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**TEED
 SAUNDERS
 DOYLE & CO.**
Chartered Accountants

An Independent Member of
 DFK Canada Inc. and DFK International

INDEPENDENT AUDITORS' REPORT

To the Chief and Band Councilors of Oromocto First Nation

We have audited the accompanying consolidated financial statements of Oromocto First Nation, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations, changes in net debt and cash flows, and schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Oromocto First Nation as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Fredericton, New Brunswick
 July 29, 2014

Teed, Saunders, Doyle & Co.
CHARTERED ACCOUNTANTS

Fredericton Partners
 Brian J. Saunders Jeffrey E. Saunders
 John H. Landry Kenneth H. Kyle
 T.J. Smith



Saint John Partners
 Andrew P. Logan Peter L. Logan
 Jean-Marc Poirier

OROMOCTO FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Cash (note 3)	\$ 303,708	\$ 308,190
Accounts receivable (note 6)	2,995,751	2,803,164
Investment in government business enterprises (note 7)	939,033	876,114
Inventory (note 9)	70,986	96,240
Restricted cash - Funds held in trust (note 8)	<u>8,446</u>	<u>8,237</u>
	<u>4,317,924</u>	<u>4,091,945</u>
LIABILITIES		
Operating loan	510,000	-
Accounts payable (note 10)	5,940,078	6,055,555
Land claim (note 18)	19,521	19,521
Funding repayable to Aboriginal Affairs and Northern Development Canada (note 5)	242,230	298,103
Long-term payable (note 11)	3,666,550	3,472,153
Long-term debt (note 17)	<u>1,777,567</u>	<u>2,022,848</u>
	<u>12,155,946</u>	<u>11,868,180</u>
NET DEBT	<u>\$ (7,838,022)</u>	<u>\$ (7,776,235)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 16)	\$ 6,240,676	\$ 6,327,430
Prepaid expenses (note 4)	<u>241,500</u>	<u>65,389</u>
	<u>\$ 6,482,176</u>	<u>\$ 6,392,819</u>
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ (1,355,846)</u>	<u>\$ (1,383,416)</u>

On Behalf Of The Band:

 Chief

 Shelley Sabattis

OROMOCTO FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
AS AT MARCH 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Excess (Deficiency) Of Revenue Over Expenditures	\$ 371,000	\$ 27,570	\$(4,257,744)
Acquisition of tangible capital assets	-	(336,959)	(545,217)
Amortization of tangible capital assets	-	423,712	385,726
Decrease (increase) in prepaids	-	(176,110)	985
	<hr/>	<hr/>	<hr/>
Decrease (Increase) In Net Debt	371,000	(61,787)	(4,416,250)
Net Debt - Beginning Of Year	\$(7,776,235)	\$(7,776,235)	\$(3,359,985)
Net Debt - End Of Year	\$(7,405,235)	\$(7,838,022)	\$(7,776,235)

OROMOCTO FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Revenue			
Aboriginal Affairs and Northern Development Canada (note 20)	\$ 3,100,000	\$ 3,087,127	\$ 2,968,679
Department of Fisheries and Oceans Canada	327,000	339,869	356,893
Health Canada	461,000	552,705	508,408
Retail Sales (Economic Development)	11,000,000	10,108,994	10,577,613
Province of New Brunswick	15,000	393,613	5,664
Net income - Band owned enterprises	10,000	31,192	155,782
Prior year AANDC Funding	-	347,519	-
Other	<u>1,008,000</u>	<u>929,784</u>	<u>1,089,200</u>
	<u>15,921,000</u>	<u>15,790,803</u>	<u>15,662,239</u>
Expenditures			
General Administration	2,500,000	3,543,520	3,423,768
Education	1,000,000	1,120,741	1,203,985
Social Development	1,100,000	926,915	979,430
Social Housing	400,000	343,184	468,452
Health	500,000	702,844	641,586
Fisheries	300,000	340,781	577,193
Capital	150,000	144,731	91,571
Child and Family Services	1,200,000	985,792	1,077,195
Forestry	400,000	88,469	315,922
Economic Development	<u>8,000,000</u>	<u>7,566,256</u>	<u>8,440,377</u>
	<u>15,550,000</u>	<u>15,763,233</u>	<u>17,219,479</u>
	371,000	27,570	(1,557,240)
Other Expenses			
Write - down of investments (note 7)	-	-	(2,090,870)
Royalty payments (note 7)	-	-	(484,014)
Repayment to AANDC (note 21)	-	-	(125,620)
Excess (Deficiency) of Revenue Over Expenditures For The Year	371,000	27,570	(4,257,744)
Accumulated Surplus (Deficit) - Beginning of Year	<u>(1,383,416)</u>	<u>(1,383,416)</u>	<u>2,874,328</u>
Accumulated Surplus (Deficit) - End of Year	<u>\$1,012,416</u>	<u>\$1,355,846</u>	<u>\$1,383,416</u>

