

CURVE LAKE FIRST NATION

FINANCIAL STATEMENTS

MARCH 31, 2023

CURVE LAKE FIRST NATION

FINANCIAL STATEMENTS

MARCH 31, 2023

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CURVE LAKE FIRST NATION

For The Year Ended March 31, 2023

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

Keith Koo Date Feb. 22, 2024

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, 2023, the statements of operations and accumulated surplus, remeasurement gains and losses, 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, 2023, 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
February 26, 2024

CURVE LAKE FIRST NATION

STATEMENT OF FINANCIAL POSITION At March 31, 2023

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash (note 3)	49,832,146	55,244,270
Investments (note 4)	34,602,687	32,014,718
Due from Government and other Government organizations (note 5)	3,956,210	3,941,687
Other accounts receivable (note 6)	1,829,353	1,476,136
Mortgages due from First Nation members (note 7)	2,429,797	2,627,380
Funds held in trust by the Federal Government (note 8)	635,341	625,993
TOTAL FINANCIAL ASSETS	93,285,534	95,930,184
LIABILITIES		
Construction line of credit (note 13)	1,724,707	1,634,632
Accounts payable and accrued liabilities (note 9)	7,624,733	8,261,621
Due to Government and other Government organizations (note 10)	1,808,705	1,687,489
Deferred revenue (note 11)	9,143,126	8,266,840
Long term debt (note 14)	2,317,489	2,433,204
Asset retirement obligation (note 15)	795,000	-
TOTAL LIABILITIES	23,413,760	22,283,786
NET FINANCIAL ASSETS	69,871,774	73,646,398
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	27,659,531	22,653,300
Prepaid expenses (note 12)	137,272	57,176
TOTAL NON-FINANCIAL ASSETS	27,796,803	22,710,476
	97,668,577	96,356,874
Comprised of:		
Accumulated surplus (note 16)	96,221,875	96,356,874
Accumulated remeasurement gains	1,446,702	-
	97,668,577	96,356,874

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, 2023

	Budget 2023 \$ (Unaudited)	Actual 2023 \$	Actual 2022 \$
REVENUES			
Indigenous Services Canada (ISC) (notes 17 and 18)	34,580,422	16,304,480	11,687,583
Federal Government other (note 18)	2,451,452	1,084,377	2,026,523
Province of Ontario (note 18)	2,946,335	4,770,607	2,805,703
Other	4,394,968	7,813,624	5,889,631
TOTAL REVENUES	44,373,177	29,973,088	22,409,440
EXPENSES			
Administration	2,086,864	1,255,269	1,172,730
Community operations	1,741,194	2,481,938	1,927,125
Economic development	2,707,820	2,643,010	1,915,675
Education	7,242,568	7,667,859	6,487,221
Land management	382,689	9,967,886	5,926,173
Social development	625,728	1,440,015	1,033,379
Health	3,780,435	3,950,593	2,896,871
Gaming revenue programs	65,837	524,120	748,270
Cultural	163,434	177,397	147,407
TOTAL EXPENSES	18,796,569	30,108,087	22,254,851
ANNUAL SURPLUS/(DEFICIT)	25,576,608	(134,999)	154,589
ACCUMULATED SURPLUS - beginning of year		96,356,874	96,202,285
ACCUMULATED SURPLUS - end of year		96,221,875	96,356,874

The accompanying notes are an integral part of these financial statements

CURVE LAKE FIRST NATION

STATEMENT OF REMEASUREMENT GAINS AND LOSSES For the Year Ended March 31, 2023

	Actual 2023 \$	Actual 2022 \$
Adjustment on adoption of the financial instruments standard	3,010,630	-
Unrealized gain/(loss) on portfolio investments during the year	(1,563,928)	-
ACCUMULATED REMEASUREMENT GAINS - end of year	1,446,702	-

