

**OROMOCTO FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

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FOR THE YEAR ENDED MARCH 31, 2020

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OROMOCTO FIRST NATION

MARCH 31, 2020

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



Chief


Councilor


Councilor

December 10/2020
Date

INDEPENDENT AUDITORS' REPORT

To the Chief and Band Councilors of Oromocto First Nation

Qualified Opinion

We have audited the accompanying consolidated financial statements of Oromocto First Nation, which comprise the consolidated statement of financial position as at March 31, 2020, 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.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, the consolidated financial statements present fairly, in all material respects, the financial position of Oromocto First Nation as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The consolidated financial statements include the controlled business enterprise of Welamukotok Wellness, of which we were not able to obtain sufficient appropriate audit evidence over the existence of material amounts recorded, or completeness of any material amounts that may not be recorded, in the accounts of the enterprise. Amounts recorded for this enterprise and included in the consolidated financial statements are \$3,991,654 of revenues, \$3,044,739 of expenses, \$174,384 of cash on hand and \$97,985 of inventory. We were unable to determine whether any adjustments might be necessary to consolidated revenues over expenditures, net debt, accumulated surplus or cash flows based on the limited support we received for this enterprise. Our audit opinion on the consolidated financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this lack of evidence.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Oromocto First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Oromocto First Nation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Oromocto First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Teed Saunders Doyle

Fredericton, New Brunswick
November 26, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

OROMOCTO FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash (note 4)	\$ 1,542,512	\$ 3,094,400
Accounts receivable (note 5)	271,871	134,182
Due from government and government organizations (note 6)	1,784,059	3,442,613
Inventory (note 8)	398,068	388,612
Restricted cash - Funds held in trust (note 7)	<u>360,378</u>	<u>297,709</u>
	<u>4,356,888</u>	<u>7,357,516</u>
LIABILITIES		
Accounts payable (note 9)	1,023,104	1,550,577
Due to government and government organizations (note 10)	1,783,452	5,218,088
Land claim (note 20)	19,521	19,521
Long-term debt (note 12)	<u>4,046,094</u>	<u>2,726,667</u>
	<u>6,872,171</u>	<u>9,514,853</u>
NET DEBT	<u>(2,515,283)</u>	<u>(2,157,337)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	<u>12,592,179</u>	<u>11,774,899</u>
ACCUMULATED SURPLUS	<u>\$10,076,896</u>	<u>\$ 9,617,562</u>

On Behalf Of The Band:

 Chief

OROMOCTO FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
AS AT MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
Excess Of Revenue Over Expenditures	\$ 459,334	\$ 4,832,839
Acquisition of tangible capital assets	(1,854,815)	(5,316,763)
Amortization of tangible capital assets	1,037,535	800,862
Decrease (increase) in prepaids	<u>-</u>	<u>285,487</u>
	<u>(817,280)</u>	<u>(4,230,414)</u>
Decrease (Increase) In Net Debt	(357,946)	602,425
Net Debt - Beginning Of Year	<u>(2,157,337)</u>	<u>(2,759,762)</u>
Net Debt - End Of Year	<u>\$(2,515,283)</u>	<u>\$(2,157,337)</u>

OROMOCTO FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
Revenue		
Indigenous Services Canada (note 13)	\$ 6,714,614	\$ 6,924,578
Department of Fisheries and Oceans Canada	446,861	816,097
Health Canada	715,253	663,357
Retail Sales (Economic Development)	13,505,305	13,072,005
Province of New Brunswick	402,869	438,467
Canada Mortgage and Housing Corporation	53,092	87,325
Other	<u>2,315,634</u>	<u>1,631,942</u>
	<u>24,153,628</u>	<u>23,633,771</u>
Expenditures		
General Administration	5,110,071	4,600,751
Education	1,966,529	1,511,270
Social Development	1,003,938	979,657
Social Housing	636,320	455,014
Health	776,850	780,119
Fisheries	804,734	652,863
Capital	323,927	191,788
Child and Family Services	3,252,994	2,556,475
Forestry	205,096	145,371
Economic Development	<u>9,613,835</u>	<u>9,609,515</u>
	<u>23,694,294</u>	<u>21,482,823</u>
	459,334	2,150,948
Other Revenue		
Recovery from Canada Revenue Agency	<u>-</u>	<u>2,681,891</u>
Excess of Revenue Over Expenditures For The Year	459,334	4,832,839
Accumulated Surplus - Beginning of Year	<u>9,617,562</u>	<u>4,784,723</u>
Accumulated Surplus - End of Year	<u>\$ 10,076,896</u>	<u>\$ 9,617,562</u>

