

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

WOODSTOCK FIRST NATION
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FOR THE YEAR ENDED MARCH 31, 2017
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WOODSTOCK FIRST NATION

MARCH 31, 2017

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

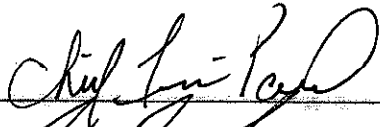
These consolidated financial statements have been prepared by management in accordance with the Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada and as such include amounts that 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.

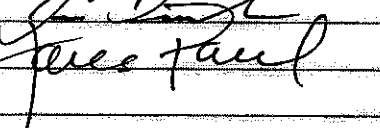
The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The First Nation Council meets periodically with management, as well as the 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.

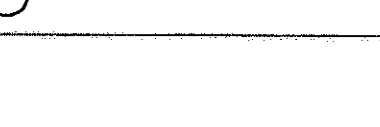
The external auditors, Teed Saunders Doyle & Co., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Woodstock First Nations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



Chief



Councilor



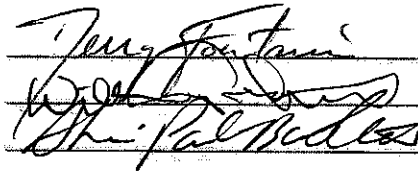
Councilor



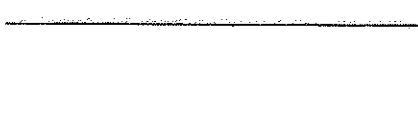
Councilor



Councilor



Councilor



Councilor



Councilor



Councilor

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, 2017, and the consolidated statements of operations, changes in net debt and cash flows, and schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Teed Saunders Doyle

Fredericton, New Brunswick
July 21, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS

WOODSTOCK FIRST NATION

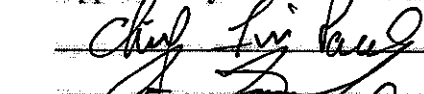
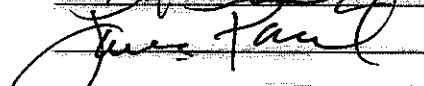
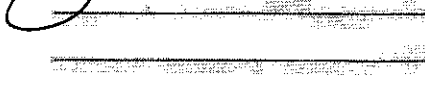


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

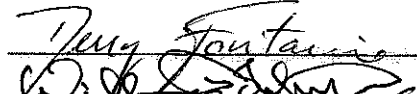
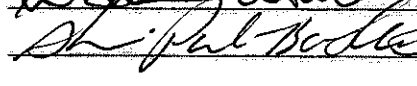
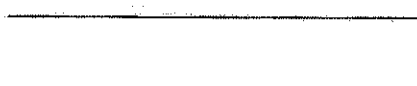

AS AT MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
FINANCIAL ASSETS		
Cash and cash equivalents (note 3)	\$ 832,134	\$ 177,746
Accounts receivable (note 4)	708,759	532,753
Due from government and government organizations (note 5)	2,126,386	1,678,912
Trust funds held by federal government (note 6)	3,326	3,231
Inventories for resale (note 9)	<u>686,612</u>	<u>463,635</u>
Total financial assets	<u>\$ 4,357,217</u>	<u>\$ 2,856,277</u>
LIABILITIES		
Accounts payable and accrued liabilities (note 10)	\$ 1,601,145	\$ 1,305,710
Due to government and government organizations (note 11)	79,401	71,785
Contribution funding repayable to Indigenous and Northern Affairs Canada (note 13)	278,485	147,753
Deferred revenue (note 13)	-	295,914
Long term debt (note 14)	<u>5,692,049</u>	<u>6,757,613</u>
Total liabilities	<u>\$ 7,651,080</u>	<u>\$ 8,578,775</u>
NET DEBT	<u>\$(3,293,863)</u>	<u>\$(5,722,498)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	\$15,728,983	\$14,431,411
Prepaid expenses (note 16)	<u>556,828</u>	<u>510,878</u>
Total non-financial assets	<u>\$16,285,811</u>	<u>\$14,942,289</u>

ACCUMULATED SURPLUS	<u>\$12,991,948</u>	<u>\$ 9,219,791</u>
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Approved By Chief and Council:

	Chief
	Councilor
	Councilor
	Councilor
	Councilor

	Councilor
	Councilor
	Councilor
	Councilor

WOODSTOCK FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Revenue			
Federal Government:			
Indigenous and Northern Affairs Canada (note 17)	\$ 4,038,460	\$ 4,803,789	\$ 4,580,286
Health Canada	672,643	720,856	684,310
Human Resources and Social Development Canada	429,409	430,546	424,105
Canada Mortgage and Housing Corporation	99,930	187,494	103,930
Department of Fisheries and Oceans Canada	307,617	301,417	307,617
Provincial government	1,380,402	2,321,786	1,007,048
Interest, rent and sundry	145,024	551,104	250,795
Closing deferred revenue	-	275,914	(275,914)
Economic Activities	<u>31,310,214</u>	<u>38,640,820</u>	<u>23,104,377</u>
Total Revenue	<u>38,383,699</u>	<u>48,233,726</u>	<u>30,186,554</u>
Expenses			
General Administration	2,692,133	3,564,250	2,777,642
Health	660,674	749,151	715,753
Operations and Maintenance	774,538	1,011,713	723,999
Capital	398,221	771,718	694,173
Education	1,761,586	2,117,570	1,649,184
Fisheries	1,874,353	2,132,478	1,956,126
Economic Development	24,998,617	32,226,942	17,932,493
Social Assistance	698,615	695,734	671,739
Child and Family Services	801,384	959,273	881,361
Forestry	<u>234,032</u>	<u>232,740</u>	<u>154,093</u>
Total Expenses	<u>34,894,153</u>	<u>44,461,569</u>	<u>28,156,563</u>
Annual Surplus	<u>3,489,546</u>	<u>3,772,157</u>	<u>2,029,991</u>
Accumulated Surplus - Beginning of Year	<u>9,219,791</u>	<u>9,219,791</u>	<u>7,189,800</u>
Accumulated Surplus - End of Year	<u>\$ 12,709,337</u>	<u>\$ 12,991,948</u>	<u>\$ 9,219,791</u>

WOODSTOCK FIRST NATION

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u> <u>Budget</u>	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Annual Surplus	\$ 3,489,546	\$ 3,772,157	\$ 2,029,991
Changes in Non-Financial Assets			
Acquisition of tangible capital assets	-	(2,271,817)	(1,788,518)
Disposition of tangible capital assets	-	-	23,870
Amortization of capital assets	-	974,245	895,632
Loss on disposal of tangible capital asset	-	-	4,008
Decrease (increase) in prepaid expenses	-	(45,950)	(255,283)
	-	(1,343,522)	(1,120,291)
(Increase) Decrease In Net Debt	3,489,546	2,428,635	909,700
Net Debt - Beginning Of Year	(5,722,498)	(5,722,498)	(6,632,198)
Net Debt - End Of Year	<u>\$(2,232,952)</u>	<u>\$(3,293,863)</u>	<u>\$(5,722,498)</u>

WOODSTOCK FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Cash Provided By (Required For):		
Operating Activities		
Excess revenue over expenditures	\$ 3,772,157	\$ 2,029,991
Loss on disposal of tangible capital asset	-	4,008
Amortization	<u>974,245</u>	<u>895,632</u>
	4,746,402	2,929,631
Changes in non-cash operating working capital items (note 18)	<u>(754,538)</u>	<u>(1,373,950)</u>
	<u>3,991,864</u>	<u>1,555,681</u>
Investing Activities		
Capital expenditures	(2,271,816)	(1,788,518)
Proceeds from sales of assets	<u>-</u>	<u>23,870</u>
	<u>(2,271,816)</u>	<u>(1,764,648)</u>
Financing Activities		
Proceeds from long term debt	138,697	624,159
Repayment of long term debt	<u>(1,204,262)</u>	<u>(1,118,763)</u>
	<u>(1,065,565)</u>	<u>(494,604)</u>
Increase (Decrease) in Cash	654,483	(703,571)
Cash Position at Beginning of Year	<u>180,977</u>	<u>884,548</u>
Cash Position at End of Year	<u>\$ 835,460</u>	<u>\$ 180,977</u>
Components of cash:		
Cash and cash equivalents (note 3)	\$ 832,134	\$ 177,746
Operating line of credit	-	-
Funds held in trust	<u>3,326</u>	<u>3,231</u>
	<u>\$ 835,460</u>	<u>\$ 180,977</u>

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

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 Chartered Professional Accountants Canada.

