

Aroland First Nation
Consolidated Financial Statements
For the year ended March 31, 2017

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Aroland First Nation Management's Responsibility for the Consolidated Financial Statements

March 31, 2017

The accompanying consolidated financial statements of Aroland First Nation are the responsibility of management and have been approved by the Chief and Council.

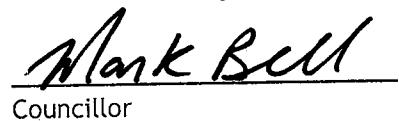
These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The external auditors, BDO Canada LLP, conduct an audit, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. BDO Canada LLP have access to financial management of Aroland First Nation and meet when required.

On behalf of Aroland First Nation:


Chief


Mark Bell
Councillor

Independent Auditor's Report

**To the Members of
Aroland First Nation**

We have audited the accompanying consolidated financial statements of Aroland First Nation, 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 debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 judgment, 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 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 disclaimer of audit opinion.

Independent Auditor's Report (cont'd)

Basis for Disclaimer of Opinion

The First Nation was not able to provide satisfactory audit evidence with respect to the completeness or existence of expenses due to a lack of supporting documentation. Accordingly, we were unable to confirm or verify by alternate means that all expenses of the First Nation have been properly recorded, nor whether the classification of expenses is appropriate. As a result, we were unable to determine whether any adjustments might be necessary to expenses, accounts payable and accumulated surplus.

The First Nation did not prepare budgets, which is not in compliance with Canadian public sector accounting standards.

Disclaimer of Opinion

Due to the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Other Matter

The financial statements of Aroland First Nation for the year ended March 31, 2016 were audited by another auditor who expressed a qualified opinion on those statements on March 29, 2017.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

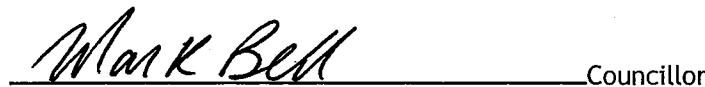
Thunder Bay, Ontario
December 12, 2017

Aroland First Nation
Consolidated Statement of Financial Position

March 31	2017	2016
Financial assets		
Cash (Note 2)	\$ 964,015	\$ 281,766
Accounts receivable (Note 3)	1,043,687	407,441
Due from government and other government organizations (Note 4)	1,341,801	345,708
Trust funds held by federal government (Note 5)	119,295	117,124
Portfolio investments	10	-
	<u>3,468,808</u>	<u>1,152,039</u>
Liabilities		
Accounts payable and accrued liabilities (Note 6)	2,338,374	1,696,008
Due to government and other government organizations (Note 7)	35,827	76,334
Deferred revenue (Note 8)	1,269,049	10,000
Other loans	52,250	-
Long term debt (Note 9)	2,579,392	2,955,643
	<u>6,274,892</u>	<u>4,737,985</u>
Net debt	<u>(2,806,084)</u>	<u>(3,585,946)</u>
Non-financial assets		
Prepaid expenses	35,679	18,230
Tangible capital assets (Note 10)	14,576,978	15,152,367
	<u>14,612,657</u>	<u>15,170,597</u>
Accumulated surplus	<u>\$ 11,806,573</u>	<u>\$ 11,584,651</u>

On behalf of the Band:

 Chief

 Councillor

Aroland First Nation
Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2017	2016
Revenue		
Federal government transfers (Note 13)	\$ 5,709,449	\$ 4,154,191
Provincial government transfers (Note 13)	1,864,225	2,006,414
Other	2,316,010	1,706,209
Rent	237,687	269,988
Deferred revenue, end of year	<u>(1,269,049)</u>	-
	8,858,322	8,136,802
Expenses		
Administration	1,226,219	1,551,952
Social services	1,689,451	1,590,756
Health services	958,541	784,900
Education	2,082,496	1,777,122
Economic development	740,887	662,105
Capital and operations and maintenance programs	1,467,218	1,299,194
Other programs	471,588	431,089
	8,636,400	8,097,118
Annual surplus	221,922	39,684
Accumulated surplus, beginning of year	<u>11,584,651</u>	<u>11,544,967</u>
Accumulated surplus, end of year	<u>\$ 11,806,573</u>	<u>\$ 11,584,651</u>

