or greater than amounts received.

21. 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/ Consultation

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 management includes the First Nation's lands management function including lot purchases, flooding claims and Williams Treaty settlement.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

21. SEGMENTED INFORMATION, continued

Social Development

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

22. UNCERTAINTY CAUSED BY COVID-19

In March 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the First Nation's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the First Nation's operations. The extent of the impact of this outbreak and related containment measures on the First Nation's operations cannot be reliably estimated at this time.

CURVE LAKE FIRST NATION

SCHEDULE 1: SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended March 31, 2022

	Cost					Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals	Transfers	Closing Balance	Opening Balance	Amortization	Disposals	Closing Balance	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets											
Land	4,429,957	18,000	-	-	4,447,957	-	-	-	-	4,447,957	4,429,957
Land Improvements	1,900,199	12,000	-	-	1,912,199	1,166,161	118,669	-	1,284,830	627,369	734,038
Residential Buildings	4,949,118	15,452	-	953,880	5,918,450	704,142	125,301	-	829,443	5,089,007	4,244,976
Non-Residential Buildings	6,962,594	72,783	1,700	-	7,033,677	4,203,235	181,429	255	4,384,409	2,649,268	2,759,359
Vehicles	578,955	110,917	-	-	689,872	423,614	68,640	-	492,254	197,618	155,341
Computer Equipment	698,146	64,843	-	-	762,989	484,296	83,667	-	567,963	195,026	213,850
Other Equipment	1,966,913	171,227	4,169	-	2,133,971	1,352,307	175,170	4,169	1,523,308	610,663	614,606
Roads and Bridges	2,304,456	-	-	-	2,304,456	1,497,369	38,395	-	1,535,764	768,692	807,087
Waterworks and Septic Systems	891,703	14,717	-	-	906,420	597,575	27,632	-	625,207	281,213	294,128
	24,682,041	479,939	5,869	953,880	26,109,991	10,428,699	818,903	4,424	11,243,178	14,866,813	14,253,342
Assets Under Construction											
Residential Buildings	822,330	2,729,693	-	(953,880)	2,598,143	-	-	-	-	2,598,143	822,330
Non-Residential Buildings	2,483,761	-	-	-	2,483,761	-	-	-	-	2,483,761	2,483,761
Waterworks and Septic Systems	1,202,503	1,502,080	-	-	2,704,583	-	-	-	-	2,704,583	1,202,503
	4,508,594	4,231,773	-	(953,880)	7,786,487	-	-	-	-	7,786,487	4,508,594
Total	29,190,635	4,711,712	5,869	-	33,896,478	10,428,699	818,903	4,424	11,243,178	22,653,300	18,761,936

CURVE LAKE FIRST NATION

SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended March 31, 2022

	Administration			Community Operations			Economic Development/ Consultation				Cultural	
	Actual 2022 \$	Actual 2021 \$	Budget 2022 \$	Actual 2022 \$	Actual 2021 \$	Budget 2022 \$	Actual 2022 \$	Actual 2021 \$	Budget 2022 \$	Actual 2022 \$	Actual 2021 \$	Budget 2022 \$
Revenues												
ISC	1,233,076	1,003,059	885,415	2,549,610	1,963,359	3,001,323	194,094	182,851	278,831	19,278	15,930	15,000
Federal Government other	11,232	8,492	-	1,398,369	109,688	1,213,106	529,958	140,710	414,565	51,599	39,600	99,570
Province of Ontario	-	207,306	-	42,600	147,475	42,600	216,171	85,000	734,400	24,658	12,499	48,000
Other	192,923	171,606	121,545	696,372	602,149	639,760	1,417,287	571,978	1,259,054	37,627	34,654	26,000
	1,437,231	1,390,463	1,006,960	4,686,951	2,822,671	4,896,789	2,357,510	980,539	2,686,850	133,162	102,683	188,570
Expenses												
Salaries and benefits	1,062,461	1,108,790	1,315,601	586,602	505,736	580,076	434,246	388,777	449,368	127,605	96,932	95,282
Materials	296,867	231,944	317,950	313,006	223,226	280,639	12,855	9,925	7,500	-	-	-
Occupancy costs	-	-	-	272,058	173,255	167,550	30,284	23,071	12,000	-	-	-
Contracted services	382,475	305,649	310,800	148,513	115,209	111,000	-	-	-	-	-	-
Bank charges and interest	9,995	10,611	10,230	39,591	42,076	101,484	-	-	-	-	-	-
Program costs	293,850	471,684	328,382	203,758	338,285	191,774	1,302,815	555,447	2,034,918	113,279	88,764	165,820
Amortization	70,794	51,752	51,752	420,775	421,895	421,895	72,658	62,976	62,976	-	-	-
Interdepartmental charges	(251,808)	(252,520)	(310,000)	(97,578)	(212,796)	(31,398)	(36,641)	(2,052)	(42,006)	(97,422)	(105,335)	(107,574)
Allocated administration	(691,904)	(579,047)	(682,159)	40,400	10,000	5,000	99,458	21,100	109,458	2,500	1,700	2,500
Loss on disposal of tangible capital assets	-	2,081	-	-	1,450	-	-	-	-	1,445	-	-
	1,172,730	1,350,944	1,342,556	1,927,125	1,618,336	1,828,020	1,915,675	1,059,244	2,634,214	147,407	82,061	156,028
Net surplus/(deficit)	264,501	39,519	(335,596)	2,759,826	1,204,335	3,068,769	441,835	(78,705)	52,636	(14,245)	20,622	32,542