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, 2017

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

The Woodstock First Nation considers cash on hand, short-term deposits and balances with banks, net of overdrafts as cash or cash equivalents.

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, 2017

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, 2017

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

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

3. Cash 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, 2017

3. Cash and Cash Equivalents (continued)

Cash is comprised of the following

	<u>2017</u>	<u>2016</u>
Externally restricted		
Capital Improvements	\$ <u>609,927</u>	\$ <u>609,927</u>
Internally restricted		
Capital Planning	<u>5,229</u>	<u>5,229</u>
Unrestricted		
Operating	<u>216,978</u>	<u>(437,411)</u>
Total Cash	\$ <u>832,134</u>	\$ <u>177,747</u>

4. Accounts Receivable

	<u>2017</u>	<u>2016</u>
Loans	\$ 216,357	\$ 130,307
Less: allowance for doubtful accounts	<u>(130,307)</u>	<u>(130,307)</u>
	86,050	-
Saint John River Valley Tribal Council	10,338	10,338
Forestry advances to subcontractors	80,224	73,781
Other amounts owing (net of allowance for doubtful accounts)	<u>532,147</u>	<u>448,634</u>
	\$ <u>708,759</u>	\$ <u>532,753</u>

5 Due from Government and Government Organizations

Indigenous and Northern Affairs Canada	354,198	85,278
Health Canada	48,124	-
Province of New Brunswick - Department of Finance	1,443,681	1,169,378
Department of Fisheries and Oceans	280,383	183,187
Province of New Brunswick - Department of Natural Resources	-	241,069
	\$ <u>2,126,386</u>	\$ <u>1,678,912</u>

WOODSTOCK FIRST NATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

6. Trust Funds Held by Federal Government

Trust fund accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	<u>Opening Balance</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Closing Balance</u>	<u>2017</u>	<u>2016</u>
Revenue	\$ 3,051	\$ 122	\$ -	\$ 3,173	\$ 3,146	\$ 3,051
Capital	\$ 180	\$ -	\$ -	\$ 180	180	180
Fund Total					\$ 3,326	\$ 3,231

7. Inventories for Resale

	<u>2017</u>	<u>2016</u>
Maliseet Fuels I	\$ 156,596	\$ 114,807
Maliseet Fuels II	240,718	190,081
Cardlock	248,451	131,777
Eagle's Nest	<u>40,847</u>	<u>26,970</u>
Total Inventories For Resale	\$ 686,612	\$ 463,635

8. Tangible Capital Assets

	Cost				Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Disposals	Transfers of Assets	Opening Balance	Amortization	Disposals, Write-offs & Other Adj.	Closing Balance	Total 2017
Tangible Capital Assets	\$ 363,001	\$ 688,630	\$ -	\$ -	\$ 1,051,631	\$ -	\$ -	\$ 1,051,631	\$ 363,001
Commercial land	5,267,580	17,418	-	-	5,284,998	135,888	-	2,014,928	3,270,070
Commercial buildings	6,456,896	797,290	-	-	7,254,186	176,789	-	2,612,606	4,641,580
Wastewater treatment plant	1,081,625	-	-	-	1,081,625	20,950	-	683,570	398,055
Fishing vessels	2,088,457	-	-	-	2,088,457	33,011	-	1,936,412	132,045
Vehicles	1,043,171	88,004	-	-	1,131,175	119,153	-	809,349	322,026
Furniture and fixtures	259,314	7,677	-	-	266,991	8,590	-	228,792	38,199
Computer equipment	29,573	21,449	-	-	51,022	3,482	-	26,372	24,651
Other equipment	1,509,655	217,190	-	-	1,726,845	122,940	-	1,126,492	606,353
Well Upgrades	2,898,216	416,163	-	-	3,314,379	249,785	-	889,235	2,456,144
Cardlock	2,678,939	17,993	-	-	2,696,932	103,635	-	208,203	2,496,730
Halibut License	47,500	-	-	-	47,500	-	-	-	47,500
Lobster license	238,090	-	-	-	238,090	-	-	-	238,090
Total	\$ 23,953,927	\$ 2,271,814	\$ -	\$ -	\$ 26,225,741	\$ 974,242	\$ -	\$ 10,496,758	\$ 15,728,983
									\$ 14,431,411