Aroland First Nation
Consolidated Statement of Changes in Net Debt

For the year ended March 31	2017	2016
Annual surplus	\$ 221,922	\$ 39,684
Acquisition of tangible capital assets	(191,288)	(117,251)
Amortization of tangible capital assets	766,677	809,250
Loss on disposal of tangible capital assets	-	(18,230)
Prepaid expenses	<u>(17,449)</u>	<u>11,072</u>
Net change in net financial debt	779,862	724,525
Net debt, beginning of year	<u>(3,585,946)</u>	<u>(4,310,471)</u>
Net debt, end of year	<u>\$ (2,806,084)</u>	<u>\$ (3,585,946)</u>

**Aroland First Nation
Consolidated Statement of Cash Flows**

For the year ended March 31	2017	2016
Cash flows from operating activities		
Annual surplus	\$ 221,922	\$ 39,684
Items not involving cash:		
Amortization	<u>766,677</u>	<u>809,250</u>
	988,599	848,934
Increase (decrease) in non-cash working capital items:		
Accounts receivable	(636,246)	24,695
Due from government and other government organizations	(996,093)	(88,908)
Prepaid expenses	(17,449)	(7,158)
Accounts payable and accrued liabilities	642,366	(404,998)
Due to government and other government organizations	(40,507)	65,986
Deferred revenue	1,259,049	(14,693)
Other loans	<u>52,250</u>	
	<u>1,251,969</u>	<u>423,858</u>
Cash used in financing activities		
Repayment of long term debt	<u>(376,251)</u>	<u>(375,240)</u>
Cash used in capital activities		
Purchase of tangible capital assets	<u>(191,288)</u>	<u>(117,251)</u>
Cash used in investment activities		
Increase in trust assets	(2,171)	(1,216)
Increase in portfolio investments	(10)	-
Net increase (decrease) in cash during the year	682,249	(69,849)
Cash, beginning of year	<u>281,766</u>	<u>351,615</u>
Cash, end of year	\$ 964,015	\$ 281,766

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2017

1. Significant Accounting Policies

Basis of Accounting	These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board.
Reporting Entity	The Aroland First Nation reporting entity includes the Aroland First Nation government and all related entities that are controlled by the First Nation.
Basis of Consolidation	<p>All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.</p> <p>Under the modified equity method of accounting, only Aroland First Nation's investment in the government business enterprise and the First Nation's portion of the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Aroland First Nation and inter-organizational balances and transactions are not eliminated.</p> <p>Organizations consolidated in Aroland First Nation's financial statements include:</p> <ul style="list-style-type: none">• AroFor Forestry Inc. (inactive)• Aroland Community Economic Development Corporation (inactive)• Aro-Air LP (inactive)• Aroland Forestry Management LP (inactive)• Aroland General Contracting LP (inactive)• Aroland Tree Nursery LP (inactive)• Aroland Economic Development Corporation (inactive)• 1648973 Ontario Inc. (inactive)• 1670719 Ontario Inc. (inactive)• 1796651 Ontario Inc. (inactive)• Aroland Education Authority (inactive)• Aroland Industrial Inc. (inactive)

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2017

1. Significant Accounting Policies (cont'd)

Portfolio Investments	Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.														
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. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.														
Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand, bank balances and term deposits having a maturity of three months or less, and bank overdrafts.														
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.</p> <p>Amortization is provided for on a declining balance basis as follows:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Automotive and vehicles</td> <td style="width: 20%;">- 30%</td> </tr> <tr> <td>Buildings and housing</td> <td>- 4%</td> </tr> <tr> <td>Computer equipment</td> <td>- 45-50%</td> </tr> <tr> <td>General and heavy equipment</td> <td>- 20%</td> </tr> <tr> <td>Infrastructure and fire protection</td> <td>- 4%</td> </tr> <tr> <td>Sewer system equipment</td> <td>- 4%</td> </tr> <tr> <td>Small tools</td> <td>- 100%</td> </tr> </table> <p>Tangible capital assets are written down when conditions indicate that they no longer contribute to Aroland First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.</p>	Automotive and vehicles	- 30%	Buildings and housing	- 4%	Computer equipment	- 45-50%	General and heavy equipment	- 20%	Infrastructure and fire protection	- 4%	Sewer system equipment	- 4%	Small tools	- 100%
Automotive and vehicles	- 30%														
Buildings and housing	- 4%														
Computer equipment	- 45-50%														
General and heavy equipment	- 20%														
Infrastructure and fire protection	- 4%														
Sewer system equipment	- 4%														
Small tools	- 100%														

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2017

1. Significant Accounting Policies (cont'd)

Tangible Capital Assets (cont'd) Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets.

