

**OROMOCTO FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

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, 2017, 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, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Teed Saunders Doyle

Fredericton, New Brunswick
July 25, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS

AUG 17 2017

OROMOCTO FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
FINANCIAL ASSETS		
Cash (note 4)	\$ 1,779,803	\$ 610,529
Accounts receivable (note 7)	358,715	317,739
Due from government and government organizations (note 8)	3,292,574	3,309,628
Inventory (note 11)	360,638	274,922
Restricted cash - Funds held in trust (note 10)	<u>9,034</u>	<u>8,869</u>
	<u>5,800,764</u>	<u>4,521,687</u>
LIABILITIES		
Accounts payable (note 12)	416,263	344,002
Deferred revenue	246,782	-
Due to government and government organizations (note 13)	7,354,614	6,675,897
Land claim (note 23)	19,521	19,521
Funding repayable to Indigenous and Northern Affairs Canada (note 6)	5,417	127,451
Long-term debt (note 15)	<u>1,228,004</u>	<u>1,445,010</u>
	<u>9,270,601</u>	<u>8,611,881</u>
NET DEBT	<u>\$(3,469,837)</u>	<u>\$(4,090,194)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 14)	\$ 6,707,613	\$ 6,263,274
Prepaid expenses (note 5)	<u>514,276</u>	<u>318,667</u>
	<u>\$ 7,221,889</u>	<u>\$ 6,581,941</u>
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ 3,752,052</u>	<u>\$ 2,491,747</u>
Contingencies (note 21)		

On Behalf Of The Band:

 Chief

OROMOCTO FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
AS AT MARCH 31, 2017

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Excess (Deficiency) Of Revenue Over Expenditures	\$ <u>1,260,305</u>	\$ <u>(267,154)</u>
Acquisition of tangible capital assets	(1,003,633)	(561,866)
Amortization of tangible capital assets	559,294	505,636
Decrease (increase) in prepaids	<u>(195,609)</u>	<u>(10,347)</u>
	<u>(639,948)</u>	<u>(66,577)</u>
Decrease (Increase) In Net Debt	620,357	(333,731)
Net Debt - Beginning Of Year	<u>(4,090,194)</u>	<u>(3,756,463)</u>
Net Debt - End Of Year	<u><u>\$ (3,469,837)</u></u>	<u><u>\$ (4,090,194)</u></u>

OROMOCTO FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
	<u>Actual</u>	<u>Actual</u>
Revenue		
Indigenous and Northern Affairs Canada (note 16)	\$ 4,892,491	\$ 4,333,357
Department of Fisheries and Oceans Canada	381,728	368,101
Health Canada	975,433	588,005
Retail Sales (Economic Development)	12,267,922	10,759,055
Province of New Brunswick	225,133	792,902
Canada Mortgage and Housing Corporation	91,669	74,926
Other	<u>2,111,513</u>	<u>1,241,073</u>
	<u>20,945,889</u>	<u>18,157,419</u>
Expenditures		
General Administration	3,363,391	3,171,649
Education	1,436,486	1,367,295
Social Development	1,055,444	1,177,423
Social Housing	404,103	322,278
Health	712,113	736,529
Fisheries	690,034	551,430
Capital	198,506	225,427
Child and Family Services	1,778,741	1,848,224
Forestry	422,435	87,994
Economic Development	<u>9,624,331</u>	<u>8,041,058</u>
	<u>19,685,584</u>	<u>17,529,307</u>
	1,260,305	628,112
Other revenue (expenses)		
Gain on disposal of investment in OFN Days Inn (note 9)	-	61,734
Royalty payments from sale of OFN Days Inn (note 9)	<u>-</u>	<u>(957,000)</u>
Excess (Deficiency) of Revenue Over Expenditures For The Year	1,260,305	(267,154)
Accumulated Surplus (Deficit) - Beginning of Year	<u>2,491,747</u>	<u>2,758,901</u>
Accumulated Surplus (Deficit) - End of Year	<u>\$ 3,752,052</u>	<u>\$ 2,491,747</u>

