

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Woodstock First Nation (the Company), which comprise the consolidated statement of financial position as at March 31, 2019, 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.

Basis for Opinion

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 the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 consolidated 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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.
- 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 Company'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 Company'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 Company 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

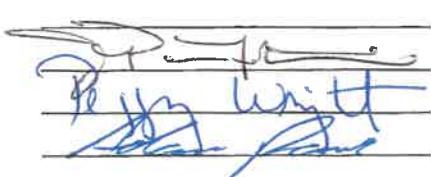
Fredericton, New Brunswick
September 20, 2019

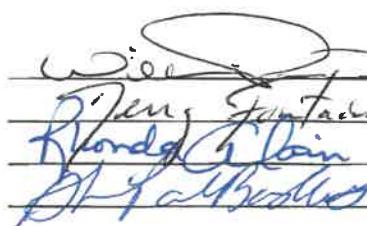
CHARTERED PROFESSIONAL ACCOUNTANTS

WOODSTOCK FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash and cash equivalents (note 3)	\$ 1,807,836	\$ 713,515
Accounts receivable (note 4)	550,976	645,406
Due from government and government organizations (note 5)	3,753,588	3,258,922
Trust funds held by federal government (note 6)	3,439	3,399
Inventories for resale (note 7)	<u>498,150</u>	<u>775,762</u>
Total financial assets	\$ 6,613,989	\$ 5,397,004
LIABILITIES		
Accounts payable and accrued liabilities (note 10)	\$ 3,286,853	\$ 2,598,770
Contribution funding repayable to Indigenous Services Canada (note 11)	130,677	141,171
Deferred revenue (note 12)	427,729	1,243,029
Long term debt (note 13)	3,364,236	4,611,228
Total liabilities	\$ 7,209,495	\$ 8,594,198
NET DEBT	\$ (595,506)	\$ (3,197,194)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	\$22,885,044	\$19,637,648
Prepaid expenses (note 15)	<u>698,691</u>	<u>544,972</u>
Total non-financial assets	\$23,583,735	\$20,182,620
ACCUMULATED SURPLUS	\$22,988,229	\$16,985,426

Approved By Chief and Council:


 Chief
 Councilor
 Councilor
 Councilor


 Councilor
 Councilor
 Councilor
 Councilor

WOODSTOCK FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Revenue			
Federal Government:			
Indigenous Services Canada (note 16)	\$ 4,038,460	\$ 8,606,444	\$ 7,586,407
Health Canada	672,643	819,436	728,663
Human Resources and Social Development Canada	429,409	252,819	434,896
Canada Mortgage and Housing Corporation	99,930	85,279	93,793
Department of Fisheries and Oceans Canada	307,617	226,795	193,742
Provincial government	1,380,402	3,527,279	3,059,518
Interest, rent and sundry	145,024	381,926	1,022,841
Deferred revenue	-	815,300	(1,243,029)
Economic Activities	<u>31,310,214</u>	<u>47,732,603</u>	<u>43,901,242</u>
Total Revenue	<u>38,383,699</u>	<u>62,447,881</u>	<u>55,778,073</u>
Expenses			
General Administration	2,692,133	4,114,555	4,052,824
Health	660,674	812,398	716,954
Operations and Maintenance	774,538	928,156	1,058,323
Capital	398,221	1,224,177	1,444,421
Education	1,761,586	2,347,104	2,344,402
Fisheries	1,874,353	2,133,744	1,662,086
Economic Development	24,998,617	42,352,254	38,585,709
Social Assistance	698,615	664,688	759,957
Child and Family Services	801,384	1,596,293	862,089
Forestry	<u>234,032</u>	<u>271,709</u>	<u>297,830</u>
Total Expenses	<u>34,894,153</u>	<u>56,445,078</u>	<u>51,784,595</u>
Annual Surplus	<u>3,489,546</u>	<u>6,002,803</u>	<u>3,993,478</u>
Accumulated Surplus - Beginning of Year	<u>12,991,948</u>	<u>16,985,426</u>	<u>12,991,948</u>
Accumulated Surplus - End of Year	<u>\$ 16,481,494</u>	<u>\$ 22,988,229</u>	<u>\$ 16,985,426</u>

