

Consolidated Financial Statements of
AUNDECK-OMNI-KANING

Year ended March 31, 2017

AUNDECK-OMNI-KANING
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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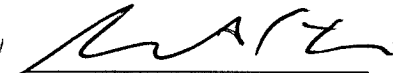
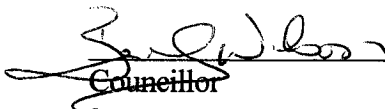
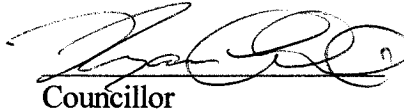
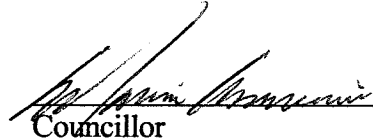
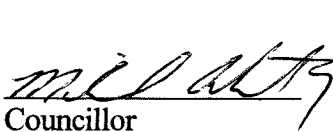
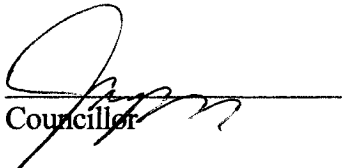
MANAGEMENT'S RESPONSIBILITY STATEMENT

The accompanying consolidated financial statements of **Aundeck-Omni-Kaning** are the responsibility of management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to these consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Aundeck-Omni-Kaning's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Chief and Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The consolidated financial statements have been audited by Freelandt Caldwell Reilly LLP, independent external auditors appointed by the Aundeck-Omni-Kaning. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Aundeck-Omni-Kaning's consolidated financial statements.


Chief
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

INDEPENDENT AUDITOR'S REPORT

To: **The Members of Aundeck-Omni-Kaning**

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **Aundeck-Omni-Kaning** which comprise the consolidated statement of financial position as at **March 31, 2017**, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Continued next page

INDEPENDENT AUDITOR'S REPORT, continued

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Aundeck-Omni-Kaning as at March 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Freelandt Caldwell Reilly LLP

FREELANDT CALDWELL REILLY LLP

Chartered Professional Accountants
Licensed Public Accountants

Sudbury, Canada
August 2, 2017

AUNDECK-OMNI-KANING

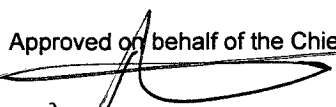
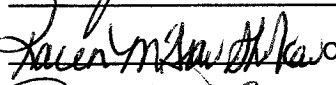
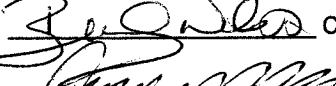

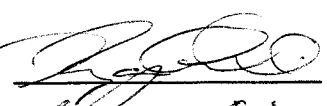
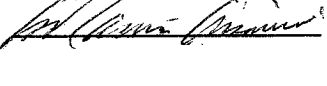

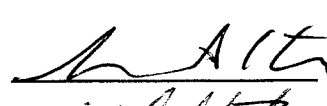
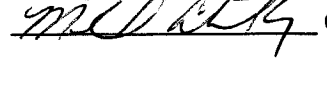
Consolidated Statement of Financial Position

March 31, 2017, with comparative figures for 2016

	2017	2016
Financial assets:		
Cash	\$ 2,323,835	\$ 1,230,866
Restricted cash - CMHC replacement and operating surplus reserves (note 2)	110,285	91,967
Funds held in trust by Aboriginal Affairs and Northern Development Canada (note 3)	1,936	1,901
Accounts receivable	438,197	374,030
Band member loans (note 4)	311,333	381,017
Investment in Great Lakes Hospitality Group Limited Partnership (note 5)	1	1
Investment in UCCM Building Material Supply Company Ltd. (note 6)	1	1
Investment in Mniidoo Mnising Power Limited Partnership (note 7)	1	1
Total financial assets	3,185,589	2,079,784
Financial liabilities:		
Accounts payable and accrued liabilities	656,715	304,029
Deferred contributions (note 8)	91,619	81,885
Long-term debt (note 9)	1,530,913	1,606,989
Total financial liabilities	2,279,247	1,992,903
Net financial assets	906,342	86,881
Non-financial assets (note 10):		
Tangible capital assets (note 18)	17,825,494	18,023,243
Prepaid expenses	21,117	25,967
Inventory	8,235	330,008
Total non-financial assets	17,854,846	18,379,218
Accumulated surplus (note 11)	\$ 18,761,188	\$ 18,466,099
Contingent liabilities (note 12)		
Economic dependence (note 13)		

