

Aroland First Nation
Consolidated Financial Statements
For the year ended March 31, 2019

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

March 31, 2019

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

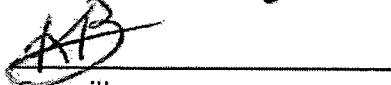
These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary 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:


Dorothy Donald
Chief


A.B.
Councillor

Independent Auditor's Report

To the Members of Aroland First Nation

Qualified Opinion

We have audited the consolidated financial statements of Aroland First Nation, and its subsidiaries (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net debt and the cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and its consolidated statement of changes in net financial assets and of cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The First Nation was unable to obtain information about investments in various entities. Accordingly, verification of investments held by the First Nation was limited to the amounts recorded in the records of the First Nation. Therefore, we were not able to determine whether any adjustments might be necessary to income from investments, annual surplus or deficit and cash flows from investing transactions for the years ended March 31, 2019 and 2018, financial assets as at March 31, 2019 and 2018 and accumulated surplus as at April 1 and March 31 for both the 2019 and 2018 years.

Section 1200, Financial Statement Presentation, of Public Sector Accounting Board Handbook requires the disclosure of budgeted information. The First Nation has not prepared or approved consolidated budgets. As a result, we are unable to present budgeted information on the consolidated financial statements for the years ended March 31, 2019 and 2018. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

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 Consolidated 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 consolidated 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.

Independent Auditor's Report (cont'd)

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

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.

Independent Auditor's Report (cont'd)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

- 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
September 23, 2019

**Aroland First Nation
Consolidated Statement of Financial Position**

March 31	2019	2018
Financial assets		
Cash (Note 2)	\$ 2,346,386	\$ 1,171,313
Accounts receivable (Note 3)	691,324	565,335
Due from government (Note 4)	839,359	1,252,349
Trust funds held by federal government (Note 5)	124,656	121,826
Portfolio investments (Note 6)	163,269	159,836
	<hr/>	<hr/>
	4,164,994	3,270,659
Liabilities		
Accounts payable and accrued liabilities (Note 7)	788,139	2,131,619
Due to government organizations (Note 8)	406,296	299,897
Deferred revenue (Note 9)	301,623	267,233
Other loans	21,850	37,050
Long term debt (Note 10)	2,883,218	2,284,922
	<hr/>	<hr/>
	4,401,126	5,020,721
Net debt	<hr/>	<hr/>
	(236,132)	(1,750,062)
Non-financial assets		
Prepaid expenses	16,105	-
Tangible capital assets (Note 11)	14,969,867	15,406,776
	<hr/>	<hr/>
	14,985,972	15,406,776
Accumulated surplus	<hr/>	<hr/>
	\$ 14,749,840	\$ 13,656,714

On behalf of the Band:

 Darryl Dene, Chief

 Councillor

Aroland First Nation Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2019	2018
Revenue		
Federal government transfers (Note 15)	\$ 6,467,334	\$ 6,882,352
Provincial government transfers (Note 15)	1,750,436	1,578,588
Other	1,893,162	1,881,565
Rent	132,066	201,330
Investment income	-	9,000
	10,254,248	10,552,835
Expenses		
Administration	947,267	1,089,885
Social services	1,177,308	1,322,858
Health services	1,930,031	1,520,759
Education	2,665,376	2,183,124
Economic development	584,338	774,590
Capital and operations and maintenance programs	1,484,492	1,678,892
Other programs	372,310	312,995
	9,161,122	8,883,103
Annual surplus	1,093,126	1,669,732
Accumulated surplus, beginning of year	13,656,714	11,986,982
Accumulated surplus, end of year	\$ 14,749,840	\$ 13,656,714

Aroland First Nation
Consolidated Statement of Changes in Net Debt

For the year ended March 31	2019	2018
Annual surplus	\$ 1,093,126	\$ 1,669,732
Acquisition of tangible capital assets	(340,164)	(1,585,320)
Amortization of tangible capital assets	777,073	755,522
Prepaid expenses	(16,105)	35,679
Net change in net financial debt	1,513,930	875,613
Net debt, beginning of year	(1,750,062)	(2,625,675)
Net debt, end of year	\$ (236,132)	\$ (1,750,062)

