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**WOODSTOCK FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014**

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

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Chartered Accountants

An Independent Member of
DFK Canada Inc and DFK International

INDEPENDENT AUDITOR'S REPORT

To the Chief, Councilors, and Community Members of the Woodstock First Nation,

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 Woodstock First Nation as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Fredericton, New Brunswick
July 24, 2014

Teed Saunders Doyle & Co.

CHARTERED ACCOUNTANTS

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



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

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

	2014	2013
FINANCIAL ASSETS		
Cash and cash equivalents (note 3)	\$ 588,970	\$ 588,970
Accounts receivable (note 4)	1,208,455	1,208,455
Trust funds held by federal government (note 5)	3,125	3,125
Inventories for resale (note 6)	<u>279,991</u>	<u>279,991</u>
Total financial assets	<u>\$ 2,080,559</u>	<u>\$ 2,080,559</u>
LIABILITIES		
Cheques issued in excess of cash (note 3)	\$ 202,663	\$ 54,717
Operating line of credit (note 6)	-	150,000
Accounts payable and accrued liabilities (note 9)	959,522	2,130,594
Contribution funding repayable to Aboriginal Affairs and Northern Development Canada (note 10)	307,666	327,723
Deferred revenue (note 11)	38,451	68,017
Long term debt (note 12)	<u>5,886,955</u>	<u>6,412,909</u>
Total liabilities	<u>\$ 7,395,257</u>	<u>\$ 9,084,541</u>
NET DEBT	<u><u>\$ (5,314,698)</u></u>	<u><u>\$ (6,439,545)</u></u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	\$11,611,286	\$11,072,158
Prepaid expenses (note 14)	<u>319,881</u>	<u>149,714</u>
Total non-financial assets	<u>\$11,931,167</u>	<u>\$11,221,932</u>
ACCUMULATED SURPLUS	<u><u>\$ 6,616,469</u></u>	<u><u>\$ 4,782,587</u></u>

Approved By Chief and Council:

Chief Leonard D. J. Chief
Tom Lang Councilor
Chair Pat Barker Councilor
Sarah J. Riddle Councilor
Peggy Wright Councilor

John Paul \$ 6,616.469 \$ 4,782.581
Councillor Councillor Councillor Councillor

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

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Revenue			
Federal Government:			
Aboriginal Affairs and Northern Development			
Canada (note 15)	\$ 4,373,458	\$ 4,956,984	\$ 5,085,362
Health Canada	611,890	661,703	656,533
Human Resources and Social Development Canada	408,288	386,886	373,064
Canada Mortgage and Housing Corporation	110,126	122,094	123,405
Department of Fisheries and Oceans Canada	328,500	341,935	314,530
Solicitor General of Canada	53,988	53,988	53,988
Provincial government	698,785	770,115	672,895
Interest, rent and sundry	76,107	304,425	280,381
Opening deferred revenue	-	-	147,728
Economic Activities	<u>13,794,359</u>	<u>15,729,862</u>	<u>13,837,269</u>
Total Revenue	<u>20,455,501</u>	<u>23,327,992</u>	<u>21,545,155</u>
Expenses			
General Administration	1,688,793	2,166,662	2,127,559
Health	609,230	650,929	674,046
Operations and Maintenance	596,050	599,943	672,438
Capital	1,054,834	453,330	323,687
Education	1,501,818	1,707,054	1,593,394
Fisheries	1,314,778	1,427,161	1,188,993
Economic Development	10,970,894	12,686,164	11,416,455
Social Assistance	665,511	628,608	697,368
Child and Family Services	684,934	979,379	752,022
Forestry	<u>193,954</u>	<u>194,880</u>	<u>183,424</u>
Total Expenses	<u>19,280,796</u>	<u>21,494,110</u>	<u>19,629,386</u>
Annual Surplus	1,174,705	1,833,882	1,915,769
Accumulated Surplus - Beginning of Year	<u>4,782,587</u>	<u>4,782,587</u>	<u>2,866,818</u>
Accumulated Surplus - End of Year	<u>\$ 5,957,292</u>	<u>\$ 6,616,469</u>	<u>\$ 4,782,587</u>