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

9. Operating Line of Credit

As at March 31, 2017 The First Nation had an operating line of credit in the amount of \$600,000 of which \$nil (2016 - \$nil) was outstanding at that date. The outstanding portion of the line of credit bears interest at the bank's prime rate plus 1.5% per annum, payable monthly.

10. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Trade payables	\$ 978,863	\$ 849,028
Accrued salaries and employee benefits payable	111,662	105,133
Other accrued liabilities	510,621	351,553
Total Accounts Payable and Accrued Liabilities	<u>\$ 1,601,146</u>	<u>\$ 1,305,714</u>

11. Due to Government and Government Organizations

Health Canada	30,652	23,036
Canada Mortgage and Housing Corporation	-	-
Province of New Brunswick - Department of Finance	-	-
Solicitor General of Canada	48,749	48,749
Total	<u>\$ 79,401</u>	<u>\$ 71,785</u>

12. Contribution Funding Repayable

	<u>2017</u>	<u>2016</u>
Indigenous and Northern Affairs Canada		
Maintenance - Foster Homes - NPDI	\$ 190,732	\$ -
Debt Management - 96	87,753	147,753
Total Contribution Funding repayable	<u>\$ 278,485</u>	<u>\$ 147,753</u>

13. Deferred Revenue

	<u>Opening Balance</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>Closing Balance</u>	<u>2017</u>	<u>2016</u>
Indigenous and Northern Affairs Canada						
Water Improvements \$	275,914	\$ -	\$ 275,914	\$ -	\$ -	\$ 275,914
Other						
Elder Renovations	20,000	-	20,000	-	-	20,000
					<u>\$ -</u>	<u>\$ 295,914</u>

WOODSTOCK FIRST NATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

14. Long-Term Debt

	<u>2017</u>	<u>2016</u>
Mortgage payable to Canadian Imperial Bank of Commerce in monthly installments of \$51,389 plus interest at prime plus 1.5%, due March 2020.	\$ 1,850,000	\$ 2,466,667
Loan payable to Canadian Imperial Bank of Canada in monthly installments of \$33,333 plus interest at prime plus at 1.5%, due May 2021.	1,646,667	2,046,667
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$345 including interest at 1.05%, due April 2020.	84,864	88,102
Loan payable to Canadian Imperial Bank of Canada in monthly installments of \$642 plus interest at prime plus 1.5%, due November 2019.	20,539	28,241
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$602 including interest at 1.05%, due January 2020.	20,152	27,124
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$249 including interest at 1.62%, due March 2018.	16,831	19,521
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$292 including interest at 2.35%, due September 2018.	20,890	23,877
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$252 including interest at 2.11%, due December 2018.	5,188	8,068
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$264 including interest at 1.39%, due June 2020.	23,978	26,793
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$276 including interest at 1.11%, due April 2021.	28,125	31,091
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$258 including interest at 1.71%, due September 2017.	29,707	32,271
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$234 including interest at 1.92%, due April 2019.	30,326	32,538
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$242 including interest at 1.92%, due April 2019.	31,360	33,647
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$247 including interest at 1.83%, due December 2019.	33,542	35,877
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$232 including interest at 1.39%, due June 2020.	33,489	35,793
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$1,049 including interest at 1.87%, due April 2018.	13,491	25,705
Loan payable to Royal Bank of Canada in monthly installments of \$3,539 including interest at 5.31%, due Nov 2016.	408,449	428,765