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended March 31, 2023

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
	(Unaudited)		
ANNUAL SURPLUS/(DEFICIT)	25,576,608	(134,999)	154,589
Amortization of tangible capital assets	818,903	1,860,230	818,903
Acquisition of tangible capital assets	(26,293,550)	(6,129,698)	(4,711,712)
Loss on disposal of tangible capital assets	-	18,940	1,445
(Increase)/decrease in prepaid expenses	-	(80,096)	16,430
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	101,961	(4,465,623)	(3,720,345)
NET FINANCIAL ASSETS - beginning of year	73,646,398	73,646,398	77,366,743
ADJUSTMENT ON ADOPTION OF THE ASSET RETIREMENT OBLIGATION STANDARD	-	(755,703)	-
ADJUSTMENT ON ADOPTION OF THE FINANCIAL INSTRUMENTS STANDARD	-	3,010,630	-
NET FINANCIAL ASSETS - beginning of year, as restated	73,646,398	75,901,325	77,366,743
DECREASE IN ACCUMULATED REMEASUREMENT GAINS	-	(1,563,928)	-
NET FINANCIAL ASSETS - end of year	73,748,359	69,871,774	73,646,398

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, 2023

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(134,999)	154,589
Items not involving cash		
Amortization of tangible capital assets	1,860,230	818,903
Loss on disposal of tangible capital assets	18,940	1,445
Accretion expense	39,297	-
Change in remeasurement gains (losses)	1,446,702	-
Change in non-cash assets and liabilities		
Due from Government and other Government organizations	(14,523)	(2,618,823)
Other accounts receivable	(353,217)	(1,063,115)
Prepaid expenses	(80,096)	16,430
Accounts payable and accrued liabilities	(636,888)	917,338
Due to Government and other Government organizations	121,216	345,132
Deferred revenue	876,286	2,182,074
Asset retirement obligation - initial recognition	755,703	-
<u>Net change in cash from operating activities</u>	<u>3,898,651</u>	<u>753,973</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(6,129,698)	(4,711,712)
Additions to tangible capital assets on adoption of asset retirement obligations	(755,703)	-
<u>Net change in cash from capital activities</u>	<u>(6,885,401)</u>	<u>(4,711,712)</u>
INVESTING ACTIVITIES		
Net purchase of investments	(2,587,969)	(1,436,438)
Mortgages issued and interest added to First Nation Members	(243,199)	(139,492)
Mortgage principal repayments by First Nation members	440,782	408,537
Increase in funds held in trust by the Federal Government	(9,348)	(11,813)
<u>Net change in cash from investing activities</u>	<u>(2,399,734)</u>	<u>(1,179,206)</u>
FINANCING ACTIVITIES		
Debt principal repayments	(115,715)	(114,038)
Construction line of credit interest added	90,075	39,522
<u>Net change in cash from financing activities</u>	<u>(25,640)</u>	<u>(74,516)</u>
NET CHANGE IN CASH		
CASH - beginning of year	55,244,270	60,455,731
CASH - end of year	49,832,146	55,244,270

Interest received during the year was \$2,012,473 (2022 - \$674,066). Interest paid during the year was \$37,914 (2022 - \$79,113).

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, 2023

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) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in (c).

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

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 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.

(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) 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.

(h) 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.

(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;
- The amount recorded as allowance for doubtful accounts receivable is based on management's estimate of future payments on receivable account balances;
- The amount recorded for asset retirement obligations is based on engineering estimates of the assets with potential contaminants and management's estimate of the future costs to retire those assets;

In addition, the First Nation's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) 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.

(k) Financial Instruments

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

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

Long-term debt and mortgages due from First Nation members are recorded at amortized cost.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

2. CHANGES IN ACCOUNTING POLICIES

The First Nation has implemented the following PSA sections which are now effective under the PSA Handbook: 3450 Financial Instruments, 3041 Portfolio Investments, 2601 Foreign Currency Translation and 3280 Asset Retirement Obligations.

Under Section 3450 and 3041, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Organization's accounting policy choices (see Note 1. Significant Accounting Policies). The new standard provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments

In accordance with the provisions of these new standards, the First Nation reflected the following adjustments at April 1, 2022:

- An increase of \$3,010,630 to net surplus and an increase of \$3,010,630 to accumulated remeasurement gains/(losses) due to the unrealized gain of the First Nation investments previously recorded at cost.

Section 2601 provides comprehensive requirements for the recognition, measurement, presentation and disclosure of foreign currency transactions. The adoption of this standard did not have an impact on the First Nation's financial statements.

Section 3280 addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability. These sections have been applied prospectively. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

On April 1, 2022, the First Nation recognized an asset retirement obligation relating to several buildings owned by the First Nation that contain asbestos.