OROMOCTO FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
Cash Provided By (Required For):		
Operating Activities		
Excess of revenue over expenditures for the year	\$ 459,334	\$ 4,832,839
Item not affecting cash		
Amortization	<u>1,037,535</u>	<u>800,862</u>
	1,496,869	5,633,701
Change in non-cash operating working capital (note 14)	<u>(2,450,699)</u>	<u>(690,313)</u>
	<u>(953,830)</u>	<u>4,943,388</u>
Investing Activities		
Acquisition of tangible capital assets	<u>(1,854,815)</u>	<u>(5,316,763)</u>
Financing Activities		
Proceeds on long-term debt	1,487,354	1,691,671
Repayment of long-term debt	<u>(167,928)</u>	<u>(247,460)</u>
	<u>1,319,426</u>	<u>1,444,211</u>
Increase (Decrease) In Cash During The Year	(1,489,219)	1,070,836
Cash Position At Beginning Of Year	<u>3,392,109</u>	<u>2,321,273</u>
Cash Position At End Of Year	<u>\$ 1,902,890</u>	<u>\$ 3,392,109</u>
Cash consists of:		
Cash	\$ 1,542,512	\$ 3,094,400
Restricted cash - Funds held in trust	<u>360,378</u>	<u>297,709</u>
	<u>\$ 1,902,890</u>	<u>\$ 3,392,109</u>

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

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, 2020

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, 2020

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, 2020

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, 2020.

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, 2020

4. Cash

Cash is comprised of the following:

	<u>2020</u>	<u>2019</u>
Externally restricted		
Trust funds held by federal government	\$ 9,625	\$ 9,440
CMHC Reserve funds	<u>350,753</u>	<u>288,269</u>
	360,378	297,709
Unrestricted		
Operating	<u>1,542,512</u>	<u>3,094,400</u>
Total Cash	<u>\$ 1,902,890</u>	<u>\$ 3,392,109</u>

5. Accounts Receivable

	<u>2020</u>	<u>2019</u>
<u>Other Receivables</u>		
Wolastoqey Tribal Council	\$ 106,550	\$ 50,428
Other	<u>165,321</u>	<u>83,754</u>
	<u>\$ 271,871</u>	<u>\$ 134,182</u>

6. Due From Government and Government Organizations

	<u>2020</u>	<u>2019</u>
Indigenous Services Canada - 2019-2020	738,820	-
Indigenous Services Canada - 2018-2019	807	188,468
Indigenous Services Canada - Tuition receivable	167,218	-
Health Canada	-	92,935
Province of New Brunswick*	766,503	2,871,452
Department of Fisheries and Oceans Canada	<u>110,711</u>	<u>289,758</u>
	<u>\$ 1,784,059</u>	<u>\$ 3,442,613</u>

*Accounts receivable from the Province of New Brunswick includes HST rebates of \$111,120 (2019 - \$2,317,668) which is only recoverable once the HST balance payable to Canada Revenue Agency as described in Note 10 has been paid.

OROMOCTO FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

7. 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>2020 Total</u>	<u>2019 Total</u>
Revenue	\$ 7,809	\$ 185	\$ -	\$ 7,994	\$ 7,994	\$ 7,809
Capital	\$ 1,631	\$ -	\$ -	\$ 1,631	\$ 1,631	\$ 1,631
CMHC Reserve Funds	\$ 288,269	\$ 62,484	\$ -	\$ 350,753	\$ 350,753	\$ 288,269
Fund Total					<u>\$ 360,378</u>	<u>\$ 297,709</u>

8. Inventory

	<u>2020</u>	<u>2019</u>
OFN Fuels	<u>\$ 398,068</u>	<u>\$ 388,612</u>

9. Accounts Payable and Accrued Liabilities

	<u>2020</u>	<u>2019</u>
Trade payables	\$ 363,346	\$ 362,134
Other accrued liabilities	<u>659,758</u>	<u>1,188,443</u>
Total accounts payable	<u>\$ 1,023,104</u>	<u>\$ 1,550,577</u>

10. Due to Government and Government Organizations

	<u>2020</u>	<u>2019</u>
Canada Revenue Agency - Payroll remittances	\$ 1,667,813	\$ 1,683,490
Canada Revenue Agency - Harmonized sales tax payable	<u>115,639</u>	<u>3,534,598</u>
Total	<u>\$ 1,783,452</u>	<u>\$ 5,218,088</u>