WOODSTOCK FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Annual Surplus	\$ 1,174,705	\$ 1,833,882	\$ 1,915,769
Changes in Non-Financial Assets			
Acquisition of tangible capital assets	-	(1,255,174)	(2,211,511)
Disposition of tangible capital assets	-	-	16,247
Amortization of capital assets	-	716,048	554,080
Gain on disposal of tangible capital asset	-	-	(11,497)
Decrease (increase) in prepaid expenses	<u>—</u>	<u>(170,109)</u>	<u>106,069</u>
	<u>—</u>	<u>(709,235)</u>	<u>(1,546,612)</u>
(Increase) Decrease In Net Debt	1,174,705	1,124,647	369,157
Net Debt - Beginning Of Year	<u>(6,439,345)</u>	<u>(6,439,345)</u>	<u>(6,808,502)</u>
Net Debt - End Of Year	<u>\$ (5,264,640)</u>	<u>\$ (5,314,698)</u>	<u>\$ (6,439,345)</u>

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

	<u>2014</u>	<u>2013</u>
Cash Provided By (Required For):		
Operating Activities		
Excess revenue over expenditures	\$ 1,833,882	\$ 1,915,709
Gain on disposal of tangible capital asset	- (11,497)	
Amortization	<u>716,048</u>	<u>554,080</u>
	2,549,930	2,458,352
Changes in non-cash operating working capital items (note 16)	<u>(1,316,531)</u>	<u>593,438</u>
	<u>1,233,399</u>	<u>3,051,790</u>
Investing Activities		
Capital expenditures	(1,255,174)	(2,211,511)
Proceeds from sales of assets	- 16,247	
	<u>(1,255,174)</u>	<u>(2,195,264)</u>
Financing Activities		
Proceeds from long term debt	3,700,000	416,560
Repayment of long term debt	<u>(4,225,943)</u>	<u>(1,010,347)</u>
	<u>(525,943)</u>	<u>(593,787)</u>
Increase (Decrease) In Cash	(547,718)	262,739
Cash Position at Beginning of Year	<u>937,168</u>	<u>674,429</u>
Cash Position at End of Year	<u>\$ 389,450</u>	<u>\$ 937,168</u>
Components of cash:		
Cash and cash equivalents (note 3)	\$ 386,327	\$ 1,064,167
Operating line of credit	- (130,000)	
Funds held in trust	<u>3,123</u>	<u>- 3,001</u>
	<u>\$ 389,450</u>	<u>\$ 937,168</u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid	<u>\$ 291,856</u>	<u>\$ 271,001</u>

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

1. Description of Entity

The Woodstock First Nation operates a First Nations Band in Woodstock, 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 prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Reporting Entity

The Woodstock First Nation reporting entity includes the Woodstock First Nation government, the Woodstock First Nation Economic Development Corporation, and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. The Woodstock First Nation Economic Development Corporation includes the Eagle's Nest Gaming Palace and two convenience store/gas bar operations.

Principles of Consolidation

All controlled 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 a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Organizations consolidated in the Woodstock First Nation's financial statements include:

General Administration
Health Program
Operations And Maintenance
Capital Program
Education Program
Fisheries Program
Economic Development
Social Assistance Program
Forestry Program

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

2. Significant Accounting Policies (continued)

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, prepaid expenses and inventories of supplies.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash in bank accounts

Accounts Receivable

Accounts receivable arise from trade receivables, loans and advances, and federal and provincial government receivables. An allowance for bad debts has been calculated by management based on an assessment of the circumstances influencing the collectibility of amount, and by using historical loss experience. Amounts deemed uncollectible 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.

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.