See accompanying notes to consolidated financial statements

Approved on behalf of the Chief and Council of Aundeck-Omni-Kaning:

 Chief
 Councillor
 Councillor
 Councillor
 Councillor
 Councillor
 Councillor
 Councillor
 Councillor

AUNDECK-OMNI-KANING

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2017, with comparative figures for 2016

	Budget	2017	2016
Revenues:			
Indigenous and Northern Affairs Canada	\$ 2,406,003	2,997,428	\$ 2,810,935
Other	3,702,875	4,756,245	3,906,254
Deferred contributions, beginning of year	5,000	54,960	44,968
	6,113,878	7,808,633	6,762,157
Expenditures (by program area):			
Band Government	766,295	1,020,705	945,542
Community Infrastructure - O & M	634,873	1,722,138	1,637,492
Community Infrastructure - Other	60,000	66,938	50,024
Economic Development	201,193	390,197	309,337
Education	1,515,332	1,681,061	1,624,705
Social Development	1,334,840	1,229,846	1,151,522
Community Services	701,138	755,690	741,970
Economic Development Loans	-	4,125	-
Enterprise Program	-	345,860	59,953
Social Housing Rentals	190,367	163,408	112,650
Ontario First Nations Limited Partnership Distributions	-	53,000	57,003
Capital Projects	113,305	73,058	45,433
Total expenditures	5,517,343	7,506,026	6,735,631
Excess of revenues over expenditures before undernoted items	596,535	302,607	26,526
Deferred contributions, end of year	-	(7,518)	(81,885)
Excess (deficiency) of revenues over expenditures for the year	596,535	295,089	(55,359)
Accumulated surplus, beginning of year	18,466,099	18,466,099	18,521,458
Accumulated surplus, end of year	\$ 19,062,634	18,761,188	\$ 18,466,099

See accompanying notes to consolidated financial statements

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Consolidated Statement of Change in Net Financial Assets

Year ended March 31, 2017 with comparative figures for 2016

	Budget		2017		2016	
Excess (deficiency) of revenues over expenditures for the year	\$	596,535	\$	295,089	\$	(55,359)
Amortization of tangible capital assets		-		685,606		789,460
Acquisition of tangible capital assets		-		(487,857)		(753,642)
Change in prepaid expenses		-		4,850		(458)
Sale (purchase) of inventory		-		321,773		(330,008)
Increase (decrease) in net financial assets for the year		596,535		819,461		(350,007)
Net financial assets, beginning of year		86,881		86,881		436,888
Net financial assets, end of year	\$	683,416	\$	906,342	\$	86,881

See accompanying notes to consolidated financial statements

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Consolidated Statement of Cash Flows

Year ended March 31, 2017 with comparative figures for 2016

	2017	2016
Cash flows from operating activities:		
Excess (deficiency) of revenues over expenditures for the year	\$ 295,089	\$ (55,359)
Non-cash charges to operations:		
Amortization of tangible capital assets	685,606	789,460
Change in financial assets and liabilities relating to operations:		
Accounts receivable	(64,167)	136,329
Prepaid expenses	4,850	(458)
Inventory	321,773	(330,008)
Accounts payable and accrued liabilities	353,085	589
Deferred contributions	9,734	36,917
Net change in cash from operating activities	1,605,970	577,470
Cash flows from capital activities:		
Cash used to acquire tangible capital assets	(487,857)	(753,642)
Cash flows from financing activities:		
Repayment of long-term debt	(76,475)	(76,788)
Net change in cash from financing activities	(76,475)	(76,788)
Cash flows from investing activities:		
Restricted cash - CMHC replacement and operating surplus reserves	(18,318)	(34,231)
Funds held in trust by Indigenous and Northern Affairs Canada	(35)	(40)
Band member loans	69,684	86,636
Net change in cash from investing activities	51,331	52,365
Net change in cash for the year	1,092,969	(200,595)
Cash, beginning of year	1,230,866	1,431,461
Cash, end of year	\$ 2,323,835	\$ 1,230,866

See accompanying notes to consolidated financial statements

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Notes to the Consolidated Financial Statements

March 31, 2017

Aundeck-Omni-Kaning is a First Nation located on the North Channel on Manitoulin Island. The First Nation, under the direction of its Chief and Council and management, operate various programs for the benefit of its members, including municipal services, health services, economic development, housing, education, and other services. Aundeck-Omni-Kaning is a not-for-profit entity and is not taxable under the Canadian Income Tax Act.

1. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards for local government entities established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized as follows:

(a) Reporting entity and basis of consolidation:

These consolidated financial statements include the assets, liabilities, accumulated surpluses/deficits, revenues and expenses of the entities that have been determined to be accountable to Aundeck-Omni-Kaning, ("the First Nation") and are either owned or under the control of the First Nation.

All inter-entity balances have been eliminated on consolidation but in order to present the results of operations for specific functional areas, transactions amongst functional areas have not necessarily been eliminated in the individual supplementary schedules.

Long-term investments in non-controlled entities are recorded using the modified equity method of accounting.

(b) Basis of accounting:

Revenues and expenditures are reported using the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures 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.

(c) Cash

Cash and cash equivalents consist of balances held with TD Canada Trust and Bank of Montreal.

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Notes to the Consolidated Financial Statements

March 31, 2017

1. Significant accounting policies, continued

(d) Tangible capital assets:

Tangible capital assets are recorded at cost. The First Nation provides for amortization using the straight-line method designed to amortize the cost, less any residual value, of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Asset	Rate
Buildings	25 – 40 years
Water & Sewer	10 – 25 years
Roads	40 years
Vehicles	12 – 30 years
Machinery & Equipment	4 – 30 years
Furniture & Miscellaneous	20 – 40 years
CMHC Housing	40 years
Band Housing	40 years
Land improvements	15 years
Other Rental Units	40 years

(e) Revenue recognition and deferred contributions:

Revenues from government grants and contributions are recognized in the period that the events giving rise to the government transfer have occurred as long as: the transfer is authorized; the eligibility criteria, if any, have been met; and the amount can reasonably be estimated. Funding received under the funding arrangements, which relates to a subsequent fiscal period and the unexpended portions of contributions received for specific purposes are reflected as deferred contributions in the year of receipt and are recognized as revenue in the period in which all of the recognition criteria have been met. Other revenues are recorded on the accrual basis when earned and the amount can be reasonably estimated and collection is reasonably assured.

(f) Use of estimates:

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the consolidated financial statements and reported amounts of certain revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the consolidated financial statements in future periods could be significant. Amounts specifically affected by estimates in these consolidated financial statements are certain accounts receivable, allowance for doubtful accounts, useful lives of tangible capital assets, certain deferred contributions, amounts repayable to certain funders and fair value determinations.

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Notes to the Consolidated Financial Statements

March 31, 2017

(g) Financial instruments:

Measurement of financial instruments

The First Nation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The First Nation subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost include cash, restricted cash, funds held in trust in by Aboriginal Affairs and Northern Development Canada, accounts receivable, and band member loans receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

Impairment

Financial assets measured at other than fair value are tested for impairment when there are indicators of possible impairments. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in operations. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in operations up to the amount of the previously recognized impairment.

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Notes to the Consolidated Financial Statements

March 31, 2017

2. Restricted Cash - CMHC replacement and operating surplus reserves

Under the terms of agreements with Canada Mortgage and Housing Corporation ("CMHC") amounts are to be credited annually to replacement reserves and, where applicable, may be credited to the subsidy surplus and operating reserves. These funds must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interest first and then principal.

3. Funds Held in Trust by Indigenous and Northern Affairs Canada

Funds Held in Trust by Indigenous and Northern Affairs Canada accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

4. Band Member Loans

Included in band member loans is an allowance for doubtful accounts for \$190,007 (2016 - \$158,698).

5. Investment in Great Lakes Hospitality Group Limited Partnership

The First Nation holds a non-controlling limited partnership interest in Great Lakes Hospitality Group Limited Partnership. This partnership operates a hotel in Little Current, Ontario, which commenced operations in May 2013. The partnership is between 7043821 Canada Inc. (the general partner which holds a 14% interest) and other First Nation's and related organizations from in and around the Manitoulin Island area. The investment is currently being accounted for using the modified equity method.