WOODSTOCK FIRST NATION
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Annual Surplus	<u>\$ 3,489,546</u>	<u>\$ 6,002,803</u>	<u>\$ 3,993,478</u>
Changes in Non-Financial Assets			
Acquisition of tangible capital assets	-	(4,250,744)	(4,913,946)
Disposition of tangible capital assets	-	-	21,000
Amortization of capital assets	-	1,003,348	1,005,281
Gain on disposal of tangible capital asset	-	-	(21,000)
Decrease (increase) in prepaid expenses	-	(153,719)	11,856
	-	(3,401,115)	(3,896,809)
(Increase) Decrease In Net Debt	3,489,546	2,601,688	96,669
Net Debt - Beginning Of Year	(3,197,194)	(3,197,194)	(3,293,863)
Net Debt - End Of Year	\$ 292,352	\$ (595,506)	\$ (3,197,194)

WOODSTOCK FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
Cash Provided By (Required For):		
Operating Activities		
Excess revenue over expenditures	\$ 6,002,803	\$ 3,993,478
Gain on disposal of tangible capital asset	- (21,000)	
Amortization	<u>1,003,348</u>	<u>1,005,281</u>
Changes in non-cash operating working capital items (note 17)	<u>7,006,151</u> <u>(414,054)</u>	<u>4,977,759</u> <u>877,462</u>
	<u><u>6,592,097</u></u>	<u><u>5,855,221</u></u>
Investing Activities		
Capital expenditures	(4,250,744)	(4,913,948)
Proceeds from sales of assets	- 21,000	
	<u>(4,250,744)</u>	<u>(4,892,948)</u>
Financing Activities		
Proceeds from long term debt	- 541,058	
Repayment of long term debt	(1,246,992) (1,621,877)	
	<u>(1,246,992)</u>	<u>(1,080,819)</u>
Increase (Decrease) in Cash	1,094,361	(118,546)
Cash Position at Beginning of Year	716,914	835,460
Cash Position at End of Year	<u>\$ 1,811,275</u>	<u>\$ 716,914</u>
Components of cash:		
Cash and cash equivalents (note 3)	\$ 1,807,836	\$ 713,515
Operating line of credit	- 3,439	
Funds held in trust	<u>3,439</u>	<u>3,399</u>
	<u><u>\$ 1,811,275</u></u>	<u><u>\$ 716,914</u></u>

WOODSTOCK FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

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, 2019

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, 2019

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, 2019

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, 2019

3. Cash and Cash Equivalents (continued)

Cash is comprised of the following

	2019	2018
Externally restricted		
Capital Improvements	\$ 510,922	\$ 609,927
Internally restricted		
Capital Planning	-	-
Unrestricted		
Operating	1,296,914	103,589
Total Cash	\$ 1,807,836	\$ 713,515

4. Accounts Receivable

	2019	2018
Loans	\$ 117,614	\$ 82,451
Less: allowance for doubtful accounts	(82,451)	(82,451)
	35,163	-
Forestry advances to subcontractors	6,212	4,941
Other amounts owing (net of allowance for doubtful accounts)	509,601	640,465
	\$ 550,976	\$ 645,406

5 Due from Government and Government Organizations

Indigenous Services Canada	1,697,872	1,088,637
Health Canada	128,974	-
Province of New Brunswick - Department of Finance	1,813,797	1,806,916
Department of Fisheries and Oceans	112,945	119,659
Province of New Brunswick - Department of Natural Resources	-	243,710
	\$ 3,753,588	\$ 3,258,922

WOODSTOCK FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

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>2019</u>	<u>2018</u>
Revenue	\$ 3,219	\$ 40	\$ -	\$ 3,259	\$ 3,259	\$ 3,219
Capital	\$ 180	\$ -	\$ -	\$ 180	\$ 180	\$ 180
Fund Total				\$ 3,439	\$ 3,399	

7. Inventories for Resale

	<u>2019</u>	<u>2018</u>
Maliseet Fuels I	\$ 101,320	\$ 201,977
Maliseet Fuels II	196,151	325,783
Cardlock	172,238	217,844
Eagle's Nest	28,441	30,158
Total Inventories For Resale	\$ 498,150	\$ 775,762