Assets under construction are not amortized until the asset is available to be put into service.

Revenue Recognition Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Use of Estimates The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. The principal estimates used in the preparation of these financial statements are the useful lives of tangible capital assets, deferred revenue and accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2017

2. Cash

	2017	2016
Petty cash	\$ 1,008	\$ -
General (Co-Manager)	589,061	143,030
General (First Nation)	38,238	(26,997)
Tikinagan	9,161	6,964
Rent Servicing	9	9
Health Authority	137,442	81
Recreation	641	799
Ontario Works	92,653	(14,083)
Ontario First Nation Limited Partnership	144	272
Housing Authority - Main	16,347	89,096
Housing Authority - Operating	34,899	34,959
Housing Authority - Reserve	43,926	46,875
Housing Authority - Staff	469	761
Special Events	17	-
	\$ 964,015	\$ 281,766

The First Nation has available an operating line of credit of \$50,000 with the Royal Bank of Canada, incurring interest at the bank's prime lending rate plus 3.5% (6.2% per annum at year end). At March 31, 2017, the First Nation had utilized \$NIL (2016 - \$NIL) on this line of credit.

There is a bank overdraft facility available on the Ontario Works account of \$50,000 with the Royal Bank of Canada, incurring interest at the bank's prime lending rate plus 5.0% (7.7% per annum at year end). At March 31, 2017, the balance outstanding is \$NIL (2016 - \$14,083).

Both facilities are secured by a general security agreement as well as a specific security interest on certain heavy equipment owned by the First Nation.

Included in the total cash balance are externally restricted and unrestricted balances as follows:

	2017	2016
CMHC replacement reserve	\$ 17	\$ -
Unrestricted	963,998	281,766
	\$ 964,015	\$ 281,766

Aroland First Nation
Notes to Consolidated Financial Statements

March 31, 2017

3. Accounts Receivable

	2017	2016
Due from members:		
Advances	\$ 5,200	\$ 5,200
Other	<u>251,935</u>	<u>249,985</u>
	257,135	255,185
General receivables	<u>1,026,192</u>	<u>389,946</u>
	1,283,327	645,131
Less: allowance for doubtful accounts	<u>(239,640)</u>	<u>(237,690)</u>
	\$ 1,043,687	\$ 407,441

4. Due from Government and Other Government Organizations

	2017	2016
Federal government		
Indigenous and Northern Affairs Canada	\$ 1,070,152	\$ 103,292
Canadian Environmental Assessment Agency	14,000	-
Canada Mortgage and Housing Corporation	110,274	10,874
Health Canada	16,986	-
Provincial government		
Ministry of Community and Social Services	61,649	100,426
Ministry of Natural Resources	34,988	1,000
Ministry of Northern Development and Mines	18,752	130,116
Ontario Trillium Foundation	<u>15,000</u>	-
	\$ 1,341,801	\$ 345,708

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2017

5. Trust Funds Held by Federal Government

	March 31, 2016	Additions 2017	Withdrawals 2017	March 31, 2017
Revenue Capital	\$ 105,169 11,955	\$ 2,171 -	\$ - -	\$ 107,340 11,955
	\$ 117,124	\$ 2,171	\$ -	\$ 119,295

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

6. Accounts Payable and Accrued Liabilities

	2017	2016
Trade payables and other accrued liabilities	\$ 2,288,330	\$ 1,686,319
Accrued wages and benefits payable	40,593	7,443
Vacation and overtime payable	<u>9,451</u>	<u>2,246</u>
	\$ 2,338,374	\$ 1,696,008

