

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

	<b>Contents</b>
<b>Management's Statement of Responsibility for the Consolidated Financial Statements</b>	<b>2</b>
<b>Independent Auditor's Report</b>	<b>3</b>
<b>Consolidated Financial Statements</b>	
Consolidated Statement of Financial Position	6
Consolidated Statement of Operations and Accumulated Surplus	7
Consolidated Statement of Changes in Net Debt	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10

---

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

March 31, 2019

---

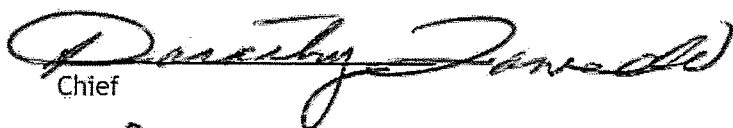
The accompanying consolidated financial statements of Aroland First Nation are the responsibility of management and have been approved by the Chief and Council.


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:

  
Chief

  
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

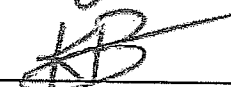
# Aroland First Nation

## Consolidated Statement of Financial Position

March 31	2019	2018
<b>Financial assets</b>		
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
	<u>4,164,994</u>	<u>3,270,659</u>
<b>Liabilities</b>		
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
	<u>4,401,126</u>	<u>5,020,721</u>
<b>Net debt</b>	<u>(236,132)</u>	<u>(1,750,062)</u>
<b>Non-financial assets</b>		
Prepaid expenses	16,105	-
Tangible capital assets (Note 11)	14,969,867	15,406,776
	<u>14,985,972</u>	<u>15,406,776</u>
<b>Accumulated surplus</b>	<u>\$ 14,749,840</u>	<u>\$ 13,656,714</u>

On behalf of the Band:

 Chief

 Councillor

## Aroland First Nation Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2019	2018
<b>Revenue</b>		
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
	<u>10,254,248</u>	<u>10,552,835</u>
<b>Expenses</b>		
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
	<u>9,161,122</u>	<u>8,883,103</u>
<b>Annual surplus</b>	<u>1,093,126</u>	<u>1,669,732</u>
<b>Accumulated surplus, beginning of year</b>	<u>13,656,714</u>	<u>11,986,982</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 14,749,840</u>	<u>\$ 13,656,714</u>

The accompanying notes are an integral part of these consolidated financial statements.

## 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)

The accompanying notes are an integral part of these consolidated financial statements.



## Aroland First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2019	2018
<b>Cash flows from operating activities</b>		
Annual surplus	\$ 1,093,126	\$ 1,669,732
Item not involving cash:		
Amortization	777,073	755,522
	<u>1,870,199</u>	<u>2,425,254</u>
Increase (decrease) in non-cash working capital items:		
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)
	<u>923,204</u>	<u>2,069,036</u>
<b>Cash used in financing activities</b>		
Repayment of long term debt	(201,704)	(294,470)
Advances of long term debt	800,000	-
	<u>598,296</u>	<u>(294,470)</u>
<b>Cash used in capital activities</b>		
Purchase of tangible capital assets	(340,164)	(1,585,320)
<b>Cash used in investment activities</b>		
Increase in trust assets	(2,830)	(2,531)
Increase in portfolio investments	(3,433)	-
	<u>(6,263)</u>	<u>(2,531)</u>
<b>Net increase in cash during the year</b>	<u>1,175,073</u>	<u>186,715</u>
<b>Cash, beginning of year</b>	<u>1,171,313</u>	<u>984,598</u>
<b>Cash, end of year</b>	<u>\$ 2,346,386</u>	<u>\$ 1,171,313</u>

The accompanying notes are an integral part of these consolidated financial statements.

## Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2019

### 1. Significant Accounting Policies

<b>Basis of Accounting</b>	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.
<b>Reporting Entity</b>	The Aroland First Nation reporting entity includes the Aroland First Nation government and all related entities that are controlled by the First Nation.
<b>Basis of Consolidation</b>	<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"> <li>• 1648973 Ontario Inc. (inactive)</li> <li>• 1670719 Ontario Inc. (inactive)</li> <li>• 1796651 Ontario Inc. (inactive)</li> <li>• Aroland Education Authority (inactive)</li> <li>• Aroland Industrial LP (inactive)</li> </ul>
<b>Portfolio Investments</b>	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.
<b>Asset Classification</b>	<p>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.</p>

## 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

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, 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
	<u>\$ 2,346,386</u>	<u>\$ 1,171,313</u>

## 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	2,248,508	1,141,120
	<u>\$ 2,346,386</u>	<u>\$ 1,171,313</u>

#### 3. Accounts Receivable

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



## 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
	861,409	1,252,349
Less: allowance for doubtful accounts	(22,050)	-
	<u>\$ 839,359</u>	<u>\$ 1,252,349</u>

### 5. Trust Funds Held by Federal Government

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

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
		<u>\$ 163,269</u>	<u>\$ 159,836</u>

#### 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	-
	<u>\$ 788,139</u>	<u>\$ 2,131,619</u>

#### 8. Due to Government

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

## 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	-
	<u>\$ 301,623</u>	<u>\$ 267,233</u>

#### 10. Long Term Debt

	2019	2018
<b>Royal Bank of Canada</b>		
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	-
<b>Canada Mortgage and Housing Corporation</b>		
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	<u>\$ 2,883,218</u>	<u>\$ 2,284,922</u>

## 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	917,000	237,000
	<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>

[illegible]

---

## 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
<b>Federal</b>						
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
<b>Provincial</b>						
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).

---

## Aroland First Nation Notes to Consolidated Financial Statements

March 31, 2019

---

### 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:

# Aroland First Nation

## Notes to Consolidated Financial Statements

March 31, 2019

### 17. 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	2019 Total
<b>Revenue</b>								
Federal government transfers	\$ 690,122	\$ 138,600	\$ 1,721,081	\$ 2,574,576	\$ 102,699	\$ 1,218,206	\$ 22,050	\$ 6,467,334
Provincial government transfers	-	1,113,445	117,517	92,269	183,282	-	243,923	1,750,436
Miscellaneous	1,132,001	-	355,005	44,534	260,532	6,108	94,982	1,893,162
Rental	-	-	-	-	-	132,066	-	132,066
Investment income	11,250	-	-	-	-	-	-	11,250
	1,833,373	1,252,045	2,193,603	2,711,379	546,513	1,356,380	360,955	10,254,248
<b>Expenses</b>								
Administration	(509,080)	-	214,934	185,654	35,905	54,241	18,346	-
Advertising	5,092	-	-	5,617	-	-	-	10,709
Amortization	174,818	-	5,760	15,693	-	-	-	777,073
Bad debt expense (recovery)	(17,107)	-	-	-	2,827	571,474	6,501	(22,674)
Bank charges and interest	11,387	2,097	1,667	419	(27,617)	-	-	16,289
Contract services	93,196	85,859	323,344	428,639	9,581	719	-	1,255,208
Donations	86,115	-	-	-	-	213,919	-	86,115
Dues, fees and licenses	(1,351)	5,233	1,635	6,014	-	-	-	13,869
Equipment	-	-	-	-	-	1,380	-	1,380
Freight	231	4	25,401	-	-	1,095	-	26,731
Fuel and oil	22,261	276	50,133	16,731	-	9,991	-	99,642
Honoraria	197,700	-	8,850	2,400	250	6,000	-	262,600
Insurance	18,473	-	9,304	10,398	38,900	-	8,750	100,259
Interest on long term debt	-	-	-	14,303	-	62,084	-	63,112
Materials and supplies	92,203	59,249	376,569	89,634	30,631	48,809	-	700,699
Medical expenses	463	-	-	-	-	32,675	-	463
Miscellaneous	1,052	-	-	-	-	-	-	1,052
Office	373	10,371	-	600	-	-	-	11,344
Professional fees	328,583	-	-	2,691	22,049	15,001	-	372,489
Program fees	(4,696)	-	-	-	-	-	4,165	(4,696)
Rent	16,496	-	-	516	-	-	-	17,012
Repairs and maintenance	6,747	-	30,480	36,296	-	56,315	-	129,838
Social assistance	-	772,270	-	-	-	-	-	772,270
Telephone and utilities	25,310	476	25,274	3,844	460	135,959	1,270	192,593
Training	32,981	-	20,583	8,694	5,784	3,614	-	71,656
Travel	99,791	31,533	120,962	17,206	65,317	6,492	63,910	405,211
Tuition	-	-	-	629,771	-	-	-	629,771
Wages and benefits	266,229	209,940	715,135	1,190,256	400,251	264,724	124,572	3,171,107
	947,267	1,177,308	1,930,031	2,665,376	584,338	1,484,492	372,310	9,161,122
<b>Surplus (deficit) for the year</b>	\$ 886,106	\$ 74,737	\$ 263,572	\$ 46,003	\$ (37,825)	\$ (128,112)	\$ (11,355)	\$ 1,093,126