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

2. Significant Accounting Policies (continued)

Amortization is provided annually using the declining balance method, at rates calculated to write-off the assets over their estimated useful lives as follows:

Buildings	4%
Fishing Vessels	20%
Wastewater treatment plant	5%
Well upgrades	10%
Equipment	20%
Vehicles	30%
Furniture and fixtures	30%
School Bus	30%
Boat equipment	20%

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 impracticable.

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

Contributions from other sources are deferred when restrictions are placed on their use by the 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 is performed.

Expense Recognition

Expenses are recorded on the accrual basis as they are incurred and measurable based on receipt of goods or services and obligations to pay.

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

2. Significant Accounting Policies (continued)

Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Revenues and expenses denominated in foreign currencies are translated using the average exchange rate for the year.

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.

Measurement Uncertainty

In preparing the financial statements for the government of Woodstock 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

The carrying values of accounts receivable, accounts payable and other financial liabilities approximate fair values due to the short-term maturities of these instruments. The carrying amount of long-term debt approximate their fair values because the interest rates approximate market rates. It is management's opinion that the company is not exposed to any significant liquidity, interest rate, currency, or credit risks arising from these financial instruments.

3. Cash and Cash Equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Woodstock First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Apartment Replacement and Subsidy Fund.

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

3. Cash and Cash Equivalents (continued)

Cash is comprised of the following

	<u>2014</u>	<u>2013</u>
Externally restricted		
Provincial Education Credit	\$ -	\$ 383,493
Capital Improvements	<u>586,327</u>	<u>508,280</u>
	<u>586,327</u>	<u>891,773</u>
Internally restricted		
Capital Planning	<u>2,663</u>	<u>178,841</u>
Unrestricted		
Operating	<u>(202,663)</u>	<u>(6,447)</u>
Total Cash	<u>\$ 386,327</u>	<u>\$ 1,064,167</u>

4. Accounts Receivable

Accounts Receivable consists of the following

	<u>2014</u>	<u>2013</u>
Due from members:		
Loans	\$ 140,110	\$ 138,487
Less: allowance for doubtful accounts	<u>(140,110)</u>	<u>(138,487)</u>
	<u>-</u>	<u>-</u>
Due from others:		
Aboriginal Affairs and Northern Development Canada	134,000	136,393
Province of New Brunswick - Department of Finance	635,317	725,426
Saint John River Valley Tribal Council	108,666	89,015
Department of Fisheries and Oceans	65,214	77,284
Forestry advances to subcontractors	63,925	62,060
Other amounts owing (net of allowance for doubtful accounts)	148,207	206,894
Province of New Brunswick - Department of Natural Resources	<u>53,126</u>	<u>1,602</u>
	<u>1,208,455</u>	<u>1,298,674</u>
Total Accounts Receivable	<u>\$ 1,208,455</u>	<u>\$ 1,298,674</u>

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

5. 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>2014</u>	<u>2013</u>
Revenue	\$ 2,821	\$ 122	\$ -	\$ 2,943	\$ 2,943	\$ 2,821
Capital	\$ 180	\$ -	\$ -	\$ 180	\$ 180	\$ 180
Fund Total				\$ 3,123	\$ 3,001	

6. Inventories for Resale

	<u>2014</u>	<u>2013</u>
Maliseet Fuels I	\$ 88,212	\$ 92,885
Maliseet Fuels II	162,992	152,703
Eagle's Nest	<u>28,787</u>	<u>27,319</u>
Total Inventories For Resale	\$ 279,991	\$ 272,907