OROMOCTO FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Cash Provided By (Required For):		
Operating Activities		
Excess (deficiency) of revenue over expenditures for the year	\$ 1,260,305	\$ (267,154)
Item not affecting cash		
Amortization	559,294	505,636
Gain on disposal of investment in OFN Days Inn	<u>-</u>	<u>(61,734)</u>
	1,819,599	176,748
Change in non-cash operating working capital (note 17)	<u>692,514</u>	<u>(765,919)</u>
	<u>2,512,113</u>	<u>(589,171)</u>
Investing Activities		
Acquisition of tangible capital assets	(1,003,633)	(561,866)
Proceeds from disposal of investment in OFN Days Inn	<u>-</u>	<u>1,000,767</u>
	<u>(1,003,633)</u>	<u>438,901</u>
Financing Activities		
Funding repayable to Indigenous and Northern Affairs Canada	(122,034)	(21,953)
Proceeds on long-term debt	-	160,000
Repayment of long-term debt	<u>(217,007)</u>	<u>(250,941)</u>
	<u>(339,041)</u>	<u>(112,894)</u>
Increase (Decrease) In Cash During The Year	1,169,439	(263,164)
Cash Position At Beginning Of Year	<u>619,398</u>	<u>882,562</u>
Cash Position At End Of Year	<u>\$ 1,788,837</u>	<u>\$ 619,398</u>
Cash consists of:		
Cash	\$ 1,779,803	\$ 610,529
Restricted cash - Funds held in trust	<u>9,034</u>	<u>8,869</u>
	<u>\$ 1,788,837</u>	<u>\$ 619,398</u>

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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 Professional 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.

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, 2017

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, fishing vessels, docks and signs	5 years
Vehicles, computer equipment and dive gear	3 years
Gas bar, paving and other	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, 2017

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, 2017

2. Significant Accounting Policies (Continued)

Use of Estimates

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. 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, 2017.

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.

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 long-term debt and liabilities to government (Canada Revenue Agency).

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

4. Cash

Cash is comprised of the following:

	<u>2017</u>	<u>2016</u>
Externally restricted		
Trust funds held by federal government	\$ <u>9,034</u>	\$ <u>8,869</u>
Unrestricted		
Operating	<u>1,779,803</u>	<u>610,529</u>
Total Cash	\$ <u>1,788,837</u>	\$ <u>619,398</u>

5. Prepaid Expenses

	<u>2017</u>	<u>2016</u>
Other prepaid expenses	\$ <u>514,276</u>	\$ <u>318,667</u>

6. Contribution Funding Repayable

	<u>2017</u>	<u>2016</u>
MLG Loan	\$ 5,417	\$ 77,417
02270 - Post secondary student support program	<u>-</u>	<u>50,034</u>
Total contribution funding repayable	\$ <u>5,417</u>	\$ <u>127,451</u>

7. Accounts Receivable

	<u>2017</u>	<u>2016</u>
Other	\$ <u>358,715</u>	\$ <u>317,739</u>

8. Due From Government and Government Organizations

	<u>2017</u>	<u>2016</u>
Indigenous and Northern Affairs Canada - 2016-2017	314,601	-
Indigenous and Northern Affairs Canada - 2014-2016	-	129,305
Province of New Brunswick*	2,790,968	3,012,656
Department of Fisheries and Oceans	<u>187,005</u>	<u>167,667</u>
	\$ <u>3,292,574</u>	\$ <u>3,309,628</u>

*Accounts receivable from the Province of New Brunswick includes HST rebates of \$2,320,450 (2016 - \$1,786,960) which is only recoverable once the HST balance payable to Canada Revenue Agency as described in Note 13 has been paid.