OROMOCTO FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash Provided By (Required For):			
Operating Activities			
Excess (deficiency) of revenue over expenditures for the year	\$ 371,000	\$ 27,570	\$(4,257,744)
Item not affecting cash			
Amortization	<u>375,000</u> <u>746,000</u>	<u>423,712</u> <u>451,282</u>	<u>385,726</u> <u>(3,872,018)</u>
Change in non-cash operating working capital (note 20)	<u>—</u> <u>746,000</u>	<u>(458,921)</u> <u>(7,639)</u>	<u>1,238,965</u> <u>(2,633,053)</u>
Investing Activities			
Acquisition of tangible capital assets	(500,000)	(336,959)	(545,217)
Investment in band owned enterprises	<u>—</u>	<u>(62,919)</u>	<u>4,008,010</u>
	<u>(500,000)</u>	<u>(399,878)</u>	<u>3,462,793</u>
Financing Activities			
Funding repayable to Aboriginal Affairs and Northern Development Canada	—	(55,874)	(907,349)
Proceeds (repayment) of operating loan	—	510,000	(530,000)
Proceeds on long-term debt	—	—	97,969
Repayment of long-term debt	(300,000)	(245,279)	(344,788)
Long-term payable	<u>—</u>	<u>194,397</u>	<u>787,325</u>
	<u>(300,000)</u>	<u>403,244</u>	<u>(896,843)</u>
Decrease In Cash During The Year	(54,000)	(4,273)	(67,103)
Cash Position At Beginning Of Year	<u>316,427</u>	<u>316,427</u>	<u>383,530</u>
Cash Position At End Of Year	<u>\$ 262,427</u>	<u>\$ 312,154</u>	<u>\$ 316,427</u>
Cash consists of:			
Cash	\$ 303,708	\$ 308,190	
Restricted cash - Funds held in trust	<u>8,446</u>	<u>8,237</u>	
	<u>\$ 312,154</u>	<u>\$ 316,427</u>	

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

1. Description Of Entity

The Oromocto First Nation operates a First Nation's Band in Oromocto, New Brunswick for the benefit of its members.

2. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants

Reporting Entity

The Oromocto First Nation reporting entity includes the Oromocto First Nation government and all related entities that are controlled by the First Nation.

Principles of Consolidation

All entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Commercial enterprises accounted for on a modified equity basis include.

OFN Days Inn Inc. and 621242 N.B. Ltd

The consolidated financial statements include the accounts of the following programs:

General Administration, Education, Social Development, Social Housing, Health, Fisheries, Capital, Child & Family Services, Forestry and Economic Development

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 liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses

Cash

Cash includes cash on hand and balances with banks net of bank overdraft.

