

**OROMOCTO FIRST NATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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**CONTENTS**

	<u>Page</u>
Management's Responsibility For Financial Reporting.	1
Independent Auditors' Report	2
Consolidated Statement Of Financial Position	3
Consolidated Statement Of Changes in Net Debt	4
Consolidated Statement Of Operations.	5
Consolidated Statement Of Cash Flows	6
Notes To Consolidated Financial Statements	7 - 19
Unaudited Schedule Of Salaries/Honorarium/Travel	20 - 21

## OROMOCTO FIRST NATION

MARCH 31, 2018

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

The 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 of the Chartered Professional Accountants Canada and as such include amounts that are the best estimates and judgements of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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 Council meets periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Teed Saunders Doyle & Co., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The auditor's have full and free access to financial management of Oromocto First Nation and meet when required.

Chief Shelly Doabath Chief  
CGJ Councilor  
CDT Councilor  
John Doabath

July 19, 2018  
Date



An independent member of 

## 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, 2018, 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, 2018, 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 18, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS

**OROMOCTO FIRST NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>FINANCIAL ASSETS</b>		
Cash (note 4)	\$ 2,085,159	\$ 1,613,351
Accounts receivable (note 7)	144,116	358,715
Due from government and government organizations (note 8)	3,987,866	3,292,574
Inventory (note 10)	386,974	360,638
Restricted cash - Funds held in trust (note 9)	<u>236,114</u>	<u>175,486</u>
	<u>6,840,229</u>	<u>5,800,764</u>
<b>LIABILITIES</b>		
Accounts payable (note 11)	371,887	416,263
Deferred revenue	559,398	246,782
Due to government and government organizations (note 12)	7,366,728	7,354,614
Land claim (note 23)	19,521	19,521
Funding repayable to Indigenous and Northern Affairs Canada (note 6)	-	5,417
Long-term debt (note 14)	<u>1,282,457</u>	<u>1,228,004</u>
	<u>9,599,991</u>	<u>9,270,601</u>
<b>NET DEBT</b>	<b><u>\$(2,759,762)</u></b>	<b><u>\$(3,469,837)</u></b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 13)	\$ 7,258,998	\$ 6,707,613
Prepaid expenses (note 5)	<u>285,487</u>	<u>514,276</u>
	<u>\$ 7,544,485</u>	<u>\$ 7,221,889</u>
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<b><u>\$ 4,784,723</u></b>	<b><u>\$ 3,752,052</u></b>
Contingencies (note )		

On Behalf Of The Band:

Chief Shelley Dooley Chief

**OROMOCTO FIRST NATION**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT**  
**AS AT MARCH 31, 2018**

	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Excess (Deficiency) Of Revenue Over Expenditures	<u>\$ 1,032,671</u>	<u>\$ 1,260,305</u>
Acquisition of tangible capital assets	(1,170,657)	(1,003,633)
Amortization of tangible capital assets	619,272	559,294
Decrease (increase) in prepaids	<u>228,789</u>	<u>(195,609)</u>
	<u>(322,596)</u>	<u>(639,948)</u>
Decrease (Increase) In Net Debt	710,075	620,357
Net Debt - Beginning Of Year	(3,469,837)	(4,090,194)
Net Debt - End Of Year	<u>\$ (2,759,762)</u>	<u>\$ (3,469,837)</u>

**OROMOCTO FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

	<b>2018</b> <u><b>Actual</b></u>	<b>2017</b> <u><b>Actual</b></u>
<b>Revenue</b>		
Indigenous and Northern Affairs Canada (note 16)	\$ 5,207,707	\$ 4,892,491
Department of Fisheries and Oceans Canada	331,031	381,728
Health Canada	888,997	975,433
Retail Sales (Economic Development)	11,605,856	12,267,922
Province of New Brunswick	801,418	225,133
Canada Mortgage and Housing Corporation	120,982	91,669
Other	<u>1,325,982</u>	<u>2,111,513</u>
	<u><u>20,281,973</u></u>	<u><u>20,945,889</u></u>
<b>Expenditures</b>		
General Administration	3,948,576	3,363,391
Education	1,670,233	1,436,486
Social Development	989,027	1,055,444
Social Housing	570,569	404,103
Health	718,411	712,113
Fisheries	632,779	690,034
Capital	271,287	198,506
Child and Family Services	1,991,496	1,778,741
Forestry	164,833	422,435
Economic Development	<u>8,292,091</u>	<u>9,624,331</u>
	<u><u>19,249,302</u></u>	<u><u>19,685,584</u></u>
<b>Excess (Deficiency) of Revenue Over Expenditures For The Year</b>	<b>1,032,671</b>	<b>1,260,305</b>
<b>Accumulated Surplus (Deficit) - Beginning of Year</b>	<b><u>3,752,052</u></b>	<b><u>2,491,747</u></b>
<b>Accumulated Surplus (Deficit) - End of Year</b>	<b><u>\$ 4,784,723</u></b>	<b><u>\$ 3,752,052</u></b>