OROMOCTO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

9. Investment in Government Business Enterprises

In prior year the investment in the OFN Days Inn was sold for \$1,000,767 and resulted in a gain of \$61,734. In addition, royalty payments of \$957,000 were distributed to the community as a result of this transaction.

10. 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.

	<u>Opening Balance</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Closing Balance</u>	<u>2017 Total</u>	<u>2016 Total</u>
Revenue	\$ 7,238	\$ 165	\$ -	\$ 7,403	\$ 7,403	\$ 7,238
Capital	\$ 1,631	\$ -	\$ -	\$ 1,631	\$ 1,631	\$ 1,631
Fund Total					<u>\$ 9,034</u>	<u>\$ 8,869</u>

11. Inventory

	<u>2017</u>	<u>2016</u>
OFN Fuels	<u>\$ 360,638</u>	<u>\$ 274,922</u>

12. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Trade payables	\$ 139,572	\$ 39,871
Other accrued liabilities	<u>276,691</u>	<u>304,131</u>
Total accounts payable	<u>\$ 416,263</u>	<u>\$ 344,002</u>

13. Due to Government and Government Organizations

	<u>2017</u>	<u>2016</u>
Canada Revenue Agency - Payroll remittances	\$ 2,537,881	\$ 2,387,235
Canada Revenue Agency - Harmonized sales tax payable	4,816,733	4,045,034
Province of New Brunswick - Tuition	<u>-</u>	<u>243,628</u>
Total	<u>\$ 7,354,614</u>	<u>\$ 6,675,897</u>

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

14. Tangible Capital Assets

	Cost			Accumulated Amortization			Net Book Value					
	Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Opening Balance	Amortization	Disposals & Other adj	Write-offs	Closing Balance	Total 2017	Total 2016
Tangible Capital Assets												
Commercial land	\$ 45,000		\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
Commercial buildings	3,261,048	720,195	-	-	3,981,243	1,228,963	178,721	-	-	1,407,684	2,573,559	2,032,085
Residential buildings	6,364,766	185,184	-	-	6,549,950	2,887,923	269,939	-	-	3,157,862	3,392,088	3,476,843
Fishing vessels	1,535,689	57,735	-	-	1,593,424	1,347,850	60,439	-	-	1,408,289	185,135	187,839
Vehicles	735,308	10,149	-	-	745,457	705,224	24,062	-	-	729,286	16,171	30,084
Furniture and fixtures	407,336	-	-	-	407,336	150,534	2,031	-	-	152,565	254,771	256,802
Computer equipment	102,614	18,721	-	-	121,335	73,908	20,912	-	-	94,820	26,515	28,706
Other	550,636	11,650	-	-	562,286	344,721	3,190	-	-	347,911	214,375	205,915
Total	\$ 13,002,107	\$ 1,003,633	\$ -	\$ -	\$ 14,006,031	\$ 6,739,123	\$ 559,294	\$ -	\$ -	\$ 7,298,417	\$ 6,707,613	\$ 6,263,274

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

15. Long-Term Debt

	<u>2017</u>	<u>2016</u>
Mortgage payable to CMHC in monthly installments of \$1,107 including interest at 1.63%, due June 2017.	\$ 3,312	\$ 16,454
Mortgage payable to CIBC in monthly installments of \$2,303 including interest at 6.95%. The mortgage was repaid during the year.	-	24,488
Mortgage payable to Toronto Dominion Bank in monthly installments of \$697 including interest at 3.09%, due August 2019.	15,576	23,288
Mortgage payable to CMHC in monthly installments of \$581 including interest at 1.53%, due December 2017.	24,913	31,471
Mortgage payable to Royal Bank of Canada in monthly installments of \$1,325 including interest at 2.790%, due January 2020.	111,683	123,248
Mortgage payable to Peace Hills Trust in monthly installments of \$1,770 including interest at 3.95%, due May 2018.	148,737	163,894
Mortgage payable to Peace Hills Trust in monthly installments of \$626 including interest at 4.15%, due June 2019.	72,135	76,602
Mortgage payable to Peace Hills Trust in monthly installments of \$771 including interest at 4.15%, due May 2019.	88,669	94,176
Mortgage payable to CMHC in monthly installments of \$964 including interest at 1.53%, due December 2017.	154,535	163,697
Mortgage payable to CMHC in monthly installments of \$508 including interest at 1.53%, due December 2017.	81,415	86,242
Mortgage payable to CMHC in monthly installments of \$1,225 including interest at 1.53%, due December 2017.	<u>200,276</u>	<u>211,860</u>
Carried forward	\$ 901,251	\$ 1,015,420