7 Tangible Capital Assets

	Cost			Accumulated Amortization			Net Book Value				
	Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Opening Balance	Amortization	Disposals & Other adj	Closing Balance		
Tangible Capital Assets											
Commercial land	\$ 363,000	\$ -	\$ 56,398	\$ -	\$ 363,000	\$ 5,042,771	\$ 1,462,346	\$ 142,087	\$ 1,604,133	\$ 363,000	
Commercial buildings	4,286,573	-	-	-	4,286,573	6,215,924	1,933,899	171,281	2,105,180	3,524,027	
Residential buildings	6,215,924	-	-	-	6,215,924	1,081,625	592,917	24,136	617,353	4,282,025	
Wastewater treatment plant	1,081,625	-	-	-	1,081,625	2,068,457	1,746,082	64,474	1,810,556	464,272	
Fishing vessels	2,068,457	-	-	-	2,068,457	702,337	768,761	551,917	257,901	488,707	
Vehicle	702,337	66,424	-	-	702,337	229,125	3486	3486	3486	322,375	
Furniture and fixtures	229,125	-	-	-	229,125	2,382	2,382	2,382	2,382	181,962	
Computer equipment	2,382	-	-	-	2,382	1,132,265	1,132,265	1,132,265	1,132,265	150,420	
Other equipment	1,132,265	1,34,931	-	-	1,132,265	1,207,174	944,033	944,033	944,033	2,382	
Well Upgrades	1,207,174	944,033	-	-	1,207,174	2,151,227	2,151,227	2,151,227	2,151,227	1,132,265	
Minibut License	2,151,227	47,500	-	-	2,151,227	250,000	47,500	47,500	47,500	1,983,307	
Lobster license	250,000	-	-	-	250,000	-	-	-	-	1,983,307	
Total	\$ 18,262,581	\$ 1,255,174	\$ -	\$ -	\$ 19,517,755	\$ 7,190,422	\$ 716,047	\$ -	\$ 7,906,469	\$ 11,611,286	
										\$ 11,072,158	

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

8. Operating Line of Credit

As at March 31, 2014 The First Nation had an operating line of credit in the amount of \$600,000 (2013 - \$390,000) of which \$nil (2013 - \$130,000) was outstanding at that date. The outstanding portion of the line of credit bears interest at the bank's prime rate plus 1.5% (2013 - 2.5%) per annum, payable monthly.

9. Accounts Payable and Accrued Liabilities

	2014	2013
Trade payables	\$ 317,008	\$ 411,242
Health Canada	16,031	14,624
Canada Mortgage and Housing Corporation	-	-
Province of New Brunswick - Department of Finance	173,230	949,632
Solicitor General of Canada	28,108	7,385
Accrued salaries and employee benefits payable	169,694	161,419
Other accrued liabilities	<u>255,451</u>	<u>595,092</u>
Total Accounts Payable and Accrued Liabilities	\$ 959,522	\$ 2,139,394

10. Contribution Funding Repayable

	2014	2013
Aboriginal Affairs and Northern Development Canada		
Maintenance - Foster Homes - 2371	\$ 20,490	\$ -
Prevention Projects - 2420	19,424	-
Operations - CFS - 02373	-	18,744
Debt Management - 96	<u>267,752</u>	<u>309,009</u>
Total Contribution Funding repayable	\$ 307,666	\$ 327,753

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

11. Deferred Revenue

	<u>Opening Balance</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>Closing Balance</u>	<u>2014</u>	<u>2013</u>
Saint John River Valley Tribal Council						
Headstart Capital	11,915	-	-	11,915	\$ 11,915	\$ 11,915
Other						
Strawberry Festival	47,132	-	29,596	17,536	17,536	47,132
Non Health Canada Health Programs	9,000	-	-	9,000	9,000	9,000
					\$ 38,451	\$ 68,047

12. Long-Term Debt

	<u>2014</u>	<u>2013</u>
Loan payable to Royal Bank of Canada in monthly installments of \$1,029 including interest at 2.91%.	\$ -	\$ 218,590
Mortgage payable to Canadian Imperial Bank of Commerce in monthly installments of \$51,389 plus interest at prime plus 1.5%, due March 2020.	3,700,000	-
Mortgage payable to Royal Bank of Canada in monthly installments of \$1,116 including interest at 3.09%.	-	109,496
Mortgage payable to Royal Bank of Canada in monthly installments of \$1,801 including interest at 2.98%.	-	90,889
Loan payable to Royal Bank of Canada in monthly installments of \$28,709 including interest at prime plus 2.5%.	-	2,208,549
Loan payable to Royal Bank of Canada in monthly installments of \$1,587 including interest at 4.5%.	-	93,893
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$628 including interest at 2.84%, due April 2015.	40,469	46,762
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$249 including interest at 1.62%, due March 2018.	24,770	27,370
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$292 including interest at 2.35%, due September 2018.	29,633	32,359