7. Due to Government and Other Government Organizations

	2017	2016
Receiver General	\$ 25,949	\$ 76,334
WSIB	<u>9,878</u>	-
	\$ 35,827	\$ 76,334

8. Deferred Revenue

	2017	2016
Indigineous and Northern Affairs Canada	\$ 1,259,216	\$ 10,000
Ministry of Natural Resources	<u>9,833</u>	-
	\$ 1,269,049	\$ 10,000

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2017

9. Long Term Debt

	2017	2016
Royal Bank of Canada		
Demand term loan repayable in variable annual installments plus interest at 6.25%, maturing May 15, 2017 and secured by a general security agreement as well as a specific security interest on certain heavy equipment of the First Nation. Also secured by an assignment of not less than \$223,000 from Minor Capital funding each year and an assignment of not less than \$30,000 from rental revenue on the First Nation each year.	\$ 123,100	\$ 336,900
Demand term loan repayable at \$3,800 monthly including interest at 6.15%, maturing April 3, 2017, secured by a general security agreement as well as a specific security interest on certain heavy equipment of the First Nation. Also secured by an first ranking assignment of all rents from the lands and improvements leased to Tikinagan Child and Family Services.	174,076	207,823
Nishnawbe Aski Development Fund		
Demand term loan repayable at \$1,085 monthly plus interest at 12%, maturing June 1, 2018, secured by a general security agreement as well as a specific security interest on certain vehicles of the First Nation with a net book value of \$70,452.	13,338	22,329
Demand term loan repayable at \$4,510 monthly plus interest at 12%, maturing August 11, 2018, secured by a general security agreement as well as a specific security interest on certain vehicles of the First Nation with a net book value of \$70,452.	55,433	92,797
Canada Mortgage and Housing Corporation		
Housing Loan #1, repayable at \$4,429 monthly including interest at 1.68%, maturing April 1, 2038, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first mortgage on 7-housing units with a net book value of \$1,075,012.	943,429	980,476
Housing Loan #2, repayable at \$5,898 monthly including interest at 1.98%, maturing May 1, 2039, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first mortgage on 8-housing units with a net book value of \$1,306,208.	1,270,016	1,315,318
Balance forward	2,579,392	2,955,643

Aroland First Nation
Notes to Consolidated Financial Statements

March 31, 2017

9. Long Term Debt (cont'd)

	2017	2016
Balance forward	2,579,392	2,955,643
Less current portion	432,000	376,669
	\$ 2,147,392	\$ 2,578,974

Anticipated annual principal payments due in the next five years and thereafter are as follows:

Year	Amount
2018	\$ 432,000
2019	102,000
2020	87,000
2021	88,000
2022	90,000
Thereafter	<u>1,780,392</u>
	<u>\$ 2,579,392</u>