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

15. Long-Term Debt (Continued)

	<u>2017</u>	<u>2016</u>
Carried forward	\$ 901,251	\$ 1,015,420
Loan payable to Taylor Petroleum in monthly installments equal to \$0.02 cent per litre of the previous months purchases, due September 2018	32,627	121,298
Mortgage payable to CMHC in monthly installments of \$1,633 including interest at 1.82%, due September 2019.	<u>294,126</u>	<u>308,292</u>
	<u>1,228,004</u>	<u>1,445,010</u>

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

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

2018	\$ 566,011
2019	171,836
2020	488,918
2021	1,239

16. Reconciliation Of Indigenous and Northern Affairs Canada (INAC) Funding

General Administration	\$ 574,723
Education	1,205,296
Social Development	974,994
Capital	702,196
Child and Family Services	<u>1,435,282</u>
Total INAC Funding per consolidated financial statements	<u>\$ 4,892,491</u>
Funding per INAC confirmation	<u>\$ 4,892,491</u>

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

17. Changes In Non-Cash Operating Working Capital

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ (40,976)	\$ (223,428)
Due from government and government organizations	17,054	(813,482)
Inventory	(85,716)	(73,040)
Prepaid expenses	(195,609)	(10,347)
Accounts payable and accrued liabilities	72,262	(206,876)
Deferred revenue	246,782	-
Due to government and government organizations	<u>678,717</u>	<u>561,254</u>
	<u>\$ 692,514</u>	<u>\$ (765,919)</u>

18. Expenses by Object

The following is a summary of expenses by object.

	<u>2017</u>	<u>2016</u>
Salaries and wages	\$ 2,281,327	\$ 2,271,186
Tuition	1,013,450	1,038,737
Professional services	140,686	214,386
Supplies and services	215,294	232,652
Interest and bank charges	177,788	324,655
Travel and training	1,808,002	1,475,439
Insurance, pension & health	202,965	164,555
Telephone and utilities	193,626	160,755
Repairs and maintenance	202,167	147,139
Social assistance and assisted living	1,016,002	1,137,535
Gas bar	9,091,072	7,558,839
Other	2,783,911	3,254,793
Amortization	<u>559,294</u>	<u>505,636</u>
	<u>\$19,685,584</u>	<u>\$18,486,307</u>

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

19. Government Transfers

	<u>Operating</u>	<u>Capital</u>	<u>2017 Total</u>
Federal government transfers:			
Indigenous and Northern Affairs Canada	\$ 4,417,691	\$ 474,800	\$ 4,892,491
Health Canada	622,215	353,218	975,433
Canada Mortgage and Housing Corporation	91,669	-	91,669
Department of Fisheries	<u>381,728</u>	<u>-</u>	<u>381,728</u>
Total	5,513,303	828,018	6,341,321
Provincial government transfers	<u>225,133</u>	<u>-</u>	<u>225,133</u>
	<u>\$ 5,738,436</u>	<u>\$ 828,018</u>	<u>\$ 6,566,454</u>
			2016
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers:			
Indigenous and Northern Affairs Canada	\$ 4,210,674	\$ 122,683	\$ 4,333,357
Health Canada	588,005	-	588,005
Canada Mortgage and Housing Corporation	74,926	-	74,926
Department of Fisheries	<u>368,101</u>	<u>-</u>	<u>368,101</u>
Total	5,241,706	122,683	5,364,389
Provincial government transfers	<u>792,902</u>	<u>-</u>	<u>792,902</u>
	<u>\$ 6,034,608</u>	<u>\$ 122,683</u>	<u>\$ 6,157,291</u>