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

12. Long-Term Debt (continued)

Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$252 including interest at 2.11%, due December, 2018.	13,650	16,311
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$282 including interest at 2.76%, due June 2015.	32,052	34,514
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$297 including interest at 2.65%, due April 2016.	36,434	39,003
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$258 including interest at 1.71%, due September 2017.	37,265	39,700
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$234 including interest at 1.92%, due April 2019.	36,833	38,940
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$242 including interest at 1.92%, due April 2019.	38,089	40,267
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$261 including interest at 2.57%, due December 2014.	40,316	42,383
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$256 including interest at 2.76%, due June 2015.	39,997	41,937
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$1,068 including interest at 2.86%, due August 2014.	49,359	60,598
Mortgage payable to Royal Bank of Canada in monthly installments of \$1,111 including interest at 6.35%, due March 2015.	-	158,451
Loan payable to Royal Bank of Canada in monthly installments of \$3,539 including interest at 5.31%, due November 2016.	466,596	484,062
Demand loan payable to Royal Bank of Canada in monthly installments of \$10,083 plus interest at prime plus 2.5%, due March 2015.	-	242,000
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$727 including interest at 2.65%, due April 2016.	119,828	125,311
Loan payable to Royal Bank of Canada in monthly installments of \$38,095 plus interest at prime plus 2.5%, due May 2015	-	952,395
Loan payable to Canada Mortgage and Housing Corporation in monthly installments of \$991 including interest at 1.64% due December 2016.	183,125	191,947
Loan payable to Canada Mortgage and Housing Corporation in monthly installments of \$1,318 including interest at 1.62%, due March 2018.	258,555	270,090
Loan payable to Canada Mortgage and Housing Corporation in monthly installments of \$333 including interest at 1.62%, due March 2018.	65,270	68,182

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

12. Long-Term Debt (continued)

Loan payable to Ulnooweg in monthly installments of \$1,597 including interest at 10.75%, secured by general security agreement, a promissory note in the amount of \$73,689, a borrowing resolution, and a conditional sales contract over sawmill equipment, due May 1, 2013.	- 4,132
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$774 including interest at 2.79%, due April 2015.	9,901 18,776
Mortgage payable to Canadian Imperial Bank of Commerce in monthly installments of \$471 including interest at 5.05%, due August 2015.	56,691 59,574
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$1,102 including interest at 2.35%, due September 2018.	205,581 213,200
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$2,344 including interest at 1.45%, due April 2016.	57,726 84,806
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$292 including interest at 1.39%, due August 2017.	20,399 23,591
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$1,387 including interest at 1.67%, due October 2017	<u>324,416</u> <u>334,822</u>
	<u><u>\$ 5,886,955</u></u> <u><u>\$ 6,412,900</u></u>

Assuming the mortgages are renewed on comparable terms, the principal portion of long term debt expected to become due in each of the next five years is as follows:

2015	\$ 767,571
2016	762,982
2017	740,181
2018	748,591
2019	<u>729,156</u>
	<u><u>\$ 3,748,481</u></u>

Security for Canada Imperial Bank of Commerce loan is as follows:

- Security agreement granting a first security interest in all present and after acquired personal property (to be registered in New Brunswick).
- Letter of direction acknowledged by the Department of Aboriginal Affairs and Northern Development Canada stating that all disbursements under the Flexible Funding Agreement will be forwarded directly to the Bank for deposit to the First Nation's account;
- First Nation Council resolution giving the Bank access to the reserve;
- Guarantee of claim signed by the Woodstock First Nation Economic Development Corporation. This guarantee to be secured by a security agreement from the guarantor granting a first security interest in all present and after acquired personal property.