CURVE LAKE FIRST NATION

SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2022

	Actual 2022 \$	Education Actual 2021 \$	Budget 2022 \$	Actual 2022 \$	Land Management Actual 2021 \$	Budget 2022 \$	Actual 2022 \$	Social Development Actual 2021 \$	Budget 2022 \$
				(Unaudited)		(Unaudited)			(Unaudited)
Revenues									
ISC	5,226,147	4,682,007	5,126,781	333,142	261,665	335,911	171,920	319,568	151,628
Federal Government other	-	-	-	35,365	5,740	-	-	-	-
Province of Ontario	1,060,941	824,318	1,162,827	-	-	-	881,499	1,105,917	948,500
Other	414,714	360,521	662,321	1,542,256	877,927	38,605	-	-	-
	6,701,802	5,866,846	6,951,929	1,910,763	1,145,332	374,516	1,053,419	1,425,485	1,100,128
Expenses									
Salaries and benefits	2,479,122	2,056,536	2,704,632	216,105	171,204	210,748	223,167	283,418	429,128
Materials	169,728	51,130	95,000	72,175	41,071	66,441	-	-	-
Occupancy costs	115,155	74,249	97,500	-	-	-	-	-	-
Contracted services	171,056	136,002	171,000	52,142	52,574	52,431	-	-	-
Distribution to members	-	-	-	5,485,496	5,734,451	-	-	-	-
Program costs	3,052,050	2,316,252	3,167,554	74,887	19,725	-	738,862	1,052,702	651,000
Amortization	113,277	111,275	111,275	1,186	5,725	5,725	51,350	54,929	54,929
Interdepartmental charges	32,700	70,086	54,000	-	-	-	-	-	-
Allocated administration	354,133	340,517	354,132	24,182	21,700	24,182	20,000	20,000	20,000
Loss on disposal of tangible capital assets	-	1,767	-	-	-	-	-	-	-
	6,487,221	5,157,814	6,755,093	5,926,173	6,046,450	359,527	1,033,379	1,411,049	1,155,057
Net surplus/(deficit)	214,581	709,032	196,836	(4,015,410)	(4,901,118)	14,989	20,040	14,436	(54,929)

CURVE LAKE FIRST NATION

SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2022

	Actual 2022 \$	Health	Budget 2022 \$	Gaming Revenue Programs			Actual 2022 \$	Consolidated Totals		
		Actual 2021 \$		(Unaudited)	Actual 2022 \$	Actual 2021 \$		Budget 2022 \$	Actual 2021 \$	Budget 2022 \$
Revenues										
ISC	1,960,316	1,727,938	1,907,956		-	-	-	11,687,583	10,156,377	11,702,845
Federal Government other	-	-	-		-	-	-	2,026,523	304,230	1,727,241
Province of Ontario	564,834	436,453	490,486		-	-	-	2,790,703	2,818,968	3,426,813
Other	379,517	517,856	455,300	1,223,935	1,407,908		-	5,904,631	4,544,599	3,202,585
	2,904,667	2,682,247	2,853,742	1,223,935	1,407,908		-	22,409,440	17,824,174	20,059,484
Expenses										
Salaries and benefits	1,256,731	1,279,436	1,515,367	67,599	66,565	66,695	6,453,638	5,957,394	7,366,897	
Materials	8,758	21,814	13,850	-	-	-	873,389	579,110	781,380	
Occupancy costs	9,024	7,030	7,500	-	-	-	426,521	277,605	284,550	
Contracted services	591	591	626	-	-	-	754,777	610,025	645,857	
Bank charges and interest	-	-	-	-	-	-	49,586	5,787,138	111,714	
Distribution to members	-	-	-	-	-	-	5,485,496	-	-	
Program costs	1,318,755	1,063,797	1,196,900	292,840	351,590	570,805	7,391,096	6,258,246	8,307,153	
Amortization	88,863	97,889	97,889	-	-	-	818,903	806,441	806,441	
Interdepartmental charges	62,918	31,615	(45,253)	387,831	471,002	425,000	-	-	(57,231)	
Allocated administration	151,231	164,030	151,232	-	-	-	-	-	(15,655)	
Loss on disposal of tangible capital assets	-	184	-	-	-	-	1,445	5,482	-	
	2,896,871	2,666,386	2,938,111	748,270	889,157	1,062,500	22,254,851	20,281,441	18,231,106	
Net surplus/(deficit)	7,796	15,861	(84,369)	475,665	518,751	(1,062,500)	154,589	(2,457,267)	1,828,378	