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

11. Tangible Capital Assets

	Cost			Accumulated Amortization				Net Book Value		
	Operating Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Disposals, Write-offs & Other adj.		Closing Balance	Total 2020	Total 2019
						Operating Balance	Amortization			
Tangible Capital Assets										
Commercial land	\$ 45,000		\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
Commercial buildings	4,540,227				4,540,227	167,401		1,889,537	2,650,689	2,818,090
Subdivision / Residential buildings	11,470,921	1,391,094			12,862,015	3,925,605	570,661	4,496,266	8,365,748	7,545,316
Fishing vessels	2,172,054	209,963			2,382,017	1,584,502	173,857	1,738,359	623,638	\$87,552
Vehicles	910,344	102,898			1,013,242	804,839	82,407	887,246	125,996	105,505
Furniture and fixtures	416,206				416,206	158,667	6,880	165,547	250,659	257,539
Computer equipment	139,217				139,217	126,910	9,178	136,088	3,129	12,307
Other	773,839	150,858			924,697	370,248	27,150	397,398	527,299	403,590
Total	\$ 20,467,807	\$ 1,854,813	\$ -	\$ -	\$ 22,322,620	\$ 8,692,908	\$ 1,037,534	\$ 9,730,441	\$ 12,592,179	\$ 11,774,899

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

12. Long-Term Debt

	<u>2020</u>	<u>2019</u>
Mortgage payable to Toronto Dominion Bank repaid in the year.	-	1,364
Mortgage payable to CMHC in monthly installments of \$584 including interest at 1.76%, due November 2020.	4,646	11,515
Mortgage payable to Peace Hills Trust in monthly installments of \$1,743 including interest at 3.75%, due May 2023.	99,695	116,611
Mortgage payable to Peace Hills Trust in monthly installments of \$624 including interest at 4.15%, due June 2024.	57,603	62,630
Mortgage payable to Peace Hills Trust in monthly installments of \$771 including interest at 4.15%, due May 2024.	70,722	76,953
Mortgage payable to CMHC in monthly installments of \$994 including interest at 1.97%, due December 2022.	126,836	136,187
Mortgage payable to CMHC in monthly installments of \$524 including interest at 1.97%, due December 2022.	66,822	71,749
Mortgage payable to Peace Hills Trust. Once funds are fully disbursed repayment will begin with interest at prime + 1%, amortized over 25 years.	379,025	-
Mortgage payable to CMHC in monthly installments of \$1,264 including interest at 1.97%, due December 2022.	165,278	177,092
Loan payable to Taylor Petroleum in monthly installments equal to \$0.02 cent per litre of the previous months purchases, due September 2020.	44,847	115,861
Mortgage payable to Peace Hills Trust. Once funds are fully disbursed repayment will begin with interest at prime + 1%, amortized over 25 years.	2,780,482	1,691,671
Mortgage payable to CMHC in monthly installments of \$1,641 including interest at 1.89%, due September 2024.	<u>250,138</u>	<u>265,034</u>
	<u>\$ 4,046,094</u>	<u>\$ 2,726,667</u>

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

12. Long term Debt (Continued)

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

2021	\$ 203,364
2022	159,945
2023	488,668
2024	124,916
2025	367,209

13. Reconciliation Of Indigenous Services Canada (ISC) Funding

General Administration	\$ 733,787
Education	1,265,503
Social Development	979,582
Capital	557,237
Child and Family Services	<u>2,930,665</u>
Funding per ISC confirmation	6,466,774
Add - Amendments to funding	<u>247,840</u>
Total ISC Funding per consolidated financial statements	<u>\$ 6,714,614</u>

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

14. Changes In Non-Cash Operating Working Capital

	<u>2020</u>	<u>2019</u>
Accounts receivable	\$ (137,689)	\$ 9,934
Due from government and government organizations	1,658,554	545,253
Inventory	(9,455)	(1,639)
Prepaid expenses	-	285,487
Accounts payable and accrued liabilities	(527,473)	1,178,690
Deferred revenue	-	(559,398)
Due to government and government organizations	<u>(3,434,636)</u>	<u>(2,148,640)</u>
	<u>\$ (2,450,699)</u>	<u>\$ (690,313)</u>

15. Expenses by Object

The following is a summary of expenses by object.