**OROMOCTO FIRST NATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

	<b>2018</b> <u><b>Actual</b></u>	<b>2017</b> <u><b>Actual</b></u>
<b>Cash Provided By (Required For):</b>		
<b>Operating Activities</b>		
Excess (deficiency) of revenue over expenditures for the year	\$ 1,032,671	\$ 1,260,305
Item not affecting cash		
Amortization	<u>619,273</u>	<u>559,294</u>
	<u>1,651,944</u>	<u>1,819,599</u>
Change in non-cash operating working capital (note 17)	<u>2,115</u>	<u>692,514</u>
	<u>1,654,059</u>	<u>2,512,113</u>
<b>Investing Activities</b>		
Acquisition of tangible capital assets	(1,170,657)	(1,003,633)
<b>Financing Activities</b>		
Funding repayable to Indigenous and Northern Affairs Canada	(5,417)	(122,034)
Proceeds on long-term debt	150,437	-
Repayment of long-term debt	<u>(95,986)</u>	<u>(217,007)</u>
	<u>49,034</u>	<u>(339,041)</u>
<b>Increase In Cash During The Year</b>	532,436	1,169,439
<b>Cash Position At Beginning Of Year</b>	1,788,837	619,398
<b>Cash Position At End Of Year</b>	<u>\$ 2,321,273</u>	<u>\$ 1,788,837</u>
<b>Cash consists of:</b>		
Cash	\$ 2,085,159	\$ 1,613,351
Restricted cash - Funds held in trust	<u>236,114</u>	<u>175,486</u>
	<u>\$ 2,321,273</u>	<u>\$ 1,788,837</u>

**OROMOCTO FIRST NATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018****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.

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, 2018**

**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, 2018**

**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**

First Nations are not subject to income tax. Accordingly, no provision has been recorded for income taxes.

**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

**OROMOCTO FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**2. Significant Accounting Policies (Continued)**

**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, 2018.

**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).

## OROMOCOTO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

## 4. Cash

Cash is comprised of the following:

	<u>2018</u>	<u>2017</u>
<b>Externally restricted</b>		
Trust funds held by federal government	\$ 9,331	\$ 9,034
CMHC Reserve funds	<u>226,783</u>	<u>166,452</u>
	<u>\$ 236,114</u>	<u>\$ 175,486</u>
<b>Unrestricted</b>		
Operating	<u>2,085,159</u>	<u>1,613,351</u>
<b>Total Cash</b>	<b><u>\$ 2,321,273</u></b>	<b><u>\$ 1,788,837</u></b>

## 5. Prepaid Expenses

	<u>2018</u>	<u>2017</u>
Other prepaid expenses	<u>\$ 285,487</u>	<u>\$ 514,276</u>

## 6. Contribution Funding Repayable

	<u>2018</u>	<u>2017</u>
MLG Loan	<u>\$ -</u>	<u>\$ 5,417</u>

## 7. Accounts Receivable

	<u>2018</u>	<u>2017</u>
Other	<u>\$ 144,116</u>	<u>\$ 358,715</u>

## 8. Due From Government and Government Organizations

	<u>2018</u>	<u>2017</u>
Indigenous and Northern Affairs Canada - 2017-2018	505,755	-
Indigenous and Northern Affairs Canada - 2016-2017	3,137	314,601
Health Canada	25,181	-
Province of New Brunswick*	3,382,813	2,790,968
Department of Fisheries and Oceans Canada	<u>70,980</u>	<u>187,005</u>
	<b><u>\$ 3,987,866</u></b>	<b><u>\$ 3,292,574</u></b>

\*Accounts receivable from the Province of New Brunswick includes HST rebates of \$2,761,776 (2017 - \$2,320,450) which is only recoverable once the HST balance payable to Canada Revenue Agency as described in Note 12 has been paid.