In accordance with the provisions of this new standard, the First Nation reflected the following adjustments at April 1, 2022:

Asbestos Obligation

- An increase of \$755,703 to the buildings capital asset account representing the estimate of the obligation for tangible capital assets as of the date of adoption of the standard.
- An asset retirement obligation in the amount of \$755,703, representing the estimate of the obligation as of the date of adoption of the standard.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

3. CASH

Cash consists of the following:

	2023	2022
	\$	\$
Externally restricted		
Ontario First Nation Limited Partnership	1,073,704	288,745
Apartment replacement	13,203	12,807
	<hr/> <u>1,086,907</u>	<hr/> <u>301,552</u>
Internally restricted		
Williams Treaty	41,832,476	49,667,049
Unrestricted		
General	2,963,473	3,736,057
Social assistance	3,851,119	1,456,752
Library	98,171	82,860
	<hr/> <u>6,912,763</u>	<hr/> <u>5,275,669</u>
	<hr/> <u>49,832,146</u>	<hr/> <u>55,244,270</u>

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

4. INVESTMENTS

Investments are recorded as follows:

	Classification Level	Actual 2023 \$	Actual 2022 \$
Investments stated at fair value:			
Cash and equivalents held at BMO	1	1,439,994	1,306,455
Pooled fixed income investments held at BMO	1	15,437,482	12,202,980
Pooled equity investments held at BMO	1	17,559,826	18,341,238
GIC bearing interest at 0.75% maturing May 16, 2023	1	142,454	141,370
GIC bearing interest at 1.2% maturing May 3, 2023	1	22,931	22,675
		34,602,687	32,014,718

No investments were transferred into or out of level 2 or level 3 during the year.

Breakdown by source:

	2023 \$	2022 \$
General operating	40,141	37,705
Islands in the Trent	21,034,555	19,378,196
Ontario First Nation Limited Partnership	10,796,691	10,070,462
Apartment replacement	22,931	22,675
Wiliams Treaty	2,565,915	2,364,310
Education	142,454	141,370
	34,602,687	32,014,718

5. DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

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

	2023 \$	2022 \$
Federal Government		
Indigenous Services Canada	2,289,186	2,957,035
Canada Mortgage and Housing Corporation	36,995	211,820
Other	878,206	382,500
	3,204,387	3,551,355
Province of Ontario	751,823	390,332
	3,956,210	3,941,687

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

6. OTHER ACCOUNTS RECEIVABLE

Other accounts receivable consist of the following:

	2023	2022
	\$	\$
Service charges	124,710	113,841
Accrued interest	186,710	48,215
Ontario First Nation Limited Partnership	751,688	555,301
Union of Ontario Indians	351,230	477,269
Due from members	4,179	21,295
Other receivables	410,836	260,215
	<hr/>	<hr/>
	1,829,353	1,476,136

7. 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:

	2023	2022
	\$	\$
Mortgages due from First Nation members	2,626,004	2,836,587
Provision for forgiveness	(196,207)	(209,207)
	<hr/>	<hr/>
	2,429,797	2,627,380

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

8. FUNDS HELD IN TRUST

The funds held by the Federal Government on behalf of the First Nation of \$635,341 (2022 - \$625,993) 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	556,484	9,348	-	565,832
	625,993	9,348	-	635,341

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.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2023 \$	2022 \$
Trade payables	685,275	1,577,598
Accrued salaries and employee benefits	374,870	277,267
Due to School Boards	266,857	722,133
Williams Treaty distribution to members	5,922,251	5,615,554
Other accrued liabilities	375,480	69,069
	7,624,733	8,261,621

10. DUE TO GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

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

	2023 \$	2022 \$
Federal Government		
Indigenous Services Canada	526,814	490,792
Receiver General	19,569	44,230
	546,383	535,022
Province of Ontario	1,262,322	1,152,467
	1,808,705	1,687,489

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

11. DEFERRED REVENUE

Included in deferred revenue are the following amounts:

	Balance March 31, 2022 \$	Funding Received/ (recovered) 2023 \$	Revenue Recognized 2023 \$	Balance March 31, 2023 \$
ISC				
Lot servicing/Land survey	1,410	-	-	1,410
RLEMP - Training	11,970	-	-	11,970
Education	831,263	286,813	268,963	849,113
FN Student Success Program	81,382	100,000	176,883	4,499
New Paths	31,127	-	-	31,127
Post Secondary support	329,147	356,585	578,128	107,604
LEDSP	174,940	-	54,572	120,368
Cultural Education	-	15,930	15,930	-
Summer student	8,790	19,977	19,977	8,790
Service Delivery	35,540	59,588	-	95,128
Basic Needs	244,067	110,116	110,116	244,067
Daycare	54,975	-	54,975	-
Children Services	340,703	359,916	386,713	313,906
Community Well Being	1,519,077	3,059,946	1,567,349	3,011,674
Capital	150,000	-	89,126	60,874
Water operations and maintenance	67,989	-	-	67,989
Water treatment plant	470,053	330,745	800,798	-
Wastewater	-	100,000	-	100,000
Housing	951,179	206,400	1,157,579	-
Water systems	4,300	4,300	8,600	-
Minor capital	48,183	-	-	48,183
Municipal services	198,552	-	-	198,552
Community development	-	60,000	21,118	38,882
Governance and management	-	150,537	150,537	-
Profesional and Institutional				
Development	14,420	-	-	14,420
Land support	-	119,640	74,540	45,100
RLEMP	2,775	-	-	2,775
Economic Development				
Opportunities	7,627	-	-	7,627
COVID response	524,030	263,882	263,882	524,030
Employee assistance	19,680	-	-	19,680
Aboriginal Youth Suicide	-	10,844	10,844	-
Building Healthy Communities	4,705	132,871	111,107	26,469
NNADAP	34,860	54,263	67,406	21,717
Brighter Futures	87,420	130,495	133,808	84,107
Trauma Response	86,158	-	-	86,158
Community facilities	78,413	73,921	78,008	74,326
Community Health Promotion	23,551	309,745	240,185	93,111
Federal Tabocco Strategy	19,484	8,672	-	28,156
Children's Oral Health Initiative	5,786	12,596	10,503	7,879
Prenatal Nutrition	-	15,930	15,930	-
Medical Transportation	-	317,341	317,341	-

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

11. DEFERRED REVENUE, continued

	Balance March 31, 2022 \$	Funding Received/ (recovered) 2023 \$	Revenue Recognized 2023 \$	Balance March 31, 2023 \$
Healthy Child Development	21,342	59,754	62,580	18,516
Aboriginal Diabetes Initiative	-	48,231	43,487	4,744
Communicable Disease				
Emergencies Initiative	224,653	2,000	1,261	225,392
Family violence prevention	-	13,467	3,500	9,967
Mental wellness	-	19,953	8,683	11,270
Basic needs	-	138,981	138,981	-
Drinking Water Program	3,855	25,000	7,587	21,268
Home and Community Care	293,829	344,456	125,599	512,686
In Home Care	-	42,490	22,011	20,479
COVID response	30,081	-	19,346	10,735
Community based funding	-	1,672,584	688,347	984,237
Home and Community Care	47,269	-	-	47,269
	7,084,585	9,037,969	7,906,300	8,216,254
ISC - Curve Lake Flooding Claim	100,274	-	26,221	74,053
Other Federal	94,271	695,713	700,214	89,770
Provincial				
Library	11,484	15,312	15,312	11,484
Safer Vital Communities	30,425	-	-	30,425
Trillium	61,904	14,900	48,287	28,517
Vaccine program	42,705	-	-	42,705
Daycare safe restart	92,535	-	92,535	-
MTO	75,000	-	73,625	1,375
COVID-19	21,020	-	-	21,020
MIRR	158,425	400,000	558,425	-
Other	494,212	547,238	413,927	627,523
	1,182,255	1,673,163	1,928,546	926,872
	8,266,840	10,711,132	9,834,846	9,143,126

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

12. PREPAID EXPENSES

Prepaid expenses consist of the following:

	2023	2022
	\$	\$
Insurance	36,006	25,615
Employee benefits	-	13,911
Post secondary living allowances	82,433	-
Prepaid honoraria	18,833	17,650
	<hr/>	<hr/>
	137,272	57,176

13. 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 6.7% at March 31, 2023.

14. LONG TERM DEBT

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

	2023	2022
	\$	\$
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.	290,779	332,279
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.	1,238,186	1,285,032
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.	723,384	750,753
Advances from CMHC for Senior feasibility study, terms to be finalized upon completion.	65,140	65,140
	<hr/>	<hr/>
	2,317,489	2,433,204

(b) Interest expense on long term debt amounted to \$37,914 (2022 - \$39,591).