Aroland First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2019	2018
Cash flows from operating activities		
Annual surplus	\$ 1,093,126	\$ 1,669,732
Item not involving cash:		
Amortization	777,073	755,522
	<hr/>	<hr/>
Increase (decrease) in non-cash working capital items:	1,870,199	2,425,254
Accounts receivable	(125,989)	478,352
Due from government	412,990	89,452
Prepaid expenses	(16,105)	35,679
Accounts payable and accrued liabilities	(1,343,480)	37,659
Due to government	106,399	19,656
Deferred revenue	34,390	(1,001,816)
Other loans	(15,200)	(15,200)
	<hr/>	<hr/>
	923,204	2,069,036
Cash used in financing activities		
Repayment of long term debt	(201,704)	(294,470)
Advances of long term debt	800,000	-
	<hr/>	<hr/>
	598,296	(294,470)
Cash used in capital activities		
Purchase of tangible capital assets	(340,164)	(1,585,320)
	<hr/>	<hr/>
Cash used in investment activities		
Increase in trust assets	(2,830)	(2,531)
Increase in portfolio investments	(3,433)	-
	<hr/>	<hr/>
	(6,263)	(2,531)
Net increase in cash during the year	1,175,073	186,715
Cash, beginning of year	1,171,313	984,598
	<hr/>	<hr/>
Cash, end of year	\$ 2,346,386	\$ 1,171,313

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2019

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	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. 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.
	Organizations consolidated in Aroland First Nation's financial statements include: <ul style="list-style-type: none">• 1648973 Ontario Inc. (inactive)• 1670719 Ontario Inc. (inactive)• 1796651 Ontario Inc. (inactive)• Aroland Education Authority (inactive)• Aroland Industrial LP (inactive)
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.

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2019

1. Significant Accounting Policies (cont'd)

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 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.

Amortization is provided for on a declining balance basis as follows:

Automotive and vehicles	- 30%
Buildings and housing	- 4%
Computer equipment	- 45-50%
General and heavy equipment	- 20%
Infrastructure, roads and fire protection	- 4%
Sewer system equipment	- 4%
Small tools	- 100%

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.

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.

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2019

1. Significant Accounting Policies (cont'd)

Revenue Recognition	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Use of Estimates	<p>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.</p>

Aroland First Nation
Notes to Consolidated Financial Statements

March 31, 2019

2. Cash

	2019	2018
Petty cash	\$ 1,008	\$ 1,008
General (Co-Manager)	904,372	461,744
General (First Nation)	6,255	(67,322)
Tikinagan	38,685	11,423
Rent Servicing	-	9
Health Authority	666,254	267,013
Recreation	20,560	533
Ontario Works	177,120	73,792
Ontario First Nation Limited Partnership	268,403	335,860
Housing Authority - Main	-	1,401
Housing Authority - Operating	34,751	34,839
Housing Authority - Reserve	9,818	30,193
Housing Authority - Staff	349	409
CMHC - Operating	48,622	-
CMHC - Operating Reserve	61,940	-
CMHC - Replacement Reserve	88,060	-
Special Events	-	8
1796651 Ontario Inc.	20,189	20,403
	\$ 2,346,386	\$ 1,171,313

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2019

2. Cash (cont'd)

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% (7.45% per annum at year end). At March 31, 2019, the First Nation had utilized \$NIL (2018 - \$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% (8.95% per annum at year end). At March 31, 2019, the balance outstanding is \$50,000 (2018 - \$NIL).

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:

	2019	2018
CMHC replacement reserve	\$ 97,878	\$ 30,193
Unrestricted	<u>2,248,508</u>	<u>1,141,120</u>
	\$ 2,346,386	\$ 1,171,313

3. Accounts Receivable

	2019	2018
Due from members:		
Advances	\$ 5,200	\$ 5,200
Other	<u>286,583</u>	<u>287,183</u>
General receivables	291,783	292,383
	778,971	669,488
Less: allowance for doubtful accounts	1,070,754	961,871
	(379,430)	(396,536)
	\$ 691,324	\$ 565,335

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2019

4. Due from Government

	2019	2018
Federal government		
Indigenous Services Canada	\$ 285,103	\$ 942,781
Canadian Environmental Assessment Agency	22,050	42,800
Canada Mortgage and Housing Corporation	77,974	76,115
Department of Fisheries and Oceans	746	6,377
Health Canada	-	4,939
Receiver General	-	47,437
Provincial government		
Ministry of Community and Social Services	98,154	61,649
Ministry of Indigenous Relations and Reconciliation	9,000	9,000
Ministry of Infrastructure	-	24,199
Ministry of Natural Resources	15,653	2,521
Ministry of Northern Development and Mines	142,009	8,869
Ministry of Education	210,720	-
Ministry of Health and Long-Term Care	-	25,662
	<hr/>	<hr/>
	861,409	1,252,349
Less: allowance for doubtful accounts	<hr/>	<hr/>
	(22,050)	-
	<hr/>	<hr/>
	\$ 839,359	\$ 1,252,349
	<hr/>	<hr/>

5. Trust Funds Held by Federal Government

	March 31, 2018	Additions 2019	Withdrawals 2019	March 31, 2019
Revenue Capital	\$ 109,871 11,955	\$ 2,830	\$ -	\$ 112,701 11,955
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 121,826	\$ 2,830	\$ -	\$ 124,656

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*.