## OROMOCTO FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

## 9. Restricted Cash - Trust Funds Held by Federal Government And CMHC Reserve Funds

Trust fund accounts for the use and benefit of Oromocto First Nation arise from monies derived from capital or revenue sources as outlined in Section 61 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 62 to 69 of the Indian Act. CMHC reserve funds are those held specifically for repairs on houses within the CMHC program.

	<u>Opening Balance</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Closing Balance</u>	<u>2018 Total</u>	<u>2017 Total</u>
Revenue	\$ 7,403	\$ 297	\$ -	\$ 7,700	\$ 7,700	\$ 7,403
Capital	\$ 1,631	\$ -	\$ -	\$ 1,631	\$ 1,631	\$ 1,631
CMHC Reserve Funds	\$ 166,453	\$ 60,330	\$ -	\$ 226,783	\$ 226,783	\$ 166,453
<b>Fund Total</b>					<b>\$ 236,114</b>	<b>\$ 175,487</b>

## 10. Inventory

	<u>2018</u>	<u>2017</u>
OFN Fuels	\$ 386,974	\$ 360,638

## 11. Accounts Payable and Accrued Liabilities

	<u>2018</u>	<u>2017</u>
Trade payables	\$ 156,915	\$ 139,572
Other accrued liabilities	\$ 214,972	\$ 276,691
<b>Total accounts payable</b>	<b>\$ 371,887</b>	<b>\$ 416,263</b>

## 12. Due to Government and Government Organizations

	<u>2018</u>	<u>2017</u>
Canada Revenue Agency - Payroll remittances	\$ 2,665,473	\$ 2,537,881
Canada Revenue Agency - Harmonized sales tax payable	\$ 4,701,255	\$ 4,816,733
<b>Total</b>	<b>\$ 7,366,728</b>	<b>\$ 7,354,614</b>

**OROMOCTO FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**13. Capital Assets**

	Cost						Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Depreciation	Transfers of Assets	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Other adj.	Closing Balance	Total 2018	Total 2017	
<b>Tangible Capital Assets</b>												
Commercial land	\$ 45,000	515,286	\$ -	\$ -	\$ 45,000	\$ 4,505,329	152,254	\$ -	\$ 4,103,919	\$ 45,000	\$ 2,945,350	2,573,559
Commercial buildings	3,981,243	459,606	\$ -	\$ -	\$ 3,150,937	3,157,862	136,548	\$ -	\$ 3,013,146	\$ 3,572,000	\$ 185,335	176,771
Residential buildings	6,459,950	1,593,424	\$ -	\$ -	\$ 1,582,924	1,406,299	64,113	1,472,402	\$ 110,572	\$ 151,330	151,330	151,330
Fishing vessels	1,593,424	10,510	\$ 10,510	\$ -	\$ 1,581,394	729,266	37,321	(25,643)	740,964	151,330	151,330	151,330
Vehicles	743,637	173,937	25,000	\$ -	\$ 414,138	132,565	2,711	\$ -	135,276	254,771	254,771	254,771
Furniture and fixtures	407,336	6,902	\$ -	\$ -	\$ 392,217	94,820	19,253	\$ -	114,079	26,515	26,515	26,515
Computer equipment	121,335	13,862	\$ -	\$ -	\$ 302,286	247,911	7,072	\$ -	354,913	207,302	214,375	214,375
Other	562,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 14,016,031</b>	<b>\$ 1,182,512</b>	<b>\$ 31,500</b>	<b>\$ -</b>	<b>\$ 15,151,043</b>	<b>\$ 7,294,417</b>	<b>\$ 619,222</b>	<b>\$ -</b>	<b>\$ 23,663</b>	<b>\$ 7,392,446</b>	<b>\$ 7,251,294</b>	<b>\$ 6,707,613</b>