WOODSTOCK FIRST NATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

14. Long-Term Debt (continued)

Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$651 including interest at 1.11%, due April 2021.	101,845	108,428
Loan payable to Ford Credit Canada in monthly installments of \$1,439 including interest at 7.056%, due November 2019.	41,067	-
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$968 including interest at 1.31% due December 2021.	155,722	165,050
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$1,318 including interest at 1.62%, due March 2018.	222,813	234,929
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$333 including interest at 1.62%, due March 2018.	56,247	59,306
Loan payable to CNH Capital Canada Ltd. in monthly principal installments of \$1,115, due December 2021.	64,362	76,655
Loan payable to National Leasing Group Inc. in monthly installments of \$3,288.32 including interest at 5.39%, due January 2021.	136,233	167,520
Mortgage advance from Canada Mortgage and Housing Corporation.	91,500	-
Mortgage payable to Canadian Imperial Bank of Commerce in monthly installments of \$471 including interest at 5.05%, due Feb. 2028.	44,814	48,773
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$1,102 including interest at 2.35%, due September 2018.	179,438	188,367
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$2,344 including interest at 1.45%, due April 2016.	-	2,377
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$292 including interest at 1.39%, due August 2017.	10,554	13,881
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$1,387 including interest at 1.67%, due October 2017.	289,856	301,580
	<u>\$ 5,692,049</u>	<u>\$ 6,757,613</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:

2018	\$ 815,962
2019	809,518
2020	801,581
2021	158,189
2022	125,752
	<u>\$ 2,711,002</u>

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

14. Long-Term Debt (continued)

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 Indigenous and Northern Affairs 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; and
- 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.

15. 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, 2017.

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.

16. Prepaid Expenses

	<u>2017</u>	<u>2016</u>
Insurance	\$ 149,466	\$ 159,063
Tuition	242,521	212,621
Honorariums	95,302	65,534
Living allowances	17,245	15,815
Wages	4,286	25,614
Property tax	5,284	5,262
Social benefits	8,294	11,339
Other prepaid expenses	<u>34,430</u>	<u>15,630</u>
Total Prepaid Expenses	\$ <u>556,828</u>	\$ <u>510,878</u>

WOODSTOCK FIRST NATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

17. Reconciliation of Indigenous and Northern Affairs Canada (INAC) Funding

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
INAC revenue - General administration	\$ 557,758	\$ 498,380
INAC revenue - Operations and maintenance	223,893	203,199
INAC revenue - Capital	940,500	921,339
INAC revenue - Education	1,405,242	1,379,088
INAC revenue - Social assistance program	963,499	947,277
INAC revenue - Child and family services	<u>712,897</u>	<u>631,003</u>
Total INAC funding per consolidated financial statements	\$ <u>4,803,789</u>	\$ <u>4,580,286</u>
Funding per INAC revenue confirmation	\$ <u>4,803,789</u>	\$ <u>4,580,286</u>

18. Changes In Non-Cash Operating Working Capital Items

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ (176,006)	\$ (294,215)
Due from government and government organizations	(447,474)	(1,059,101)
Inventories for resale	(222,977)	(212,563)
Prepaid expenses	(45,950)	(255,283)
Accounts payable and accrued liabilities	295,434	620,094
Due to government and government organizations	7,616	(388,239)
Deferred revenue	(295,914)	295,914
Contribution funding repayable to Indigenous and Northern Affairs Canada	<u>130,733</u>	<u>(80,557)</u>
	\$ <u>(754,538)</u>	\$ <u>(1,373,950)</u>

19. 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.

20. Comparative Figures

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

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

21. Expenses by Object

The following is a summary of expenses by object.

	<u>2017</u>	<u>2016</u>
Salaries, wages, honoraria and pension	\$ 3,968,926	\$ 3,683,399
Tuition	1,612,220	1,354,339
Professional services	86,993	76,014
Supplies and services	301,652	356,615
Interest and bank charges	244,414	275,924
Travel and training	498,966	453,449
Insurance & health	222,981	275,699
Telephone and utilities	258,080	232,580
Repairs and maintenance	1,287,613	804,399
Social assistance and assisted living	658,230	637,488
Gas bar	31,999,184	17,717,723
Other	2,348,066	1,393,303
Amortization	974,244	895,631
	<u>\$ 44,461,569</u>	<u>\$ 28,156,563</u>