8. Tangible Capital Assets

	Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Accumulated Amortization			Closing Balance	Net Book Value
						Opening Balance	Amortization	Disposals, Write-offs & Other adj.		
Tangible Capital Assets										
Commercial land	\$ 3,590,193	\$ 2,928,769	\$ -	\$ -	\$ 6,518,962	\$ -	\$ 2,160,235	\$ 135,952	\$ -	\$ 6,518,962
Commercial buildings	6,010,231	97,586	-	-	6,107,816	2,824,078	232,565	-	2,316,187	3,791,629
Residential buildings	8,564,616	187,057	-	-	8,731,673	703,473	18,908	-	3,056,640	5,675,033
Wastewater treatment plant	1,081,625	-	-	-	1,081,625	1,962,821	21,127	-	722,381	378,152
Fishing vessels	2,068,457	-	-	-	2,068,457	1,328,314	894,921	107,461	1,983,948	84,509
Vehicles	1,177,934	150,380	-	-	1,328,314	286,319	237,966	9,272	1,002,342	283,013
Furniture and fixtures	282,334	3,986	-	-	286,319	68,375	31,302	5,679	247,238	39,081
Computer equipment	51,022	17,352	-	-	51,022	1,889,158	1,255,830	119,702	36,981	44,368
Other equipment	1,819,521	69,638	-	-	1,819,521	3,435,697	1,108,538	231,339	1,339,878	31,394
Well Upgrades	3,408,163	27,534	-	-	3,408,163	2,883,918	301,875	101,345	403,220	19,721
Cardlock	2,787,093	96,825	-	-	2,787,093	969,117	-	-	969,117	563,690
Assets Under Construction	-	-	-	-	-	-	-	-	-	1,375,532
Halibut License	47,500	-	47,500	-	-	-	-	-	-	513,626
Lobster license	250,000	-	250,000	-	-	-	-	-	-	250,000
Total	\$ 31,118,688	\$ 4,548,244	\$ 297,500	\$ -	\$ 35,369,432	\$ 11,481,040	\$ 1,003,348	\$ -	\$ 12,484,387	\$ 22,885,044
										\$ 19,637,648

WOODSTOCK FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

9. Operating Line of Credit

As at March 31, 2019 The First Nation had an operating line of credit in the amount of \$600,000 of which \$nil (2018 - \$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>2019</u>	<u>2018</u>
Trade payables	\$ 3,191,489	\$ 2,546,943
Accrued salaries and employee benefits payable	95,364	51,827
Other accrued liabilities	-	-
Total Accounts Payable and Accrued Liabilities	\$ 3,286,853	\$ 2,598,770

11. Contribution Funding Repayable

	<u>2019</u>	<u>2018</u>
Indigenous Services Canada		
Maintenance - Foster Homes - NPD1	\$ 130,677	\$ 113,418
Debt Management - 96	-	27,753
Total Contribution Funding repayable	\$ 130,677	\$ 141,171

12. Deferred Revenue

	<u>Opening Balance</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>Closing Balance</u>	<u>2019</u>	<u>2018</u>
					<u>2019</u>	<u>2018</u>
Indigenous Services Canada						
Water > 1.5M	\$ 807,029	\$ -	\$ 807,029	\$ -	\$ -	\$ 807,029
Waste Water <1.5M	\$ 436,000	\$ 150,000	\$ 436,000	\$ 150,000	\$ 150,000	\$ 436,000
Flood Mitigation	-	205,577	-	205,577	205,577	-
Other Protection	-	72,152	-	72,152	72,152	-
					<u>\$ 427,729</u>	<u>\$ 1,243,029</u>