**OROMOCTO FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**14. Long-Term Debt**

	<b>2018</b>	<b>2017</b>
Mortgage payable to CMHC in monthly installments of \$1,107 including interest at 1.63%, paid off during the year.	\$ -	\$ 3,312
Mortgage payable to Toronto Dominion Bank in monthly installments of \$697 including interest at 3.09%, due August 2019.	9,564	15,576
Mortgage payable to CMHC in monthly installments of \$584 including interest at 1.76%, due November 2020.	18,237	24,913
Mortgage payable to Royal Bank of Canada in monthly installments of \$1,325 including interest at 2.790%, due January 2020.	98,980	111,683
Mortgage payable to Peace Hills Trust in monthly installments of \$1,770 including interest at 3.95%, due May 2018.	132,975	148,737
Mortgage payable to Peace Hills Trust in monthly installments of \$626 including interest at 4.15%, due June 2019.	67,480	72,135
Mortgage payable to Peace Hills Trust in monthly installments of \$771 including interest at 4.15%, due May 2019.	82,931	88,669
Mortgage payable to CMHC in monthly installments of \$994 including interest at 1.97%, due December 2022.	145,120	154,535
Mortgage payable to CMHC in monthly installments of \$524 including interest at 1.97%, due December 2022.	76,455	81,415
Mortgage payable to CMHC in monthly installments of \$1,264 including interest at 1.97%, due December 2022.	<u>188,369</u>	<u>200,276</u>
Carried forward	\$ 820,111	\$ 901,251

## OROMOCTO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

## 15. Long-Term Debt (Continued)

	2018	2017
Carried forward	\$ 820,111	\$ 901,251
Loan payable to Taylor Petroleum in monthly installments equal to \$0.02 cent per litre of the previous months purchases, due September 2018	183,064	32,627
Mortgage payable to CMHC in monthly installments of \$1,633 including interest at 1.82%, due September 2019.	<u>279,282</u>	<u>294,126</u>
	<u>1,282,457</u>	<u>1,228,004</u>

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

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

2019	\$ 661,206
2020	262,842
2021	26,536
2022	224,436
2023	107,499

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

General Administration	\$ 696,924
Education	1,290,448
Social Development	974,994
Capital	1,255,947
Child and Family Services	<u>1,548,792</u>
 Funding per INAC confirmation	 \$ 5,767,105
Less - Deferred revenue current year (Capital)	(559,398)
Total INAC Funding per consolidated financial statements	<u>\$ 5,207,707</u>

## OROMOCTO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

## 17. Changes In Non-Cash Operating Working Capital

	<u>2018</u>	<u>2017</u>
Accounts receivable	\$ 214,599	\$ (40,976)
Due from government and government organizations	(695,292)	17,054
Inventory	(26,335)	(85,716)
Prepaid expenses	228,789	(195,609)
Accounts payable and accrued liabilities	(44,376)	72,262
Deferred revenue	312,616	246,782
Due to government and government organizations	<u>12,114</u>	<u>678,717</u>
	<u>\$ 2,115</u>	<u>\$ 692,514</u>

## 18. Expenses by Object

The following is a summary of expenses by object.

	<u>2018</u>	<u>2017</u>
Salaries and wages	\$ 2,462,462	\$ 2,281,327
Tuition	1,313,934	1,013,430
Professional services	154,143	140,686
Supplies and services	355,324	215,294
Interest and bank charges	179,391	177,788
Travel and training	1,984,709	1,808,002
Insurance, pension & health	247,498	202,965
Telephone and utilities	167,200	193,626
Repairs and maintenance	371,811	202,167
Social assistance and assisted living	944,880	1,016,002
Gas bar	7,652,981	9,091,072
Other	2,795,696	2,783,911
Amortization	<u>619,273</u>	<u>559,294</u>
	<u>\$19,249,302</u>	<u>\$19,685,584</u>