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

2. Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable consists of trade receivables, loans and advances, and federal and provincial government funding. An allowance for bad debts has been calculated, through discussions with management, assessment of the other circumstances influencing the collectability of amounts, and using historical loss experience. Amounts deemed uncollectable are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

Inventory

Inventories are stated at the lower of cost and net realizable value. Cost includes the costs to purchase, and other costs directly attributable to the inventories. Cost is determined using the first in, first out method. Net realizable value represents the amount that may be realized from the sale of an inventory item under normal business conditions. When inventories are sold, the carrying amount of those inventories are recognized as an expense in the period in which the related revenue is recognized. The amount of any writedown of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the loss or writedown occurs. The amount of reversal of any writedowns, arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets are reported at net book value. Contributions received to assist in the acquisition of tangible capital assets are reported as deferred revenue and amortized to income at the same rate as the related asset.

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.

Amortization is provided annually, at rates calculated to write-off the assets over their estimated useful lives on a straight line basis as follows.

Buildings and improvements	25 years
Equipment, boat, docks and signs	5 years
Vehicles, computer equipment and dive gear	3 years
Gas bar	10 years
Paving and lift station	10 years

In the year of acquisition, 50% of the normal amortization is recorded. Amortization of projects in progress does not commence until completion of the projects.

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

2. Significant Accounting Policies (Continued)

Employee Future Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, sick leave, annual vacation leave, and defined contributions to employee benefit plans when it is probable that settlement will be required and they are capable of being measured reliably.

Net Debt

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

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, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

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

Contributions from other sources are deferred when restrictions are placed on their use by a 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.

Income Taxes

The First Nation is an Indian Band and is not subject to income tax. Accordingly, no provision has been made for income taxes.

Replacement Reserve

The Canada Mortgage and Housing Corporation (CMHC) replacement reserve is funded by an annual charge against earnings as opposed to an appropriation of equity in the Social Housing Program.

Interest earned on the CMHC replacement reserve and subsidy surplus bank accounts is recorded directly to the reserve as opposed to revenue.

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

2. Significant Accounting Policies (Continued)

Measurement Uncertainty

In preparing the financial statements for the government of Oromocto First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

Significant estimates pertaining to these financial statements include the following:

- determination of amortization rates and residual values of tangible capital assets

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

3. Cash

Cash is comprised of the following:

	<u>2014</u>	<u>2013</u>
Externally restricted Trust funds held by federal government	\$ 8,446	\$ 8,237
Unrestricted Operating	303,708	308,190
Total Cash	\$ 312,154	\$ 316,427

4. Prepaid Expenses

	<u>2014</u>	<u>2013</u>
Insurance	\$ -	\$ 17,355
Wages	-	45,034
Other prepaid expenses	241,500	3,000
Total prepaid expenses	\$ 241,500	\$ 65,389

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

5. Contribution Funding Repayable

	<u>2014</u>	<u>2013</u>
MLG Loan	\$ 221,369	\$ 293,343
02371 - Maintenance - Foster Homes	12,688	-
02270 - Post secondary student support program	-	4,760
02320 - Special Needs	8,173	-
Total contribution funding repayable	\$ 242,230	\$ 298,103

6. Accounts Receivable

	<u>2014</u>	<u>2013</u>
Due from members:		
Individuals	\$ -	\$ 208,829
Less: Allowance for doubtful accounts	-	(208,829)
	-	-
Due from others:		
Aboriginal Affairs and Northern Development Canada - 2013-14	448,381	239,373
Aboriginal Affairs and Northern Development Canada (2012-2013 Basic needs - 02305)	464,186	-
Aboriginal Affairs and Northern Development Canada (2012 Tuition- 2125)	-	78,000
Aboriginal Affairs and Northern Development Canada (2013 Tuition - 2125)	45,919	45,919
Health Canada	-	177,032
Province of New Brunswick*	1,582,344	1,417,212
Saint John River Valley Tribal Council	52,329	54,542
Department of Fisheries and Oceans	289,215	268,964
Canada Mortgage and Housing Corporation	-	318,825
Other	<u>113,377</u>	<u>203,297</u>
	<u>2,531,565</u>	<u>2,803,164</u>
	<u>\$ 2,995,751</u>	<u>\$ 2,803,164</u>

*Accounts receivable from the Province of New Brunswick includes HST rebates of \$1,194,196 which is only recoverable once the HST balance payable to Canada Revenue Agency as described in Note 8 has been paid.