6. Investment in U.C.C.M. Building Material Supply Company Ltd.

The investment in U.C.C.M. Building Material Supply Company Ltd. represents a 16-2/3% ownership interest and is accounted for using the modified equity method of accounting.

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Notes to the Consolidated Financial Statements

March 31, 2017

7. Investment in Mnidoo Mnising Power Limited Partnership

The investment in Mnidoo Mnising Power Limited Partnership (MMPLP) represents a 16.665% ownership interest and is accounted for using the modified equity method.

8. Deferred contributions

Deferred contributions consist of the following:

	2017	2016
Multi-use complex parking lot funding	\$ 72,000	\$ -
Endaa-aang advance deposits	12,101	-
Right to Play	7,518	-
Social Development	-	46,800
Community Energy Plan	-	26,925
Community Activator	-	8,160
	<u>\$ 91,619</u>	<u>\$ 81,885</u>

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Notes to the Consolidated Financial Statements

March 31, 2017

9. Long-term debt

	2017	2016
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly blended payments of \$2,995 including interest at 2.86% per annum, due January 2019. Insured by Canada Mortgage and Housing Corporation.	\$ 350,581	\$ 377,056
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly blended payments of \$3,348 including interest at 1.31% per annum, due December 2021. Insured by Canada Mortgage and Housing Corporation.	663,640	691,891
Canada Mortgage and Housing Corporation mortgage. Repayable by monthly blended payments of \$2,607 including interest at 1.65% per annum, due June 2017. Insured by Canada Mortgage and Housing Corporation.	516,692	538,042
	<u>\$ 1,530,913</u>	<u>\$ 1,606,989</u>

Estimated principal re-payments are as follows:

2018	\$ 78,410
2019	79,737
2020	81,088
2021	83,696
2022	88,990
Subsequent years	<u>1,118,992</u>
	<u>\$ 1,530,913</u>

10. Non-financial assets

Tangible capital assets, prepaid expenses and inventory are accounted for as assets by the First Nation because they can be used to provide services to members in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold.

AUNDECK-OMNI-KANING

Notes to the Consolidated Financial Statements

March 31, 2017

11. Accumulated Surplus

	2017	2016
Unrestricted operating accumulated surplus (deficiency)	\$ 9,572	\$ (153,653)
Internally restricted deferred revenue (expenditures)	(3,004,827)	(2,661,289)
Internally restricted – Little NHL	54,754	79,704
First Nation Enterprises	104,372	(86,315)
Restricted Ontario First Nations Limited Partnership		
Distributions, 11.1 reporting, regular funds	959,849	957,401
Restricted Ontario First Nations Limited Partnership		
Distributions, 11.1 reporting, Future Generations' funds	1,441,206	1,437,531
Restricted Ontario First Nations Limited Partnership		
Distributions, 9.1 reporting	2,301,220	1,886,265
Restricted funds held in trust in Ottawa	1,936	1,901
Internally restricted community development	196,897	196,897
Internally restricted economic development loans	273,919	285,896
Restricted social housing operating surplus reserve (CMHC)	-	457
Restricted social housing replacement reserve (CMHC)	127,310	105,050
Equity in tangible capital assets	16,294,980	16,416,254
	\$18,761,188	\$18,466,099

AUNDECK-OMNI-KANING

Notes to the Consolidated Financial Statements

March 31, 2017

12. Contingent liabilities

a) Loan guarantees:

The First Nation is contingently liable as guarantor of the bank indebtedness of U.C.C.M. Building Material Supply Company Ltd. At March 31, 2017, U.C.C.M. Building Material Supply Company Ltd.'s letter of credit amounted to \$140,000. At the consolidated financial statement date, no funds have been drawn on this letter of credit.