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2019

6. Portfolio Investments

	Ownership Percentage	2019	2018
Landmark Inn Limited Partnership	11%	\$ 147,000	\$ 147,000
Landmark Inn General Partner Limited	11%	3,000	3,000
Landmark Inn Leasing Corporation	11%	3	3
Ne-Daa-Kii-Me-Naan Inc.	14%	10	10
Agoke Development, LP	33%	3,333	3,333
Ginoogam Development Corporation	33%	100	-
Ginoogam Development, LP	33%	3,333	-
Loan to Landmark Inn Limited Partnership		6,490	6,490
		\$ 163,269	\$ 159,836

7. Accounts Payable and Accrued Liabilities

	2019	2018
Trade payables and other accrued liabilities	\$ 712,850	\$ 2,041,783
Minister of Finance	3,720	-
Accrued wages and benefits payable	44,224	42,632
Vacation and overtime payable	13,993	47,204
Receiver General	13,352	-
	\$ 788,139	\$ 2,131,619

8. Due to Government

	2019	2018
Indigenous Services Canada	\$ 391,626	\$ 299,897
Ministry of Health and Long Term Care	14,670	-
	\$ 406,296	\$ 299,897

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2019

9. Deferred Revenue

	2019	2018
Indigenous Services Canada	\$ 135,207	\$ 246,500
Ministry of Natural Resources	-	9,833
Matawa - Reach Ahead	11,153	10,900
Matawa - Student Support Officer	36,413	-
Ministry of Education - Journey Together	114,731	-
Ministry of Northern Development and Mines - All Season Road	4,119	-
	<hr/>	<hr/>
	\$ 301,623	\$ 267,233

10. Long Term Debt

	2019	2018
Royal Bank of Canada		
Demand term loan repayable at \$3,800 monthly including interest at 3.86%, maturing April 3, 2019, 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.	\$ 93,765	\$ 134,891
Demand term loan repayable at \$15,500 monthly including interest at 4.60%, maturing October 12, 2019, secured by a general security agreement, and an assignment of distributions from OFNLP General Partnership Limited and/or the Ontario First Nations (2008) Limited Partnership.	738,883	-
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 Services Canada and a first mortgage on 7-housing units with a net book value of \$1,032,011.	871,788	907,639
Housing Loan #2, repayable at \$5,898 monthly including interest at 1.98%, maturing May 1, 2039, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on 8-housing units with a net book value of \$1,253,960.	1,178,782	1,225,922
Demand term loan	-	16,470
Balance forward	<hr/>	<hr/>
	\$ 2,883,218	\$ 2,284,922

Aroland First Nation
Notes to Consolidated Financial Statements

March 31, 2019

10. Long Term Debt (cont'd)

	2019	2018
Balance forward	\$ 2,883,218	\$ 2,284,922
Less current portion	<u>917,000</u>	<u>237,000</u>
	<u>\$ 1,966,218</u>	<u>\$ 2,047,922</u>

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

Year	Amount
2020	\$ 917,000
2021	86,000
2022	88,000
2023	90,000
2024	92,000
Thereafter	<u>1,610,218</u>
	<u>\$ 2,883,218</u>