OROMOCTO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014

7. Investment in Government Business Enterprises

The commercial government business enterprises that are included in the First Nation reporting entity, as described in note 2 - Principles of Consolidation to these financial statements includes:

- OFN Days Inn Inc.
- 621242 N.B. Ltd.

The following table presents condensed financial information for these commercial enterprises:

	OFN Days Inn Inc.	621242 N.B. Ltd.	2014 Total	2013 Total
Cash	\$ 37,225	\$ -	\$ 37,225	\$ 174,145
Accounts receivable	5,398	-	5,398	47,395
Tangible capital assets	-	-	-	6,208,889
Other Assets	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,579,783</u>
Total Assets	\$ 1,042,623	\$ -	\$ 1,042,623	\$ 8,010,212
Accounts Payable	\$ 100,559	\$ -	\$ 100,559	\$ 416,817
Long-term debt	-	-	-	1,640,876
Other liabilities	<u>939,033</u>	<u>-</u>	<u>939,033</u>	<u>6,705,369</u>
Total Liabilities	1,039,592	-	1,039,592	8,763,062
Equity (Deficit)	<u>3,031</u>	<u>-</u>	<u>3,031</u>	<u>(752,850)</u>
Total Liabilities and Equity	\$ 1,042,623	\$ -	\$ 1,042,623	\$ 8,010,212
Revenue	<u>\$ 1,029</u>	<u>\$ -</u>	<u>\$ 1,029</u>	<u>\$ 1,885,801</u>
Expenses	72	-	72	1,749,986
Debt servicing	-	-	-	124,602
Total Expenses	<u>72</u>	<u>-</u>	<u>72</u>	<u>1,874,588</u>
Net Income (Loss)	\$ 957	\$ -	\$ 957	\$ 11,213

During the prior year the property was sold and resulted in a loss of \$2,090,870 in the investment in and receivable from the OFN Days Inn Inc. and 621242 NB Ltd. In addition, royalty payments of \$nil (2013 - \$484,014) were distributed to the community as a result of this transaction.

OROMOCTO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014

8. Restricted Cash - Trust Funds Held by Federal Government

Trust fund accounts arise from moneys 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.

	Opening Balance	Additions	Withdrawals	Closing Balance	2014 Total	2013 Total
Revenue	\$ 6,606	\$ 209	\$ -	\$ 6,815	\$ 6,815	\$ 6,606
Capital	\$ 1,631	\$ -	\$ -	\$ 1,631	\$ 1,631	\$ 1,631
Fund Total					\$ 8,446	\$ 8,237

9. Inventories for resale

	2014	2013
OFN Fuels	\$ 70,986	\$ 96,240

10. Accounts Payable and Accrued Liabilities

	2014	2013
Trade payables	\$ 175,172	\$ 79,732
Accrued salaries and employee benefits payable	2,159,778	2,056,347
Harmonized sales tax payable	3,197,083	2,829,304
Due to Province of New Brunswick	314,161	741,216
Other accrued liabilities	93,884	348,957
Total accounts payable	\$ 5,940,078	\$ 6,055,556

11. Long-Term Payable

At March 31, 2014 a principal amount of \$3,980,712 (2013 - \$4,213,369) is owing to the Province of New Brunswick regarding tuition payments. Of the total amount, \$3,666,550 (2013 - \$3,472,153) is classified as long term. There is no interest included in this amount as the province has agreed to forgive all interest owing at the end of an agreed upon repayment schedule subject to the repayment plan being honoured and future tuition being paid on time. If the terms are not met, interest could become payable.

12. Financial Instruments

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of March 31, 2014.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its payment of funds for long-term debt, accounts payable, and government remittances payable.