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

14. LONG TERM DEBT, continued

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

	Principal \$	Interest \$	Total \$
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
2028	124,487	29,142	153,629
2029 and subsequent years	1,647,785	240,038	1,887,823
Advances with terms to be determined	65,140	-	65,140
	2,317,489	403,619	2,721,108

15. ASSET RETIREMENT OBLIGATION

The First Nation's asset retirement obligation consists of the following:

- (a) Asbestos obligation

The First Nation owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS3280 – Asset retirement obligations, the First Nation recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at April 1, 2022. The buildings had an estimated useful life of 40 years when they were acquired, of which four are fully amortized and six have remaining useful lives is between two and twenty-five years. Estimated costs have been discounted to the present value using a discount rate of 5.2% per annum.

Changes to the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Asbestos removal \$
Adjustment on adoption of the asset retirement obligation standard	755,703
Accretion expense	39,297
Closing balance	795,000

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

16. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
	\$	\$
Surplus		
Operating	14,369,517	13,021,391
Invested In Tangible Capital Assets		
Tangible capital assets - net book value	27,659,531	22,653,300
Long term debt	(2,317,489)	(2,433,204)
Unfunded capital	(690,860)	(642,258)
Unfunded asset retirement obligations	(795,000)	-
	23,856,182	19,577,838
Surplus	38,225,699	32,599,229
Restricted		
Apartment replacement - externally restricted	184,870	276,409
Ontario First Nation Limited Partnership - externally restricted	13,840,663	12,830,307
Education	1,225,766	1,225,766
Minor capital	150,000	150,000
Education project reserve	107,916	106,832
Capital housing program	1,372,228	1,372,228
Housing project reserve	2,971,293	2,632,403
New seniors centre	900	900
Pow Wow	33,793	-
Minor capital	293,582	-
William's Treaty - interest	5,141,543	3,473,295
Williams Treaty - distributions	21,207,122	30,792,304
Williams Treaty - externally restricted	10,000,000	10,000,000
Economic development - general	99,590	(14,693)
Economic development - training	53,867	83,516
Economic development - consultation	677,702	202,385
Total Restricted	57,360,835	63,131,652
Held in Trust by the Federal Government		
Capital	69,509	69,509
Revenue	565,832	556,484
Total Held in Trust by the Federal Government	635,341	625,993
	96,221,875	96,356,874

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

17. RECONCILIATION OF ISC FUNDING TO REPORTED REVENUE

	\$
ISC Funding Per Confirmation	17,798,734
Non-insured health benefits claims	18,023
Current year band representation receivables not included on confirmation	470,616
Prior year band representation receivables included on 2022-23 confirmation	(779,607)
21-22 Funeral and burial costs received on 2022-23 confirmation	(4,661)
	<hr/>
	17,503,105
Add 2022 Deferred Revenue	
Balance March 31, 2022 from note 11	7,084,585
Less 2023 Deferred Revenue	
Balance March 31, 2023 from note 11	8,216,254
Less Amounts Repayable/ Repaid	
Service delivery infrastructure	66,956
ISC Revenue For The Year	<hr/> 16,304,480

18. GOVERNMENT TRANSFERS

Government transfers consists of the following:

	2023	2022
	\$	\$
Indigenous Services Canada		
Operating	13,748,115	9,532,667
Capital	2,556,365	2,154,916
	<hr/> 16,304,480	11,687,583
Federal Government other		
Canada Mortgage and Housing Corporation - operating	109,189	109,189
Canada Mortgage and Housing Corporation - capital	-	1,289,180
Human Resources Development Canada - operating	88,658	244,260
Canadian Heritage	87,120	51,599
Fisheries	395,000	186,992
Parks	52,585	94,857
Economic development	174,590	-
Agriculture	151,014	-
Other	26,221	50,446
	<hr/> 1,084,377	2,026,523
Province of Ontario		
Operating	4,770,607	2,805,703
	<hr/> 22,159,464	16,519,809

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

19. FINANCIAL INSTRUMENTS

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

The organization is also subject to interest rate risk on its construction line of credit as the interest rate is variable and has resulted in increased interest costs as interest rates have increased over the past year.

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The First Nation has exposure to credit risk as the total of all receivables are significant. Management feels the risk is low as most of the receivables are due from various levels of government, First Nation members or rent receivables. Any receivables that management feels are uncollectible are allowed for.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issues, or factors affecting all similar financial instruments traded in the market.