# Aroland First Nation

## Notes to Consolidated Financial Statements

March 31, 2019

### 17. 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	2018 Total
<b>Revenue</b>								
Federal government transfers	\$ 502,387	\$ 164,400	\$ 1,177,301	\$ 2,410,801	\$ 67,750	\$ 2,452,351	\$ 107,362	\$ 6,882,352
Provincial government transfers	-	1,141,530	116,889	-	178,245	24,199	117,725	1,578,588
Other	857,266	-	412,346	4,100	499,200	1,753	106,900	1,881,565
Rental	3,000	-	-	-	-	198,330	-	201,330
Income from investments	9,000	-	-	-	-	-	-	9,000
	1,371,653	1,305,930	1,706,536	2,414,901	745,195	2,676,633	331,987	10,552,835
<b>Expenses</b>								
Administration	(447,375)	-	120,894	159,273	45,834	100,508	20,866	-
Advertising	635	-	5,202	5,876	-	-	-	11,713
Amortization	118,973	-	2,562	22,418	2,945	600,498	8,126	755,522
Bad debt expense	130,147	-	-	-	-	-	-	130,147
Bank charges and interest	12,613	1,973	1,135	(97,987)	-	521	-	(81,745)
Contract services	96,166	116,868	286,683	300,467	116,592	147,740	41,937	1,106,453
Donations	118,282	-	5,723	-	-	-	-	124,005
Dues, fees and licenses	20,640	9,851	2,152	5,014	10	-	-	37,667
Equipment	-	-	-	-	-	1,163	-	1,163
Freight	800	-	1,993	-	-	-	-	2,793
Fuel and oil	24,262	-	45,761	14,260	-	19,623	1,717	103,093
Honoraria	73,400	(2,530)	23,630	8,400	70,950	14,500	26,450	217,330
Insurance	4,675	-	10,701	15,161	-	66,809	-	97,346
Interest on long term debt	1,054	-	-	4,671	-	50,450	-	56,175
Materials and supplies	93,635	20,844	300,970	61,339	31,054	124,129	14,545	646,516
Miscellaneous	630	-	310	-	-	-	-	940
Office	622	16,349	-	6,066	-	-	-	23,037
Professional fees	276,544	-	-	1,523	33,666	-	-	311,733
Program fees	124,352	-	4,672	-	-	-	-	129,024
Rent	544	-	3,530	-	-	-	-	4,074
Repairs and maintenance	4,840	-	15,849	44,429	450	58,361	-	123,929
Social assistance	-	890,995	-	-	-	-	-	890,995
Telephone and utilities	25,710	-	27,950	-	-	121,074	908	180,309
Training	-	804	2,298	13,581	8,238	3,107	-	27,224
Travel	46,695	52,273	83,499	12,971	92,278	3,362	54,845	345,923
Tuition	-	-	-	613,491	-	-	-	613,491
Wages and benefits	362,041	215,431	575,245	992,171	368,710	367,047	143,601	3,024,246
	1,089,885	1,322,858	1,520,759	2,183,124	774,590	1,678,892	312,995	8,883,103
Surplus (deficit) for the year	\$ 281,768	\$ (16,928)	\$ 185,777	\$ 231,777	\$ (29,395)	\$ 997,741	\$ 18,992	\$ 1,669,732