WOODSTOCK FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

13. Long-Term Debt

	2019	2018
Mortgage payable to Canadian Imperial Bank of Commerce in monthly installments of \$51,389 plus interest at prime plus 1.5%, due March 2020.	\$ 616,667	\$ 1,233,334
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.	846,667	1,246,667
Mortgage payable to Canadian Imperial Bank of Commerce in monthly installments of \$3,417 plus interest at prime plus 1.5%, due November 2027.	355,333	396,333
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$345 including interest at 1.05%, due April 2020.	78,290	81,594
Loan payable to Canadian Imperial Bank of Canada in monthly installments of \$642 plus interest at prime plus 1.5%, due November 2019.	5,135	12,837
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$602 including interest at 1.05%, due January 2020.	5,989	13,108
Loan payable to Scotiabank in monthly installments of \$904 interest interest 6.59%, secured by vehicle, due January 2, 2022.	27,972	36,664
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$253 including interest at 2.39%, due February 2023.	11,363	14,098
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$292 including interest at 2.35%, due May 2019.	14,711	17,836
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$252 including interest at 2.11%, due December 2018.	-	2,246
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$264 including interest at 1.39%, due June 2020.	18,230	21,124
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$276 including interest at 1.11%, due April 2021.	22,055	25,107
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$259 including interest at 1.84%, due September 2022.	24,472	27,109
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$234 including interest at 1.92%, due May 2019.	25,778	28,074
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$242 including interest at 1.92%, due May 2019.	26,656	29,031
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$247 including interest at 1.83%, due December 2019.	28,747	31,166
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$232 including interest at 1.39%, due June 2020.	28,787	31,154

WOODSTOCK FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

14. Long-Term Debt (continued)

Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$1,049 including interest at 1.87%, due April 2018.	-	1,048
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$651 including interest at 1.11%, due April 2021.	88,330	95,125
Loan payable to Ford Credit Canada in monthly installments of \$1,439 including interest at 7.056%, due November 2019.	-	26,219
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$968 including interest at 1.31% due December 2021.	136,323	146,086
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$1,392 including interest at 2.39%, due March 2023.	198,689	210,510
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$351 including interest at 2.39%, due March 2023.	50,157	53,141
Loan payable to CNH Capital Canada Ltd. in monthly principal installments of \$1,115, due December 2021.	37,601	50,981
Loan payable to National Leasing Group Inc. in monthly installments of \$3,288 including interest at 5.39%, due January 2021.	68,438	103,237
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$363 including interest at 1.48%, due January 2022.	84,459	87,547
Mortgage payable to Canadian Imperial Bank of Commerce in monthly installments of \$471 including interest at 5.05%, due Feb 2028.	41,728	41,185
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$1,102 including interest at 2.68%, due October 2023.	161,058	170,308
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$412 including interest at 2.39%, due March 2023.	90,244	93,000
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$292 including interest at 1.60%, due April 2020.	3,765	7,184
Mortgage payable to Canada Mortgage and Housing Corporation in monthly installments of \$1,448 including interest at 2.13%, due October 2022.	<u>266,592</u>	<u>278,175</u>
	<u><u>\$ 3,364,236</u></u>	<u><u>\$ 4,611,228</u></u>

WOODSTOCK FIRST NATION
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14. Long-Term Debt (continued)

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:

2020	\$ 1,222,482
2021	588,808
2022	200,890
2023	137,052
2024	<u>4,649</u>
	<u><u>\$ 2,153,881</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 Indigenous Services 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.

14. 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, 2019.

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.

WOODSTOCK FIRST NATION
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FOR THE YEAR ENDED MARCH 31, 2019

15. Prepaid Expenses

	2019	2018
Insurance	\$ 204,939	\$ 185,276
Tuition	262,454	225,909
Honorariums	192,775	110,525
Living allowances	21,890	13,410
Wages	8,595	1,608
Other prepaid expenses	<u>8,038</u>	<u>8,244</u>
Total Prepaid Expenses	\$ 698,691	\$ 544,972

16. Reconciliation of Indigenous Services Canada (ISC) Funding

	2019	2018
	Actual	Actual
ISC revenue - General administration	\$ 620,493	\$ 781,916
ISC revenue - Operations and maintenance	2,631,695	308,870
ISC revenue - Capital	1,595,135	3,277,899
ISC revenue - Education	1,459,005	1,541,627
ISC revenue - Social assistance program	1,032,341	980,940
ISC revenue - Child and family services	<u>1,267,775</u>	<u>695,155</u>
Total ISC funding per consolidated financial statements	\$ 8,606,444	\$ 7,586,407
Funding per ISC revenue confirmation	\$ 8,606,444	\$ 7,586,407

17. Changes In Non-Cash Operating Working Capital Items

	2019	2018
Accounts receivable	\$ 94,430	\$ 63,353
Due from government and government organizations	(494,666)	(1,132,536)
Inventories for resale	277,613	(89,150)
Prepaid expenses	(153,719)	11,856
Accounts payable and accrued liabilities	688,082	997,625
Due to government and government organizations	-	(79,401)
Deferred revenue	(815,300)	1,243,029
Contribution funding repayable to Indigenous Services Canada	<u>(10,494)</u>	<u>(137,314)</u>
	\$ (414,054)	\$ 877,462

18. Economic Dependence

The government of Woodstock 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.