	<u>2020</u>	<u>2019</u>
Salaries and wages	\$ 3,046,345	\$ 2,790,747
Tuition	1,318,889	981,252
Professional services	443,340	417,648
Supplies and services	551,486	465,773
Interest and bank charges	17,350	224,991
Travel and training	2,329,375	2,234,833
Insurance, pension & health	238,731	237,091
Telephone and utilities	237,932	234,483
Repairs and maintenance	307,340	213,419
Social assistance and assisted living	955,067	932,028
Gas bar	8,848,409	8,950,847
Other	4,362,494	2,998,848
Amortization	<u>1,037,536</u>	<u>800,863</u>
	<u>\$ 23,694,294</u>	<u>\$ 21,482,823</u>

OROMOCTO FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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16. Government Transfers

	<u>Operating</u>	<u>Capital</u>	<u>2020 Total</u>
Federal government transfers:			
Indigenous Services Canada	\$ 6,564,614	\$ 150,000	\$ 6,714,614
Health Canada	715,253	-	715,253
Canada Mortgage and Housing Corporation	53,092	-	53,092
Department of Fisheries	<u>446,861</u>	<u>-</u>	<u>446,861</u>
Total	7,779,820	150,000	7,929,820
Provincial government transfers	<u>402,869</u>	<u>-</u>	<u>402,869</u>
	<u>\$ 8,182,689</u>	<u>\$ 150,000</u>	<u>\$ 8,332,689</u>
	<u>Operating</u>	<u>Capital</u>	<u>2019 Total</u>
Federal government transfers:			
Indigenous Services Canada	\$ 5,465,180	\$ 1,459,398	\$ 6,924,578
Health Canada	663,357	-	663,357
Canada Mortgage and Housing Corporation	87,325	-	87,325
Department of Fisheries	<u>257,500</u>	<u>558,597</u>	<u>816,097</u>
Total	6,473,362	2,017,995	8,491,357
Provincial government transfers	<u>194,443</u>	<u>244,024</u>	<u>438,467</u>
	<u>\$ 6,667,805</u>	<u>\$ 2,262,019</u>	<u>\$ 8,929,824</u>

17. Budgeted Figures

Budgeted figures were not prepared for the year ended March 31, 2020. Therefore, they have not been presented on the consolidated statement of operations or the consolidated statement of changes in net debt.

18. 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.

19. Economic Dependence

The government of Oromocto First Nation receives a major portion of its revenue from Indigenous Services 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.

20. 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, 2020

21. 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	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues								
Federal Government	\$ 1,441,616	\$ 1,318,386	\$ 715,253	\$ 663,357	\$ -	\$ -	\$ 690,953	\$ 781,227
Provincial Government	202,428	-	-	-	-	-	-	244,024
Taxpayer relief CRA	-	-	-	-	-	-	-	-
Saint John River Valley	-	-	-	-	-	-	-	-
Tribal Council - RHDC funding	-	-	-	-	-	-	-	-
Other Revenue	254,471	401,919	10,276	8,822	25,880,758	24,471,485	406,670	429,650
Total Revenues	1,898,515	1,720,305	725,529	672,179	25,880,758	24,471,485	1,097,623	1,454,901
Expenses								
Salaries and benefits	222,224	419,681	448,293	334,581	1,213,795	1,008,990	46,508	47,858
Amortization	-	-	67,409	67,409	112,446	106,568	524,584	386,552
Other Expenses	1,744,305	1,091,589	261,148	378,137	20,663,047	19,893,437	389,155	212,391
Total Expenses	1,966,529	1,511,270	776,850	780,127	21,989,288	21,008,995	960,247	646,801
Annual Surplus (Deficit)	\$ (68,014)	\$ 209,035	\$ (51,321)	\$ (107,948)	\$ 3,891,470	\$ 3,462,489	\$ 137,376	\$ 808,100

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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21. Segment Disclosure (continued)

	Social Services		Band Government		Other		Consolidated Totals	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues								
Federal Government	\$ 3,910,247	\$ 4,330,592	\$ 779,788	\$ 557,683	\$ 446,862	\$ 816,097	\$ 7,984,719	\$ 8,467,342
Provincial Government			126,707	-	200,441	194,443	529,576	438,467
Taxpayer relief CRA								2,681,891
Saint John River Valley	97,717	34,407	158,571	180,471			256,288	214,878
Tribal Council - HRDC funding	170,252	127,537	465,779	12,180	570,291	460,980	27,738,497	25,912,572
Other Revenue								
Total Revenues	4,178,216	4,492,536	1,530,845	750,334	1,217,594	1,471,520	36,529,080	37,715,150
Expenses								
Salaries and benefits	729,660	507,043	1,083,922	982,532	515,738	499,052	4,260,140	3,799,737
Amortization			88,564	86,599	244,533	153,735	1,037,536	800,863
Other Expenses	3,527,272	3,029,090	3,937,585	3,531,620	249,558	145,447	30,772,070	28,281,711
Total Expenses	4,256,932	3,536,133	5,110,071	4,600,751	1,009,829	798,234	36,069,746	32,882,311
Annual Surplus (Deficit)	\$ (78,716)	\$ 956,403	\$ (3,579,226)	\$ (3,850,417)	\$ 207,765	\$ 673,286	\$ 459,334	\$ 4,832,839