The First Nation, as a limited partner, has provided a proportionate guarantee in favour of a loan from the Bank of Montreal to a maximum of \$349,494, advanced to Great Lakes Hospitality Group Limited Partnership in the total amount of \$4,700,000. During the year, the Bank of Montreal called the loan as a result of debt covenant violations and the loan has been renegotiated to \$2,003,000. As a result of this call, the First Nation was required to make an additional capital contribution of \$286,033. The proportionate portion of the renegotiated debt the First Nation would be responsible for is \$250,375. The guarantee continues to provide that the limited partners will provide the necessary funds to the GLHGLP to meet its debt covenants. This guarantee is provided jointly and severally with the other limited partners.

The First Nation has an agreement with the Bank of Montreal for an aggregate credit facility in the amount of \$1,800,000 under the First Nation on Reserve Loan Program and \$200,000 under the On-Reserve Housing Renovation Loan Program for qualified members of the Aundeck-Omni-Kaning First Nation. As of March 31, 2017, the First Nation has guaranteed loans with the original amount of \$66,500.

b) Government funding:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various government agencies. Should these audits result in recoveries of grants, the amount of these recoveries would be recorded in the accounts in the year in which they are determined.

AUNDECK-OMNI-KANING

Notes to the Consolidated Financial Statements

March 31, 2017

13. Economic dependence

The First Nation has a funding arrangement with Indigenous and Northern Affairs Canada which provides funds to administer operations and provide services to its members in accordance with the terms of the funding arrangement.

As this funding arrangement provides the First Nation's major source of revenue, its ability to continue viable operations are dependent upon maintaining this funding arrangement.

14. Bank indebtedness

An operating line of credit has been approved by the TD Canada Trust to a maximum of \$50,000. The operating line is payable on demand, bears interest at the bank's prime lending rate plus 1% per annum and interest is payable monthly. The operating line is secured by a general security agreement. At the consolidated financial statement date, no funds have been drawn on this operating line.

15. Financial instruments

Transactions in financial instruments may result in an organization assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the consolidated financial statements in assessing the extent of the risk related to financial instruments. The First Nation is exposed to the following risks in respect of certain financial instruments held:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The First Nation's main credit risk relate to its cash and accounts receivable.

Credit risk associated with cash is minimized by ensuring these financial assets are placed with financial institutions with high credit ratings.

The First Nation is exposed to credit risk through its accounts receivables and band member loans of \$749,530 (2016 - \$755,047), exposure level is low and unchanged from the prior year.

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Notes to the Consolidated Financial Statements

March 31, 2017

15. Financial instruments (continued)

Liquidity risk

The First Nation does have liquidity risk in the accounts payable and accrued liabilities of \$656,715 (2016 - \$304,029). Liquidity risk is the risk that the First Nation cannot repay its obligations when they become due to its creditors. The First Nation reduces its exposure to liquidity risk by ensure that it documents when authorized payments become due and maintains an adequate line of credit to repay creditors. In the opinion of management, the liquidity risk exposure to the company is low and is not material.

16. Contribution arrangement funding provided by Indigenous and Northern Affairs Canada

Included in the total funding of \$2,997,428 provided to the First Nation by Indigenous and Northern Affairs Canada is \$268,390 of funding provided under contribution funding arrangements. This contribution funding comprises part of the program funding of the following programs:

	Contribution Funding	Program Expenditures and Transfers
Summer Student Employment – Schedule 6	119,590	119,590
Basic Needs – Schedule 8	17,700	17,700
Special Needs – Schedule 8	1,500	1,500
Social Assistance Transfer Funding – Schedule 8	106,800	148,200
Ontario Works – Schedule 8	2,100	2,100
National Child Benefit – Schedule 8-1	20,700	20,700
	\$ 268,390	\$ 309,790

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Notes to the Consolidated Financial Statements

March 31, 2017

17. Segmented information

The Aundeck-Omni-Kaning First Nation is a diversified government institution that provides a wide range of services to its members, including band government, community infrastructure, economic development, education, social development, community services, housing, and other services. For management reporting purposes the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide are as follows:

Band Government

The band government function is responsible for carrying out all general band related services. This includes the setting of policies and procedures to be carried out throughout the First Nation's operations as well as overseeing the financial reporting activities of each department. The band government function also includes the activities of the Chief and Council.

Community Infrastructure

The community infrastructure department is responsible for providing public services, which include fire protection, road construction and maintenance, sanitation, water and recycling programs and the operation and upkeep of many of the buildings within the First Nation.