22. 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		
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2016
Revenues															
Federal Government	\$ 1,405,242	\$ 1,379,088	\$ 720,856	\$ 684,310	\$ -	\$ -	\$ -	\$ -	\$ 187,494	\$ 103,930	\$ 1,440,307	\$ 848,624			
Provincial Government	345,944	273,373	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic Activities	-	-	-	-	36,010,876	20,577,314	-	-	-	-	-	-	-	-	-
Other Revenue	211,987	15,107	-	-	-	-	-	-	36,000	36,000	-	-	-	-	-
Total Revenues	1,963,173	1,667,568	720,856	684,310	36,010,876	20,577,314	223,494	139,930	1,440,307	848,624					
Expenses															
Salaries and benefits	289,839	263,362	328,003	246,062	1,984,347	1,391,781	113,712	81,283	50,186	53,021					
Amortization	2,875	4,107	9,883	10,089	227,758	214,770	398,861	363,780	20,950	22,053					
Debt Servicing	-	-	-	-	-	-	77,876	79,061	-	-					
Other Expenses	1,824,856	1,379,715	411,465	419,602	30,014,837	16,325,942	257,145	249,108	862,701	569,864					
Total Expenses	2,117,570	1,649,184	749,151	715,753	32,226,942	17,932,493	849,594	773,234	933,837	644,938					
Annual Surplus (Deficit)	\$ (154,397)	\$ 18,384	\$ (28,295)	\$ (31,443)	\$ 3,783,934	\$ 2,644,821	\$ (626,100)	\$ (633,304)	\$ 506,470	\$ 203,686					

22. Segment Disclosure (continued)

	Social Services		Bond Government		Other		Inter-segment Eliminations		Consolidated Totals	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues										
Federal Government	\$ 1,815,185	\$ 1,717,149	\$ 849,515	\$ 783,616	\$ 325,126	\$ 307,617	\$ -	\$ -	\$ 8,743,775	\$ 5,924,334
Provincial Government	-	-	1,975,842	733,673	-	-	-	-	2,321,786	1,007,048
Economic Activities	-	-	-	-	2,606,236	2,537,063	-	-	38,617,112	23,104,377
Other Revenue	-	-	303,116	199,688	-	-	(36,000)	(36,000)	515,103	214,995
Total Revenues	1,815,185	1,717,149	3,128,473	1,716,979	2,931,362	2,844,680	(36,000)	(36,000)	48,197,726	30,150,554
Expenses										
Salaries and benefits	442,680	332,590	1,063,237	1,045,360	1,704,920	1,643,786	-	-	5,978,924	5,099,247
Amortization	3,030	3,156	148,985	112,315	162,102	165,363	-	-	978,244	895,631
Debt Servicing	-	-	166,538	198,028	-	-	-	-	244,414	275,089
Other Expenses	1,209,297	1,217,354	2,185,490	1,423,941	498,196	301,070	(36,000)	(36,000)	37,222,987	21,830,596
Total Expenses	1,655,007	1,553,100	3,364,250	2,779,642	2,365,218	2,110,219	(36,000)	(36,000)	44,425,569	28,120,563
Annual Surplus (Deficit)	\$ 160,178	\$ 164,049	\$ (435,777)	\$ (1,060,663)	\$ 566,144	\$ 734,461	\$ -	\$ -	\$ 3,772,157	\$ 2,029,991

23. Government Transfers

	2017			2016		
	Operating	Capital	Total	Operating	Capital	Total
Federal Government Transfers						
Indigenous and Northern Affairs Canada	\$ 4,241,215	\$ 562,574	\$ 4,803,789	\$ 4,110,690	\$ 469,596	\$ 4,580,286
Health Canada	720,856	-	720,856	684,310	-	684,310
Human Resources and Social Development Canada	430,546	-	430,546	424,105	-	424,105
Canadian Mortgage and Housing Corporation	187,494	-	187,494	103,930	-	103,930
Department of Fisheries and Solicitor General of Canada	301,417	-	301,417	307,617	-	307,617
Total Federal Government Transfers	5,881,528	562,574	6,444,102	5,630,632	469,596	6,100,228
Provincial Government Transfers	2,321,786	-	2,321,786	1,007,048	-	1,007,048
	\$ 8,203,314	\$ 562,574	\$ 8,765,888	\$ 6,637,700	\$ 469,596	\$ 7,107,296