20. 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 \$288,442 (2022 - \$303,417). 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.

21. BUDGET FIGURES

The budget, approved by the First Nation, for 2023 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.

22. TRUST FUNDS

Trust funds administered by the First Nation amounting to \$2,294,645 (2022 - \$2,833,008) 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, 2023

23. 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, 2023 amounted to \$1,886,602. Total claims are expected to be equal to or greater than amounts received.

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

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.

CURVE LAKE FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

24. SEGMENTED INFORMATION, continued

Gaming Revenue

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

Cultural

Cultural includes operations of the Cultural Centre and the annual PowWow.

25. 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, 2023

	Cost					Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals	Asset Retirement Obligation	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Other Adjustments	Closing Balance	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets											
Land	4,447,957	-	-	-	4,447,957	-	-	-	-	4,447,957	4,447,957
Land Improvements	1,912,199	911,182	-	-	2,823,381	1,284,830	138,524	-	1,423,354	1,400,027	627,369
Residential Buildings	5,923,850	3,089,887	-	-	9,013,737	829,443	221,840	-	1,051,283	7,962,454	5,089,007
Non-Residential Buildings	7,033,677	2,243,409	-	755,703	10,032,789	4,384,409	914,661	-	5,299,070	4,733,719	2,649,268
Vehicles	689,872	92,550	-	-	782,422	492,254	87,150	-	579,404	203,018	197,618
Computer Equipment	762,989	147,307	252,585	-	657,711	567,963	102,806	252,585	418,184	239,527	195,026
Other Equipment	2,133,971	372,839	549,763	-	1,957,047	1,523,308	215,410	530,823	1,207,895	749,152	610,663
Roads and Bridges	2,304,456	3,229,202	-	-	5,533,658	1,535,764	152,058	-	1,687,822	3,845,836	768,692
Waterworks and Septic Systems	906,420	-	-	-	906,420	625,207	27,632	-	652,839	253,581	281,213
Other	-	14,900	-	-	14,900	-	149	-	149	14,751	-
	26,115,391	10,101,276	802,348	755,703	36,170,022	11,243,178	1,860,230	783,408	12,320,000	23,850,022	14,866,813
Assets Under Construction											
Residential Buildings	2,592,743	(2,507,191)	-	-	85,552	-	-	-	-	85,552	2,598,143
Non-Residential Buildings	2,483,761	(2,199,487)	-	-	284,274	-	-	-	-	284,274	2,483,761
Waterworks and Septic Systems	2,704,583	735,100	-	-	3,439,683	-	-	-	-	3,439,683	2,704,583
	7,781,087	(3,971,578)	-	-	3,809,509	-	-	-	-	3,809,509	7,786,487
Total	33,896,478	6,129,698	802,348	755,703	39,979,531	11,243,178	1,860,230	783,408	12,320,000	27,659,531	22,653,300

CURVE LAKE FIRST NATION

SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended March 31, 2023

	Administration			Community Operations			Economic Development/ Consultation		
	Actual 2023 \$	Actual 2022 \$	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$	Budget 2023 \$
	(Unaudited)			(Unaudited)			(Unaudited)		
Revenues									
ISC	1,176,028	1,233,076	1,510,446	3,310,153	2,549,610	21,387,259	241,126	194,094	185,256
Federal Government other	(6,966)	11,232	-	109,189	1,398,369	846,800	861,275	529,958	1,522,252
Province of Ontario	-	-	-	42,600	42,600	42,600	1,625,130	231,171	742,171
Other	360,990	192,923	108,550	847,116	696,372	649,960	1,808,596	1,402,287	2,237,801
	1,530,052	1,437,231	1,618,996	4,309,058	4,686,951	22,926,619	4,536,127	2,357,510	4,687,480
Expenses									
Salaries and benefits	1,050,757	1,062,461	1,431,929	579,822	586,602	625,859	500,084	434,246	536,875
Materials	371,473	296,867	377,280	360,339	313,006	267,000	1,802	12,855	20,000
Occupancy costs	-	-	-	386,704	272,058	150,470	27,248	30,284	37,500
Contracted services	542,804	382,475	607,737	124,276	148,513	131,000	-	-	-
Bank charges and interest	21,797	9,995	8,530	37,914	39,591	101,484	-	-	-
Program costs	119,910	293,850	369,964	158,468	203,758	119,324	1,800,448	1,302,815	1,855,656
Amortization	155,977	70,794	70,794	712,194	420,775	420,775	117,311	72,658	72,658
Interdepartmental charges	(7,036)	(251,808)	-	(67,918)	(97,578)	(69,718)	(11,276)	(36,641)	(34,075)
Accretion	4,449	-	-	3,954	-	-	-	-	-
Allocated administration	(1,004,862)	(691,904)	(779,370)	170,320	40,400	(5,000)	207,393	99,458	219,206
Loss on disposal of tangible capital assets	-	-	-	15,865	-	-	-	-	-
	1,255,269	1,172,730	2,086,864	2,481,938	1,927,125	1,741,194	2,643,010	1,915,675	2,707,820
Net surplus/(deficit)	274,783	264,501	(467,868)	1,827,120	2,759,826	21,185,425	1,893,117	441,835	1,979,660