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

12. Financial Instruments (Continued)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities. The company is exposed to interest rate risk primarily through its liabilities to Receiver General.

13. Contingencies

Oromocto 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.

In addition, the First Nation is indebted to the Province of New Brunswick (Department of Education) in the amount of \$3,980,712 (2013 - \$4,213,369) for tuition. The First Nation is currently negotiating an agreement to repay the outstanding balance. If approved, this agreement provides that interest would accrue but be waived at completion of the agreement. At March 31, 2014, interest accrued by the Province of New Brunswick was \$7,257,959 (2013 - \$6,506,256) which has not been recorded by the First Nation.

14. HST Rebate

During the year, the First Nation recorded rebates as revenue in Schedule 10 from the Province of New Brunswick in the amount of \$155,550. These amounts relate to a taxation agreement with the Province of New Brunswick and relate to the period April 1, 2013 to March 31, 2014.

15. Economic Dependence

The government of Oromocto First Nation receives a major portion of its revenue from Aboriginal Affairs and Northern Development Canada and Health Canada. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

16. Tangible Capital Assets

	Cost					Accumulated Amortization			Net Book Value		
	Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Opening Balance	Amortization	Disposals & Other adj	Closing Balance	Total 2014	Total 2013
Tangible Capital Assets											
Commercial land	\$ 45,000			\$ 45,000		\$ 89,192		\$ 958,110	\$ 45,000	\$ 2,013,689	\$ 2,003,661
Commercial buildings	2,972,579	9,720	-	2,981,799		2,423,643		1,565,283		3,750,969	
Residential buildings	5,937,436	51,500	-	5,988,936		2,186,657		1,273,287		98,332	0
Fishing vessels	1,262,361	109,258	-	1,371,619		1,262,361		653,756		37,575	0
Vehicles	646,331	45,000	691,331	7,425		397,182	50,594	85,372		311,810	341,488
Furniture and fixtures	392,182	5,000	-	34,678		41,909	7,196	48,605		7,196	89,116
Computer equipment	48,605	-	-	487,251		281,154	37,109	318,263		168,988	
Other equipment	370,270	116,981	-								
Total	\$ 11,674,754	\$ 356,959	\$ -	\$ 12,031,713		\$ 5,771,036		\$ 6,240,677	\$ 6,327,430		

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

17. Long-Term Debt

	<u>2014</u>	<u>2013</u>
Mortgage payable to CMHC in monthly installments of \$1,107 including interest at 1.63%, due June 2017.	\$ 42,038	\$ 54,534
Mortgage payable to CMHC in monthly installments of \$1,146 including interest at 1.47%, due December 2015.	23,745	37,043
Mortgage payable to CIBC in monthly installments of \$2,260 including interest at 3.04%, due April 2016.	75,623	100,775
Mortgage payable to Toronto Dominion Bank in monthly installments of \$719 including interest at 4.55%	40,355	46,425
Mortgage payable to CMHC in monthly installments of \$581 including interest at 1.53%, due December 2017.	44,230	50,486
Mortgage payable to Royal Bank of Canada in monthly installments of \$1,499 including interest at 5.49%, due January 2015.	147,054	156,768
Mortgage payable to Peace Hills Trust in monthly installments of \$1,770 including interest at 3.95%, due May 2018.	192,470	205,599
Mortgage payable to Peace Hills Trust in monthly installments of \$689 including interest at 5.55%, due June 2014.	84,931	88,398
Mortgage payable to Peace Hills Trust in monthly installments of \$844 including interest at 5.55%, due May 2014.	104,598	108,899
Loan payable to CMHC in monthly installments of \$964 including interest at 1.53%, due December 2017.	181,358	190,095
Loan payable to CMHC in monthly installments of \$508 including interest at 1.53%, due December 2017	95,546	100,149
Loan payable to CMHC in monthly installments of \$752 including interest at 1.32%, due April 2014.	-	9,704
Loan payable to CMHC in monthly installments of \$741 including interest at 1.52%, due February 2016.	16,778	25,341
Loan payable to CMHC in monthly installments of \$1,225 including interest at 1.53%, due December 2017.	<u>234,182</u>	<u>245,228</u>
Carried forward	\$ 1,282,908	\$ 1,419,444