Aroland First Nation
Notes to Consolidated Financial Statements

For the year ended March 31, 2019

11. Tangible Capital Assets

	Cost					Accumulated Amortization					2019 Net Book Value	2018 Net Book Value
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Amortization	Adjustments	Closing Balance				
Housing	\$ 6,989,365	\$ -	\$ -	\$ 6,989,365	\$ 3,938,537	\$ 122,033	\$ -	\$ 4,060,570	\$ 2,928,795	\$ 3,050,828		
CMHC housing	2,784,382	-	-	2,784,382	498,411	91,438	-	589,849	2,194,533	2,285,971		
Four-Plex building	300,737	-	-	300,737	145,955	6,191	-	152,146	148,591	154,732		
Water systems	1,356,100	-	-	1,356,100	766,471	23,585	-	790,056	566,044	589,629		
Water system equipment	3,657	-	-	3,657	3,464	39	-	3,503	154	193		
Sewer system	1,577,064	-	-	1,577,064	973,139	24,157	-	997,296	579,768	603,925		
Roads	537,504	-	-	537,504	326,311	8,448	-	334,759	202,745	211,193		
Works garage	289,196	-	-	289,196	178,451	4,430	-	182,881	106,315	110,745		
Office equipment	76,487	-	-	76,487	71,715	954	-	72,669	3,818	4,772		
Heavy equipment	556,008	-	-	556,008	521,145	6,973	-	528,118	27,890	34,863		
Youth centre	134,126	-	-	134,126	63,451	2,827	-	66,278	67,848	70,675		
Furniture and equipment	682,001	47,774	-	729,775	442,241	56,293	-	500,534	229,241	237,760		
Computer equipment	105,366	-	-	105,366	104,413	476	-	104,889	477	953		
Temporary classrooms	944,309	-	-	944,309	446,723	19,904	-	466,627	477,682	497,586		
Infrastructure	203,644	-	-	203,644	100,454	4,128	-	104,582	99,062	103,190		
Automotive	871,880	127,946	-	999,826	684,776	94,515	-	779,291	220,535	187,104		
Housing renovation	1,038,385	-	-	1,038,385	304,423	29,358	-	333,781	704,604	733,962		
Administration building	309,055	-	-	309,055	176,196	5,314	-	181,510	127,545	132,859		
Tikinagan building	302,136	-	-	302,136	126,270	7,035	-	133,305	168,831	175,866		
Rink/storage building	88,736	-	-	88,736	50,677	1,522	-	52,199	36,537	38,059		
Buses	380,670	-	-	380,670	328,361	15,693	-	344,054	36,616	52,309		
Water system and fire protection												
upgrade	748,939	-	-	748,939	260,978	19,519	-	280,497	4,468,442	487,961		
School	7,290,072	-	-	7,290,072	2,530,254	190,392	-	2,720,646	4,569,426	4,759,818		
INAC duplex	881,773	20,444	-	902,217	-	36,089	-	36,089	866,128	881,773		
Cabins	-	144,000	-	144,000	-	5,760	-	5,760	138,240			
	\$ 28,451,592	\$ 340,164	\$ -	\$ 28,791,756	\$ 13,044,816	\$ 777,073	\$ -	\$ 13,821,889	\$ 14,969,867	\$ 15,406,776		

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2019

12. 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.

13. Contingencies

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 consolidated 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.

14. Contaminated Sites Liability

PSAB 3260.08 states that a liability for contaminated sites should be recognized when all of the following criteria have been met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the government is directly responsible or accepts responsibility
- d) it is expected that future economic benefits will be given up; and
- e) a reasonable estimate of the amount can be made.

As at March 31, 2019, The Band has not identified any circumstances where it is directly responsible, accepted responsibility or expects that future economic benefits will be given up to address contaminated sites. Consequently no liability has been accrued in these financial statements.

Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2019

15. Government Transfers

	Operating	Capital	2019 Total	Operating	Capital	2018 Total
Federal						
Indigenous Services Canada	\$ 4,647,976	\$ -	\$ 4,647,976	\$ 5,435,776	\$ -	\$ 5,435,776
Canada Mortgage and Housing Corporation	302,297	-	302,297	204,368	-	204,368
Canadian Environmental Assessment Agency	22,050	-	22,050	42,800	-	42,800
Department of Fisheries and Oceans	-	-	-	56,312	-	56,312
Health Canada	1,495,011	-	1,495,011	1,143,096	-	1,143,096
	6,467,334	-	6,467,334	6,882,352	-	6,882,352
Provincial						
Ministry of Children and Youth Services	24,000	-	24,000	24,000	-	24,000
Ministry of Community and Social Services	1,113,445	-	1,113,445	1,141,530	-	1,141,530
Ministry of Health and Long- Term Care	117,517	-	117,517	116,889	-	116,889
Ministry of Indigenous Relations and Reconciliation	90,000	-	90,000	87,373	-	87,373
Ministry of Natural Resources and Forestry	56,142	-	56,142	93,725	-	93,725
Ministry of Northern Development and Mines	257,063	-	257,063	90,872	-	90,872
Ministry of Education	41,269	51,000	92,269	-	-	-
Other	-	-	-	-	24,199	24,199
	1,699,436	51,000	1,750,436	1,554,389	24,199	1,578,588
	\$ 8,166,770	\$ 51,000	\$ 8,217,770	\$ 8,436,741	\$ 24,199	\$ 8,460,940

Indigenous Services Canada funding is net of current year calculated repayable amounts of \$91,729 due to unspent funding. Ministry of Health and Long Term Care funding is net of current year calculated repayable amounts of \$14,670 due to unspent funding.

16. 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 \$37,287 during the year (2018 - \$36,336).

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17. 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.

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:

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17. Segmented Information (cont'd)