Aroland First Nation
Notes to Consolidated Financial Statements

For the year ended March 31, 2017

10. Tangible Capital Assets

	Cost				Accumulated Amortization				2017		2016	
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortization	Adjustments	Closing Balance	Net Book Value	Net Book Value	Net Book Value	Net Book Value
Housing	\$ 6,889,365	\$ -	\$ 6,889,365	\$ 3,683,174	\$ 128,245	\$ -	\$ 3,811,419	\$ 3,077,946	\$ 3,206,191	\$ 2,381,220	\$ 2,480,437	
CMHC Housing	2,784,382	-	2,784,382	303,945	99,217	-	403,162	161,231	167,950	614,197	639,788	
Four-Plex building	300,737	-	300,737	132,787	6,719	-	139,506	241	301	219,993	229,161	
Water systems	1,356,100	-	1,356,100	716,312	25,591	-	741,903	629,088	655,301	115,360	120,166	
Water system equipment	3,657	-	3,657	3,356	60	-	3,416	5,965	7,457	43,579	54,473	
Sewer system	1,577,064	-	1,577,064	921,763	26,213	-	947,976	247,471	247,471	103,461	117,209	
Roads	537,504	-	537,504	308,343	9,168	-	317,511	1,905	3,552	175,073	188,318	
Works garage	289,196	-	289,196	169,030	4,806	-	173,836	107,489	107,489	170,660	190,827	
Office equipment	76,487	-	76,487	69,030	1,492	-	70,522	39,645	41,296	240,646	250,103	
Heavy equipment	556,008	-	556,008	501,535	10,894	-	512,429	508,293	529,471	240,939	244,161	
Youth centre	134,126	-	134,126	57,438	3,068	-	60,506	183,193	190,827	120,166	139,916	
Furniture and equipment	442,043	191,288	633,331	324,834	61,026	-	385,860	219,993	229,161	111,968	120,166	
Computer equipment	105,366	-	105,366	101,814	1,647	-	103,461	161,231	167,950	614,197	639,788	
Temporary classrooms	944,309	-	944,309	404,393	21,598	-	425,991	244,161	244,161	240,939	244,161	
Infrastructure	203,644	-	203,644	91,676	4,479	-	96,155	161,231	167,950	614,197	639,788	
Automotive	779,662	-	779,662	529,559	75,030	-	604,589	219,993	229,161	120,166	139,916	
Housing renovation	608,385	-	608,385	259,901	13,940	-	273,841	183,193	190,827	240,646	250,103	
Administration building	309,055	-	309,055	164,894	5,766	-	170,660	138,395	144,161	240,646	250,103	
Tikinagan building	302,136	-	302,136	111,309	7,634	-	118,943	183,193	190,827	240,646	250,103	
Rink/storage building	88,736	-	88,736	47,440	1,651	-	49,091	39,645	41,296	240,646	250,103	
Buses	380,670	-	380,670	273,916	32,027	-	305,943	74,727	74,727	240,646	250,103	
Water system and fire protection upgrade	748,939	-	748,939	219,468	21,178	-	240,646	508,293	529,471	240,646	250,103	
School	7,257,413	-	7,257,413	2,126,700	205,228	-	2,331,928	4,925,485	5,130,713	2,331,928	2,331,928	
Balance forward	\$ 26,674,984	\$ 191,288	\$ 26,866,272	\$ 11,522,617	\$ 766,677	\$ -	\$ 12,289,294	\$ 14,576,978	\$ 15,152,367	\$ -	\$ -	

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2017

11. Comparative Figures

Certain of the comparative figures presented in the accompanying consolidated financial statements have been reclassified to conform with the current year's presentation.

12. Contingencies

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements. It is not possible at this time to determine the amount, if any, that is subject to repayment.

In addition, in the normal course of operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's financial statements.

Claims are currently outstanding against the First Nation. The outcome of the claims are not yet determinable, and accordingly, no provision has been made in these consolidated financial statements with respect to these matters. Any loss with respect to the claims will be recorded as an expense of the period in which the loss becomes likely and the amount is measurable.

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2017

13. Government Transfers

	Operating	Capital	2017 Total	Operating	Capital	2016 Total
Federal						
Indigenous and Northern Affairs Canada	\$ 4,697,070	\$ -	\$ 4,697,070	\$ 3,266,418	\$ -	\$ 3,266,418
Canada Mortgage and Housing Corporation	203,552	-	203,552	130,483	-	130,483
Canadian Environmental Assessment Agency	14,000	-	14,000	-	-	-
Health Canada	794,827	-	794,827	757,290	-	757,290
	5,709,449	-	5,709,449	4,154,191	-	4,154,191
Provincial						
Ministry of Children and Youth Services	24,000	-	24,000	13,303	-	13,303
Ministry of Community and Social Services	1,402,718	-	1,402,718	1,652,290	-	1,652,290
Ministry of Health and Long-Term Care	-	-	-	35,929	-	35,929
Ministry of Indigenous Relations and Reconciliation	90,000	-	90,000	90,000	-	90,000
Ministry of Natural Resources and Forestry	103,749	-	103,749	118,167	-	118,167
Ministry of Northern Development and Mines	93,758	-	93,758	96,725	-	96,725
Other	-	150,000	150,000	-	-	-
	1,714,225	150,000	1,864,225	2,006,414	-	2,006,414
	\$ 7,423,674	\$ 150,000	\$ 7,573,674	\$ 6,160,605	-	\$ 6,160,605

14. Pension Plan

The First Nation has a defined contribution plan for eligible employees. The First Nation matches employee contributions of 5% of the employee's salary. As a defined contribution plan, the First Nation has no further liability or obligation for future contributions to fund future benefits to plan members. The First Nation contributed \$52,205 during the year (2016 - \$14,958).