20. Budgeted Figures

Budgeted figures were not prepared for the year ended March 31, 2017. Therefore, they have not been presented on the consolidated statement of operations or the consolidated statement of changes in net debt.

21. 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.

22. Economic Dependence

The government of Oromocto First Nation receives a major portion of its revenue from Indigenous and Northern Affairs 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.

23. 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.

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24. Comparative Figures

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

OROMOCTO FIRST NATION **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEAR ENDED MARCH 31, 2017**

25. Segment Disclosure

Oromocto First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized by departments. For each department the segment revenue and expenses includes both directly attributable amounts and overheads 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 2. The segment results for the period are as follows:

	Education		Health		Economic Development		Housing	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenues								
Federal Government	\$ 1,205,296	\$ 1,201,074	\$ 935,154	\$ 588,005	\$ -	\$ -	\$ 875,565	\$ 352,489
Provincial Government		491,743	-	-	-	-	-	-
Economic Activities	-	-	-	-	-	-	-	-
Saint John River Valley	-	-	-	-	-	-	-	-
Tribal Council - RHDC funding	-	-	-	-	-	-	-	-
Other Revenue	227,645	23,610	-	3,204	23,908,136	10,759,055	413,922	373,725
Total Revenues	1,432,941	1,716,447	935,154	591,209	23,908,136	10,759,055	1,289,487	626,214
Expenses								
Salaries and benefits	256,153	269,298	361,110	352,201	1,094,572	-	137,803	141,956
Amortization	-	-	67,409	67,409	85,359	39,266	269,655	249,367
Other Expenses	1,180,333	1,171,861	243,315	316,919	19,606,057	8,001,792	195,151	156,380
Total Expenses	1,436,486	1,441,159	671,834	736,529	20,785,987	8,041,058	602,609	547,703
Annual Surplus (Deficit)	\$ (3,545)	\$ 275,288	\$ 263,320	\$ (145,320)	\$ 3,122,149	\$ 2,717,997	\$ 686,878	\$ 78,511

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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25. Segment Disclosure (continued)

	Social Services		Band Government		Other		Consolidated Totals	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenues								
Federal Government	\$ 2,410,276	\$ 2,388,878	\$ 502,693	\$ 465,842	\$ 381,728	\$ 368,101	\$ 6,310,712	\$ 5,364,389
Provincial Government			50,000	45,000		256,159	50,000	792,902
Economic Activities								
Saint John River Valley	84,630	34,407	214,915	139,784			299,545	174,191
Tribal Council - HRDC funding	47,500	64,924	184,521	231,136		605,861	24,781,724	11,961,535
Other Revenue								
Total Revenues	2,542,406	2,488,209	952,129	881,762	381,728	1,230,121	31,441,981	18,293,017
Expenses								
Salaries and benefits	416,777	529,237	741,123	743,439	315,039	235,055	3,322,577	2,271,186
Amortization			39,130	33,526	97,741	116,069	559,294	505,637
Other Expenses	2,417,406	2,496,410	2,592,196	3,351,684	65,347	288,301	26,299,805	15,783,347
Total Expenses	2,834,183	3,025,647	3,372,449	4,128,649	478,127	639,425	30,181,676	18,560,170
Annual Surplus (Deficit)	\$ (291,777)	\$ (537,438)	\$ (2,420,320)	\$ (3,246,887)	\$ (96,399)	\$ 590,696	\$ 1,260,305	\$ (267,153)