Economic Development

The economic development department is responsible for the identification and development of economic opportunities that will benefit the First Nation and its members. It also obtains funding for training and development opportunities to be carried out by its members, the employment of summer students and a lands researcher. This segment also includes the First Nation's share of activities in ventures such as the Manitoulin Hotel and Conference Centre Limited Partnership and Mnidoo Mnising Power Limited Partnership.

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17. Segmented information (Continued)

Education

The education department is responsible for services provided to elementary and secondary schools primarily through service contracts with provincially funded school boards. The education is also responsible for the tutoring members and providing funding for post-secondary initiatives undertaken by students of the First Nation.

Social Development

The social development department provides services under the Provincial Ontario Works Program which include financial support initiatives as well as employment training initiatives.

Community Services

The community services department is responsible for the management of health and long-term care programs as well as programs for the development and engagement of the youth of the first nation.

Housing

The housing segment reports the activities of the CMHC projects, including revenues, subsidies and expenses of the operation of each of the three phases currently in operation.

Capital

The capital department is responsible for the construction and purchasing of capital items to be used by the various departments within the First Nation. This department utilizes labour within the First Nation as well as contracts with third party entities.

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17. Segmented information (Continued)

2017										
	Band Government	Community Infrastructure	Economic Development	Education	Social Development	Community Services	Housing	Capital	OFNLP	Totals
Revenue										
Indigenous and Northern Affairs Canada	\$ 404,053	\$ 267,770	\$ 210,019	\$ 1,634,330	\$ 237,655	\$ -	\$ -	\$ 243,601	\$ -	\$ 2,997,428
Health Canada	-	78,859	-	-	-	85,001	-	-	-	163,860
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	-	685,326	685,326
CMHC	-	-	-	-	-	-	83,697	-	-	83,697
Ministry of Community and Social Services	-	-	-	-	816,905	-	-	-	-	816,905
Deferred revenue, beginning of the year	-	-	-	-	46,800	8,160	-	-	-	54,960
Other	410,896	856,091	689,530	4,537	195,508	732,537	106,412	-	10,946	3,006,457
	814,949	1,202,720	899,549	1,638,867	1,296,868	825,698	190,109	243,601	696,272	7,809,633
Expenses										
Wages and benefits	355,649	162,165	296,509	140,483	332,539	422,312	-	-	-	1,709,657
Materials and program costs	466,372	1,081,101	439,177	218,602	883,345	318,950	91,947	73,058	53,000	3,625,552
Contracted services	135,863	-	-	1,321,976	-	-	-	-	-	1,457,839
Rents and financial expenses	-	-	-	-	-	-	27,372	-	-	27,372
Amortization expense	62,822	545,810	4,495	-	13,962	14,428	44,089	-	-	685,606
Program transfers and administration	(21,182)	16,045	(25,311)	(42,194)	205,020	(43,574)	(16,662)	(294,336)	222,194	-
	999,524	1,805,121	714,870	1,638,867	1,434,866	712,116	146,746	(221,278)	273,194	7,506,026
Deferred revenue, end of the year	-	-	-	-	-	(7,518)	-	-	-	(7,518)
Total	\$ (184,575)	\$ (602,401)	\$ 184,679	\$ -	\$ (137,998)	\$ 106,064	\$ 43,363	\$ 464,879	\$ 421,078	\$ 295,089
2016										
Revenue										
Aboriginal Affairs	\$ 430,944	\$ 271,759	\$ 155,307	\$ 1,546,202	\$ 162,011	\$ -	\$ -	\$ 238,712	\$ -	\$ 2,810,935
Health Canada	-	-	-	-	-	123,786	-	-	-	123,786
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	-	604,224	604,224
CMHC	-	-	-	-	-	-	84,170	-	-	84,170
Ministry of Community and Social Services	-	-	-	-	1,030,154	-	-	-	-	1,030,154
Deferred revenue, beginning of the year	-	-	-	-	27,422	17,546	-	-	-	44,968
Other	351,567	560,079	231,691	41,697	83,402	706,532	76,806	-	12,146	2,063,920
	782,511	837,838	386,998	1,587,899	1,302,989	847,864	160,976	238,712	616,370	6,762,157
Expenses										
Wages and benefits	389,491	174,642	298,961	120,037	276,902	455,026	-	-	-	1,715,059
Materials and program costs	415,498	863,912	65,834	189,434	861,107	272,516	41,029	45,433	57,003	2,811,766
Contracted services	72,281	-	-	1,315,234	-	-	-	-	-	1,387,515
Rents and financial expenses	4,299	-	-	-	-	-	27,532	-	-	31,831
Amortization expense	63,973	648,962	4,495	-	13,513	14,428	44,089	-	-	789,460
Program transfers and administration	90,130	(138,784)	(32,213)	(36,806)	116,714	19,875	-	(300,292)	301,376	-
	1,035,672	1,548,732	317,077	1,587,899	1,268,236	761,845	112,650	(254,859)	358,379	6,735,631
Deferred revenue, end of the year	(26,925)	-	-	-	(46,800)	(8,160)	-	-	-	(81,885)
Total	\$ (280,086)	\$ (710,894)	\$ 69,921	\$ -	\$ (12,047)	\$ 77,859	\$ 48,326	\$ 493,571	\$ 257,991	\$ (55,359)