CURVE LAKE FIRST NATION

SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2023

	Education		Land Management		Social Development		Health					
	Actual 2023 \$	Actual 2022 \$	Budget 2023 \$									
	(Unaudited)				(Unaudited)				(Unaudited)			(Unaudited)
Revenues												
ISC	6,147,666	5,226,147	5,502,002	384,215	333,142	293,578	288,719	171,920	234,736	4,740,643	1,960,316	5,451,755
Federal Government other	-	-	-	26,221	35,365	35,000	-	-	-	-	-	-
Province of Ontario	1,297,093	1,060,941	1,162,827	-	-	-	971,585	881,499	336,194	815,975	564,834	657,143
Other	349,854	414,714	658,608	2,446,977	1,542,256	52,925	-	-	-	351,840	379,517	616,578
	7,794,613	6,701,802	7,323,437	2,857,413	1,910,763	381,503	1,260,304	1,053,419	570,930	5,908,458	2,904,667	6,725,476
Expenses												
Salaries and benefits	2,762,624	2,479,122	2,749,537	210,755	216,105	184,290	208,842	223,167	247,016	1,493,084	1,256,731	1,977,600
Materials	131,666	169,728	169,707	68,494	72,175	80,531	-	-	-	14,308	8,758	21,300
Occupancy costs	137,590	115,155	82,500	-	-	-	-	-	-	1,947	9,024	8,000
Contracted services	175,260	171,056	171,000	50,088	52,142	57,500	-	-	-	591	591	850
Distribution to members	-	-	-	9,585,182	5,485,496	-	-	-	-	-	-	-
Program costs	3,657,911	3,052,050	3,563,415	27,998	74,887	35,000	951,129	738,862	307,362	1,929,129	1,318,755	1,601,736
Amortization	389,973	113,277	113,277	1,187	1,186	1,186	249,169	51,350	51,350	234,419	88,863	88,863
Interdepartmental charges	42,109	32,700	39,000	-	-	-	-	-	-	44,280	62,918	(79,343)
Accretion	14,829	-	-	-	-	-	10,875	-	-	5,190	-	-
Allocated administration	354,132	354,133	354,132	24,182	24,182	24,182	20,000	20,000	20,000	226,335	151,231	161,429
Loss on disposal of tangible capital assets	1,765	-	-	-	-	-	-	-	-	1,310	-	-
	7,667,859	6,487,221	7,242,568	9,967,886	5,926,173	382,689	1,440,015	1,033,379	625,728	3,950,593	2,896,871	3,780,435
Net surplus/(deficit)	126,754	214,581	80,869	(7,110,473)	(4,015,410)	(1,186)	(179,711)	20,040	(54,798)	1,957,865	7,796	2,945,041

CURVE LAKE FIRST NATION

SCHEDULE 2: SCHEDULE OF SEGMENT DISCLOSURE, continued For the Year Ended March 31, 2023