**OROMOCTO FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**19. Government Transfers**

	<u>Operating</u>	<u>Capital</u>	<b>2018</b>
<b>Federal government transfers:</b>			
Indigenous and Northern Affairs Canada	\$ 4,774,522	\$ 433,185	\$ 5,207,707
Health Canada	642,215	246,782	888,997
Canada Mortgage and Housing Corporation	120,982	-	120,982
Department of Fisheries	<u>331,031</u>	<u>-</u>	<u>331,031</u>
<b>Total</b>	<b>5,868,750</b>	<b>679,967</b>	<b>6,548,717</b>
<b>Provincial government transfers</b>	<b><u>801,418</u></b>	<b><u>-</u></b>	<b><u>801,418</u></b>
	<b><u>\$ 6,670,168</u></b>	<b><u>\$ 679,967</u></b>	<b><u>\$ 7,350,135</u></b>
	<u>Operating</u>	<u>Capital</u>	<b>2017</b>
<b>Federal government transfers:</b>			
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>
<b>Total</b>	<b>5,513,303</b>	<b>828,018</b>	<b>6,341,321</b>
<b>Provincial government transfers</b>	<b><u>225,133</u></b>	<b><u>-</u></b>	<b><u>225,133</u></b>
	<b><u>\$ 5,738,436</u></b>	<b><u>\$ 828,018</u></b>	<b><u>\$ 6,566,454</u></b>

**20. Budgeted Figures**

Budgeted figures were not prepared for the year ended March 31, 2018. 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.

**OROMOCTO FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**24. 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
	2018	2017	2018	2017
<b>Revenues</b>				
Federal Government	\$ 1,290,447	\$ 1,205,296	\$ 188,597	\$ 935,154
Provincial Government	-	-	-	-
Corporate Activities	-	-	-	-
Saint John River Valley	-	-	-	-
Tribal Council - RHDC Funding	-	-	-	-
Other Revenue	171,608	227,645	16,774	23,108,411
<b>Total Revenues</b>	<b>1,462,055</b>	<b>1,432,941</b>	<b>195,771</b>	<b>935,154</b>
<b>Expenses</b>				
Salaries and Benefits	279,752	256,153	378,479	361,110
Amortization	-	-	67,409	67,409
Other Expenses	1,390,481	1,180,133	272,524	243,315
<b>Total Expenses</b>	<b>1,670,233</b>	<b>1,436,486</b>	<b>711,412</b>	<b>671,834</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ (208,178)</b>	<b>\$ (3,545)</b>	<b>\$ 187,359</b>	<b>\$ 263,320</b>
	\$	\$	\$	\$
	208,178	3,545	187,359	263,320
	187,359	3,545	263,320	187,359
	\$ 208,178	\$ 3,545	\$ 187,359	\$ 263,320

**OROMOCTO FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**24. Segment Disclosure (continued)**

	Social Services 2018	2017	Band Government 2018	2017	Other 2018	2017	Consolidated Totals 2018	2017
<b>Revenues</b>								
Federal Government	\$ 2,523,707	\$ 2,410,275	\$ 695,924	\$ 502,693	\$ 331,031	\$ 381,720	\$ 6,548,717	\$ 6,310,712
Provincial Government			600,000	30,000	201,418	1	801,418	50,000
Corporate Activities								
Saint John River Valley								
Tribe Council - BRDC Funding	\$ 54,037	\$ 84,630	152,359	214,915			206,396	259,545
Other Revenue	70,736	47,300	19,520	184,521	520,000		24,227,997	24,178,1724
<b>Total Revenues</b>	<b>\$ 2,648,560</b>	<b>2,542,406</b>	<b>1,456,803</b>	<b>952,159</b>	<b>1,052,449</b>	<b>381,724</b>	<b>31,764,529</b>	<b>31,441,981</b>
<b>Expenses</b>								
Salaries and benefits	\$ 505,402	\$ 416,777	733,085	741,123	516,693	315,039	3,345,150	3,122,577
Amortization			96,803	39,110	92,818	97,741	633,810	559,294
Other Expenses	2,474,120	2,417,406	3,126,811	2,592,196	173,915	65,247	26,752,378	26,359,805
<b>Total Expenses</b>	<b>\$ 2,980,522</b>	<b>2,834,113</b>	<b>3,953,741</b>	<b>3,172,449</b>	<b>792,446</b>	<b>478,127</b>	<b>30,751,858</b>	<b>30,181,676</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ (331,962)</b>	<b>\$ (291,777)</b>	<b>\$ (2,486,938)</b>	<b>\$ (2,220,200)</b>	<b>\$ 260,903</b>	<b>\$ (36,399)</b>	<b>\$ 1,032,671</b>	<b>\$ 1,269,305</b>