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18. Tangible capital assets

2017												
	Land	Land Improvements	Buildings	Water & Sewer	Roads	Vehicles	Machinery & Equipment	Furniture & Miscellaneous	CMHC Housing	Band Housing	Other Rental Units	Totals
Cost												
Balance, beginning of year	\$ 111,126	\$ 8,108,311	\$ 5,369,360	\$ 725,800	\$ 1,081,327	\$ 1,903,353	\$ 774,529	\$ 1,959,490	\$ 2,499,700	\$ 2,028,159	\$ 25,855,181	
Additions	-	4,460	223,565	69,075	-	37,219	51,681	2,767	-	-	99,090	487,857
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	1,294,026	115,586	8,331,876	5,438,435	725,800	1,118,546	1,955,034	777,296	1,959,490	2,499,700	2,127,249	26,343,038
Accumulated Amortization												
Balance, beginning of year	-	30,006	1,264,288	2,908,163	349,708	663,835	1,059,281	291,224	316,400	437,355	511,678	7,831,938
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Amortization expense	-	6,668	188,820	155,519	16,330	55,751	83,996	30,327	44,089	56,243	47,863	685,606
Balance, end of year	-	36,674	1,453,108	3,063,682	366,038	719,586	1,143,277	321,551	360,489	493,598	559,541	8,517,544
Net book value	\$ 1,294,026	\$ 78,912	\$ 6,878,768	\$ 2,374,753	\$ 359,762	\$ 398,960	\$ 811,757	\$ 455,745	\$ 1,599,001	\$ 2,006,102	\$ 1,567,708	\$ 17,825,494
2016												
	Land	Land Improvements	Buildings	Water & Sewer	Roads	Vehicles	Machinery & Equipment	Furniture & Miscellaneous	CMHC Housing	Band Housing	Other Rental Units	Totals
Cost												
Balance, beginning of year	\$ 111,126	\$ 7,937,215	\$ 5,369,360	\$ 725,800	\$ 982,792	\$ 1,848,596	\$ 763,729	\$ 1,959,490	\$ 2,434,700	\$ 1,699,835	\$ 25,101,539	
Additions	-	-	171,096	-	-	98,535	54,757	10,800	-	65,000	328,324	753,642
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year	1,294,026	111,126	8,108,311	5,369,360	725,800	1,081,327	1,903,353	774,529	1,959,490	2,499,700	2,028,159	25,855,181
Accumulated Amortization												
Balance, beginning of year	-	23,338	1,075,891	2,654,469	333,378	598,278	976,618	261,039	272,311	381,112	466,044	7,042,478
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Amortization expense	-	6,668	188,397	253,694	16,330	65,557	82,663	30,185	44,089	56,243	45,634	789,460
Balance, end of year	-	30,006	1,264,288	2,908,163	349,708	663,835	1,059,281	291,224	316,400	437,355	511,678	7,831,938
Net book value	\$ 1,294,026	\$ 81,120	\$ 6,844,023	\$ 2,461,197	\$ 376,092	\$ 417,492	\$ 844,072	\$ 483,305	\$ 1,643,090	\$ 2,062,345	\$ 1,516,481	\$ 18,023,243