	Gaming	Revenue	Programs		Cultural		Consolidated	Totals	
	Actual 2023 \$	Actual 2022 \$	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$	Budget 2023 \$
	(Unaudited)				(Unaudited)			(Unaudited)	
Revenues									
ISC	-	-	-	15,930	19,278	15,390	16,304,480	11,687,583	34,580,422
Federal Government other	-	-	-	94,658	51,599	47,400	1,084,377	2,026,523	2,451,452
Province of Ontario	-	-	-	18,224	24,658	5,400	4,770,607	2,805,703	2,946,335
Other	1,534,475	1,223,935	-	113,776	37,627	70,546	7,813,624	5,889,631	4,394,968
	1,534,475	1,223,935	-	242,588	133,162	138,736	29,973,088	22,409,440	44,373,177
Expenses									
Salaries and benefits	68,370	67,599	65,837	183,934	127,605	148,598	7,058,272	6,453,638	7,967,541
Materials	-	-	-	-	-	-	948,082	873,389	935,818
Occupancy costs	-	-	-	-	-	-	553,489	426,521	278,470
Contracted services	-	-	-	-	-	-	893,019	754,777	968,087
Bank charges and interest	-	-	-	-	-	-	59,711	49,586	110,014
Distribution to members	-	-	-	-	-	-	9,585,182	5,485,496	-
Program costs	313,314	292,840	-	133,558	113,279	117,220	9,091,865	7,391,096	7,969,677
Amortization	-	-	-	-	-	-	1,860,230	818,903	818,903
Interdepartmental charges	142,436	387,831	-	(142,595)	(97,422)	(104,884)	-	-	(249,020)
Accretion	-	-	-	-	-	-	39,297	-	-
Allocated administration	-	-	-	2,500	2,500	2,500	-	-	(2,921)
Loss on disposal of tangible capital assets	-	-	-	-	1,445	-	18,940	1,445	-
	524,120	748,270	65,837	177,397	147,407	163,434	30,108,087	22,254,851	18,796,569
Net surplus/(deficit)	1,010,355	475,665	(65,837)	65,191	(14,245)	(24,698)	(134,999)	154,589	25,576,608

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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 the Trust Fund of Curve Lake First Nation (the Trust Fund), which comprise the statement of financial position as at March 31, 2023, the statement of continuity 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 Trust Fund as at March 31, 2023, and the continuity of the Trust Fund for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

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 Trust Fund 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 Trust Fund'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 Trust Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Fund'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 Trust Fund'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 Trust Fund'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 Trust Fund 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
February 26, 2024

CURVE LAKE FIRST NATION

TRUST FUND STATEMENT OF FINANCIAL POSITION At March 31, 2023

	Islands in the Trent - Youth Allocation Fund 2023	Islands in the Trent - Youth Allocation Fund 2022
FINANCIAL ASSETS		
Investments (note 3)	2,282,839	2,815,152
Accrued interest receivable	11,806	17,856
	2,294,645	2,833,008
FUND BALANCE	2,294,645	2,833,008

TRUST FUND STATEMENT OF CONTINUITY For the Year Ended March 31, 2023

	Islands in the Trent - Youth Allocation Fund 2023	Islands in the Trent - Youth Allocation Fund 2022
BALANCE - beginning of year	2,833,008	3,538,864
RECEIPTS		
Investment income (loss)	24,620	(67,861)
EXPENSES		
Per-capita distributions	535,215	604,630
Investment management fees	27,768	33,365
	562,983	637,995
BALANCE - end of year	2,294,645	2,833,008

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, 2023**

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Significant aspects of the accounting policies are as follows:

(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. RESTATEMENT FOR CHANGE IN ACCOUNTING POLICY

The Trust has restated its financial statements to be prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Adjustments necessary to the 2022 opening financial information as a result of this change are as follows:

Adjustment to Investments Opening Balance:

April 1, 2021 investments, as previously stated	\$ 3,497,610
April 1, 2021 adjustment to market value	<u>19,554</u>
Investments, as restated	<u>\$ 3,517,164</u>

Adjustment to Opening Fund Balance

April 1, 2021 fund balance as previously stated	\$ 3,519,310
April 1, 2021 investments adjustment to market value	<u>19,554</u>
2021 opening fund balance as restated	<u>\$ 3,538,864</u>

**CURVE LAKE FIRST NATION
TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023**

3. INVESTMENTS

Investments, recorded at market value, are comprised of the following:

	2023	2022
	\$	\$
Cash account	133,442	5,779
Short term notes	-	53,971
Government bonds	1,461,951	1,651,378
Corporate bonds	687,446	1,104,024
	<hr/>	<hr/>
	2,282,839	2,815,152

The Government and corporate bonds have interest rates between 1.55% and 3.4% and mature from May 1, 2023 to June 2, 2027.

4. ISLANDS IN THE TRENT - YOUTH ALLOCATION FUND

The Islands in the Trent - 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.

5. COMPARATIVE FIGURES

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