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

13. Financial Instruments

Woodstock First Nation 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 Woodstock First Nation's risk exposure and concentration as of March 31, 2014.

Liquidity Risk

Liquidity Risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Woodstock First Nation 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 entity manages exposure through its normal operating and financing activities. Woodstock First Nation is exposed to interest rate risk primarily through floating interest rates on certain bank loans.

14. Prepaid Expenses

	<u>2014</u>	<u>2013</u>
Insurance	\$ 133,379	\$ 61,009
Honorariums	75,500	46,552
Living allowances	13,245	16,340
Wages	73,970	9,337
Property tax	7,056	7,101
Social benefits	11,675	387
Other prepaid expenses	<u>5,056</u>	<u>9,048</u>
Total Prepaid Expenses	\$ 319,881	\$ 149,774

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

15. Reconciliation of Aboriginal Affairs and Northern Development Canada (AANDC) Funding

	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
AANDC revenue per schedule 1 - General administration	\$ 507,101	\$ 509,635
AANDC revenue per schedule 3 - Operations and maintenance	198,549	193,711
AANDC revenue per schedule 4 - Capital	1,100,275	1,364,781
AANDC revenue per schedule 5 - Education	1,339,508	1,238,460
AANDC revenue per schedule 7 - Economic Development	-	37,125
AANDC revenue per schedule 8 - Social assistance program	937,104	909,583
AANDC revenue per schedule 9 - Child and family services	874,447	608,027
AANDC revenue per schedule 6 - Fisheries	<u>-</u>	<u>224,040</u>
Total AANDC funding per consolidated financial statements	4,956,984	5,085,362
Receivable recorded for Child & Family Services	<u>-</u>	<u>(51,059)</u>
	<u><u>\$ 4,956,984</u></u>	<u><u>\$ 5,034,303</u></u>
Funding per AANDC revenue confirmation	<u><u>\$ 4,956,984</u></u>	<u><u>\$ 5,034,303</u></u>

16. Changes In Non-Cash Operating Working Capital Items

	<u>2014</u>	<u>2013</u>
Accounts receivable	\$ 90,219	\$ 440,575
Inventories for resale	(7,084)	(15,435)
Prepaid expenses	(170,107)	106,067
Accounts payable and accrued liabilities	(1,179,877)	305,431
Deferred revenue	(29,596)	(108,698)
Contribution funding repayable to Aboriginal Affairs and Northern Development Canada	(20,086)	(134,502)
	<u><u>\$ (1,316,531)</u></u>	<u><u>\$ 593,438</u></u>

17. Economic Dependence

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

WOODSTOCK FIRST NATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2014

18. Expenses by Object

The following is a summary of expenses by object.

	<u>2014</u>	<u>2013</u>
Salaries, wages, honoraria and pension	\$ 2,481,635	\$ 2,553,888
Tuition	1,441,922	1,341,225
Professional services	113,147	88,276
Supplies and services	281,905	296,432
Interest and bank charges	291,856	271,001
Travel and training	360,483	372,292
Insurance & health	181,297	123,093
Telephone and utilities	227,632	192,332
Repairs and maintenance	698,894	618,654
Social assistance and assisted living	598,767	644,020
Gas bar	12,559,059	11,244,331
Other	1,541,465	1,329,762
Amortization	<u>716,048</u>	<u>554,080</u>
	<u>\$ 21,494,110</u>	<u>\$ 19,629,386</u>

19 Segment Disclosure

Woodstock First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by department. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the period are as follows:

	Education		Health		Economic Development		Housing		Community Services	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues										
Federal Government	\$ 1,339,508	\$ 1,238,460	\$ 661,703	\$ 663,513	\$ -	\$ 37,125	\$ 122,094	\$ 123,405	\$ 1,316,824	\$ 1,699,240
Provincial Government	367,121	259,718	-	-	-	-	-	-	-	-
Economic Activities	-	-	-	-	14,233,163	12,758,016	-	-	-	-
Other Revenue	29,469	27,802	-	-	-	-	36,000	78,606	-	-
Total Revenues	1,736,098	1,525,980	661,703	663,513	14,233,163	12,795,141	158,094	202,011	1,316,824	1,699,240
Expenses										
Salaries and benefits	236,829	211,451	290,013	299,276	1,161,776	1,019,410	64,701	111,064	33,539	48,714
Amortization	8,381	11,973	10,742	11,214	127,105	134,999	307,868	139,910	24,435	25,721
Debt Servicing	-	-	-	-	48,238	102,878	85,081	96,581	-	-
Other Expenses	1,461,844	1,369,970	330,174	363,556	11,387,667	10,245,491	80,761	72,713	456,888	501,422
Total Expenses	1,707,054	1,393,394	650,929	674,046	12,724,786	111,502,778	538,411	420,268	514,862	575,857
Annual Surplus (Deficit)	\$ 29,044	\$ (67,414)	\$ 10,774	\$ (10,533)	\$ 1,508,377	\$ 1,292,363	\$ (380,317)	\$ (218,257)	\$ 801,962	\$ 1,123,383

	Social Services		Band Government		Other		Inter-segment Eliminations		Consolidated Totals	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues										
Federal Government	\$ 1,934,731	\$ 1,642,980	\$ 824,795	\$ 811,317	\$ 341,935	\$ 538,370	\$ -	\$ -	6,541,390	6,754,610
Provincial Government	-	-	402,594	413,177	-	-	-	-	770,115	672,895
Economic Activities	-	-	-	-	1,535,321	1,165,576	-	-	15,763,484	13,923,592
Other Revenue	-	-	220,956	173,973	-	-	(36,000)	(36,000)	250,425	244,381
Total Revenues	1,934,731	1,642,980	1,448,745	1,398,467	1,877,256	1,704,146	(36,000)	(36,000)	23,330,614	21,595,478
Expenses										
Salaries and benefits	230,293	266,630	712,902	778,359	746,558	687,334	-	-	3,476,611	3,422,738
Amortization	3,425	2,491	65,806	72,353	168,286	155,419	-	-	716,048	554,080
Debt Servicing	-	-	206,744	173,270	-	-	-	-	340,063	372,729
Other Expenses	-	-	1,181,210	1,103,577	707,197	529,164	(36,000)	(36,000)	16,964,010	15,330,162
Total Expenses	1,607,987	1,449,390	2,166,662	2,127,559	1,652,041	1,372,417	(36,000)	(36,000)	21,496,732	19,679,709
Annual Surplus (Deficit)	\$ 326,744	\$ 193,590	\$ (717,917)	\$ (729,092)	\$ 255,215	\$ 331,729	\$ -	\$ -	\$ 1,833,382	\$ 1,915,769

20. Government Transfers

	2014			2013		
	Operating	Capital	Total	Operating	Capital	Total
Federal Government Transfers						
Aboriginal Affairs and Northern Development Canada	\$ 4,027,712	\$ 929,272	\$ 4,956,984	\$ 3,791,522	\$ 1,293,840	\$ 5,085,362
Health Canada	661,703	-	661,703	656,533	-	656,533
Human Resources and Social Development Canada	386,886	-	386,886	373,064	-	373,064
Canadian Mortgage and Housing Corporation	122,094	-	122,094	123,405	-	123,405
Department of Fisheries and Oceans	321,935	20,000	341,935	246,530	68,000	314,530
Solicitor General of Canada	53,988	-	53,988	53,988	-	53,988
Total Federal Government Transfers	5,574,318	949,272	6,523,390	5,245,042	1,361,840	6,606,882
Provincial Government Transfers	770,115	-	770,115	672,895	-	672,895
	\$ 6,344,433	\$ 949,272	\$ 7,293,705	\$ 5,917,937	\$ 1,361,840	\$ 7,279,777

TEED
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Chartered Accountants