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

17. Long-Term Debt (Continued)

	<u>2014</u>	<u>2013</u>
Carried forward	\$ 1,282,908	\$ 1,419,444
Loan payable to Royal Bank of Canada in monthly installments of \$8,042 plus interest at prime plus 2.45%, secured by general security agreement, due November 2015	160,833	257,333
Mortgage payable to CMHC in monthly installments of \$1,757 including interest at 2.61%, due September 2014.	<u>333,826</u>	<u>346,071</u>
	<u>1,777,567</u>	<u>2,022,848</u>

All of the mortgages listed above have been guaranteed by Aboriginal Affairs and Northern Development Canada.

Annual principal repayments due over the next five years are as follows:

2015	\$ 993,837
2016	84,743
2017	68,087
2018	487,680
2019	141,860

18. Land Claim Liability

The amount consists of balances owing to eight former residents of the Oromocto First Nation, representing their pro-rata portion of the proceeds of distribution of a land claim settlement in 1989. To date, the First Nation has been unable to locate or contact them.

19. Reconciliation Of Aboriginal Affairs and Northern Development Canada (AANDC) Funding

General Administration	\$ 422,591
Education	980,984
Social Development	856,994
Capital	79,145
Child and Family Services	<u>747,413</u>
Total AANDC Funding per consolidated financial statements	<u>\$ 3,087,127</u>
Funding per AANDC confirmation	\$ 3,087,127
Tuition revenue accrued	—
	<u>\$ 3,087,127</u>

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

20. Changes In Non-Cash Operating Working Capital

	<u>2014</u>	<u>2013</u>
Accounts receivable	\$ (192,587)	\$ 614,284
Inventory	25,255	11,251
Prepaid expenses	(176,110)	984
Accounts payable and accrued liabilities	<u>(115,479)</u>	<u>612,446</u>
	<u>\$ (458,921)</u>	<u>\$ 1,238,965</u>

21. Repayment To AANDC

This represents amounts that have either been repayed to AANDC or have been set up as payable to AANDC. These amounts have been recovered mainly as the result of compliance reviews done by AANDC on various programs.

22. Expenses by Object

The following is a summary of expenses by object.

	<u>2014</u>	<u>2013</u>
Salaries and wages	\$ 2,012,246	\$ 1,629,810
Tuition	814,661	878,401
Professional services	243,637	241,134
Supplies and services	299,537	255,830
Interest and bank charges	329,444	475,526
Travel and training	1,477,300	1,554,964
Insurance/Pension & health	274,240	274,155
Telephone and utilities	197,607	219,605
Repairs and maintenance	179,994	190,597
Social assistance and assisted living	889,946	948,230
Gas bar	7,436,296	8,006,360
Other	1,184,612	2,159,142
Amortization	423,712	385,725
	<u>\$15,763,232</u>	<u>\$17,219,479</u>

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

23. Government Transfers

	<u>Operating</u>	<u>Capital</u>	2014
Federal government transfers:			
Aboriginal Affairs and Northern Development Canada	\$ 3,434,646	\$ -	\$ 3,434,646
Health Canada	552,705	-	552,705
Canada Mortgage and Housing Corporation	67,564	-	67,564
Department of Fisheries	<u>339,869</u>	<u>-</u>	<u>339,869</u>
Total	4,394,784	-	4,394,784
Provincial government transfers	<u>393,613</u>	<u>-</u>	<u>393,613</u>
	<u><u>\$ 4,788,397</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,788,397</u></u>
	<u>Operating</u>	<u>Capital</u>	2013
Federal government transfers:			
Aboriginal Affairs and Northern Development Canada	\$ 2,968,679	\$ -	\$ 2,968,679
Health Canada	508,408	-	508,408
Canada Mortgage and Housing Corporation	83,421	-	83,421
Department of Fisheries	<u>356,893</u>	<u>-</u>	<u>356,893</u>
Total	3,917,401	-	3,917,401
Provincial government transfers	<u>5,664</u>	<u>-</u>	<u>5,664</u>
	<u><u>\$ 3,923,065</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,923,065</u></u>