15. Segmented Information

Aroland First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. The services are provided by several entities of Aroland First Nation. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2017

15. Segmented Information

Administration

Administration contains activities that are needed to run the Aroland First Nation organization.

Social Services

Social Services contains activities that provide financial support or support by other means to band members that are aimed at developing both the individual as well as the community.

Health Services

Health Services contains activities that provide medical services to band members.

Education

Education Services contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

Economic Development

Economic Development contains all the activities that provide maintenance to the community and its infrastructure including road maintenance, sewer and water, community buildings and public utilities.

Capital and Operations and Maintenance Programs

Capital and Operations and Maintenance Programs contains activities in delivering capital and community service programs.

Other Programs

Other Programs contains activities of all other programs.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. The segment results for the period are as follows:

Aroland First Nation
Notes to Consolidated Financial Statements

March 31, 2017

15. Segmented Information (cont'd)

For the year ended March 31	Administration	Social Services	Health Services	Education	Economic Development	Capital and O&M Programs	Other Programs	2017 Total
Revenue								
Federal government transfers	\$ 331,538	\$ 212,616	\$ 794,827	\$ 2,158,364	\$ 103,150	\$ 2,076,204	\$ 32,750	\$ 5,709,449
Provincial government transfers	1,083,821	1,402,718	231,380	-	183,758	150,000	127,749	1,844,225
Miscellaneous	-	-	-	-	525,667	25,000	450,142	2,316,010
Rental	-	-	-	-	-	237,687	-	237,687
Deferred revenue, end of year	1,415,359	1,615,334	1,026,207	(135,721)	(60,150)	(1,063,345)	(9,833)	(1,269,049)
Expenses								
Advertising	6,167	-	-	3,347	-	-	-	9,514
Amortization	115,554	-	-	32,026	3,068	605,868	10,158	766,674
Bad debt expense (recovery)	81,280	-	-	-	-	-	-	81,280
Bank charges and interest	12,282	2,273	775	9,522	-	1,422	-	26,274
Contract services	38,041	47,926	110,828	39,642	238,690	224,551	160,238	859,916
Donations	1,429	-	-	-	-	-	-	1,429
Dues, fees and licenses	9,059	3,090	240	3,074	46	1,800	-	17,309
Equipment	-	-	-	4,081	-	1,134	-	5,215
Freight	859	-	-	-	-	-	-	859
Fuel and oil	5,070	1,211	66,203	18,857	340	20,015	2,082	113,778
Honoraria	1,700	-	33,140	2,200	36,950	-	32,490	106,480
Insurance	22,916	-	9,368	12,896	-	54,073	-	99,753
Interest on long term debt	7,736	-	-	11,276	-	53,423	-	72,435
Materials and supplies	8,802	123,929	131,122	136,565	39,136	29,537	33,739	502,830
Office	-	22,854	-	-	-	-	-	22,854
Professional fees	194,399	-	-	-	21,518	-	16,113	231,030
Program fees	507,766	33,237	47,046	-	-	-	-	588,049
Repairs and maintenance	2,219	-	25,666	25,354	-	96,000	-	149,239
Social assistance	-	1,138,451	-	-	-	-	-	1,138,451
Telephone and utilities	31,938	427	23,871	-	5,629	135,184	380	197,429
Training	-	19,450	1,265	17,076	3,255	-	-	41,046
Travel	18,215	77,135	35,102	17,473	56,946	12,279	77,346	294,496
Tuition	160,787	-	-	754,104	-	-	-	754,104
Wages and benefits	1,226,219	219,468	473,415	995,003	335,309	231,932	139,042	2,554,956
		1,689,451	958,541	2,082,496	740,887	1,467,218	471,588	8,636,400
Surplus (deficit) for the year	\$ 189,140	\$ (74,117)	\$ 67,666	\$ (59,853)	\$ 11,538	\$ (41,672)	\$ 129,220	\$ 221,922

Aroland First Nation

Notes to Consolidated Financial Statements

March 31, 2017

15. Segmented Information (cont'd)