24. Comparative Figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

26. Segment Disclosure

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 following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the period are as follows:

	Education		Health		Economic Development		Housing	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenues								
Federal Government	\$ 980,984	\$ 1,103,472	\$ 552,705	\$ 511,838	\$ -	\$ -	\$ 146,709	\$ 83,421
Provincial Government	\$ 394,113	\$ 5,664	\$ -	\$ -	\$ 31,192	\$ 155,782	\$ -	\$ -
Economic Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Saint John River Valley	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tribal Council - RHDC funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ 41,702	\$ 40,444	\$ 4,511	\$ -	\$ 10,108,994	\$ 10,577,613	\$ 153,749	\$ 293,794
Total Revenues	\$ 1,416,729	\$ 1,149,580	\$ 557,216	\$ 511,838	\$ 10,140,186	\$ 10,733,395	\$ 300,458	\$ 377,215
Expenses								
Salaries and benefits	\$ 279,941	\$ 304,807	\$ 234,317	\$ 146,886	\$ 307,527	\$ 37,149	\$ 38,194	\$ 273,128
Amortization	\$ -	\$ -	\$ 67,409	\$ 67,409	\$ 10,660	\$ -	\$ 273,228	\$ 248,701
Other Expenses	\$ 840,798	\$ 899,179	\$ 401,118	\$ 427,291	\$ 1,248,068	\$ 11,015,261	\$ 177,538	\$ -
Total Expenses	\$ 1,120,741	\$ 1,203,986	\$ 702,844	\$ 641,586	\$ 7,566,255	\$ 11,015,261	\$ 487,915	\$ 560,023
Annual Surplus (Deficit)	\$ 296,058	\$ (54,405)	\$ (145,628)	\$ (129,748)	\$ 1,573,931	\$ (281,866)	\$ (182,457)	\$ (182,808)

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

26. Segment Disclosure (continued)

	Social Services 2014	Band Government 2013	2014	Other 2013	Repayment To AANDC 2014	Repayment To AANDC 2013	Consolidated Totals 2014	Consolidated Totals 2013
Revenues								
Federal Government	\$ 1,951,925	\$ 1,714,173	\$ 422,591	\$ 455,063	\$ 319,869	\$ 356,993	\$ 4,394,783	\$ 3,824,860
Provincial Government	-	-	-	-	74,370	77,257	468,483	311,921
Economic Activities	-	-	-	-	-	-	311,922	155,782
Saint John River Valley	-	-	95,181	141,121	-	-	95,181	141,121
Tribal Council - HRDC funding	58,719	75,922	30,160	17,093	403,319	452,689	10,301,164	11,457,555
Total Revenues	2,010,654	1,390,095	547,932	613,277	817,558	886,839	15,790,803	15,662,239
Expenses								
Salaries and benefits	288,817	277,017	924,295	628,604	32,422	51,409	2,118,471	1,446,917
Amortization	-	-	14,621	8,906	57,794	31,225	423,712	380,708
Other Expenses	1,623,490	1,779,608	2,590,603	2,386,221	359,035	810,476	125,621	13,221,050
Total Expenses	1,912,707	2,036,625	3,543,520	3,423,771	429,251	893,110	-	15,763,213
Annual Surplus (Deficit)	\$ 97,947	\$ (666,510)	\$ (2,995,588)	\$ (7,810,494)	\$ 388,307	\$ (6,271)	\$ (125,621)	\$ 27,570

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014