WOODSTOCK FIRST NATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

19. Annual surplus net of capital related revenues and amortization

	<u>2019</u>	<u>2018</u>
Annual surplus (deficit)	6,002,803	3,993,478
Deduct: Federal government transfers for capital	(3,633,754)	(1,806,393)
Add: Amortization expense included in annual surplus	<u>1,003,348</u>	<u>1,005,281</u>
Annual surplus net of capital related revenues and amortization	<u>\$ 3,372,397</u>	<u>\$ 3,192,366</u>

20. Expenses by Object

The following is a summary of expenses by object.

	<u>2019</u>	<u>2018</u>
Salaries, wages, honoraria and pension	\$ 4,104,310	\$ 4,017,153
Tuition	1,707,791	1,787,891
Professional services	191,656	94,642
Supplies and services	893,962	466,710
Interest and bank charges	207,931	236,455
Travel and training	630,744	597,844
Insurance & health	273,060	224,671
Telephone and utilities	301,007	240,671
Repairs and maintenance	1,523,105	1,740,482
Social assistance and assisted living	625,145	702,610
Gas bar	42,100,921	38,342,135
Other	2,882,098	2,328,049
Amortization	<u>1,003,348</u>	<u>1,005,282</u>
	<u>\$ 56,445,078</u>	<u>\$ 51,784,595</u>

21. Segment Disclosure

Wendatck 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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues										
Federal Government	\$ 1,459,005	\$ 1,561,627	\$ 819,436	\$ 728,663	\$ -	\$ -	\$ 35,279	\$ 93,793	\$ 5,042,130	\$ 2,343,740
Provincial Government	328,440	392,883	-	-	45,480,456	41,984,364	-	-	-	-
Economic Activities	-	-	-	-	-	-	-	-	-	-
Other Revenue	192,537	220,145	-	-	-	-	36,000	36,000	-	-
Total Revenues	1,979,982	2,154,655	819,436	728,663	45,480,456	41,984,364	121,279	129,793	5,042,130	2,343,740
Expenses										
Salaries and benefits	355,051	355,078	316,651	350,388	2,329,760	2,176,245	138,191	131,276	85,978	57,028
Amorization	16,466	2,012	8,999	9,340	251,333	243,374	433,615	433,633	18,908	19,903
Debt Servicing	-	-	-	-	-	-	57,738	93,039	-	-
Other Expenses	1,975,587	1,987,312	486,748	357,226	39,771,161	36,165,890	652,371	879,512	765,332	888,353
Total Expenses	2,347,104	2,344,402	812,198	716,954	42,352,234	38,585,709	1,281,915	1,537,460	870,418	965,284
Annual Surplus (Deficit)	\$ (367,122)	\$ (189,747)	\$ 7,038	\$ 11,709	\$ 3,128,202	\$ 3,398,655	\$ (1,160,635)	\$ (1,407,667)	\$ 4,171,712	\$ 1,378,456

21. Segment Disclosure (continued)

		Social Services		Band Government		Other		Inter-segment Eliminations		Consolidated Totals	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
Revenues											
Federal Government	\$ 2,332,650	\$ 1,763,059	\$ 840,778	\$ 1,150,848	\$ 384,424	\$ 231,385	\$ -	\$ -	\$ 10,963,702	\$ 7,853,115	
Provincial Government	-	-	3,198,839	2,666,635	-	-	-	-	3,527,279	3,059,518	
Economic Activities	-	-	-	-	2,094,518	1,879,235	-	-	47,574,974	43,863,599	
Other Revenue	-	-	131,389	745,698	-	-	-	-	381,926	1,001,843	
Total Revenues	2,332,650	1,763,059	4,193,006	4,563,181	2,478,942	2,110,620	-	-	62,447,881	55,778,075	
Expenses											
Salaries and benefits	664,187	555,807	1,166,076	1,442,510	1,414,810	1,167,034	-	-	6,470,704	6,235,366	
Amortization	2,792	2,909	114,233	134,108	157,002	159,803	-	-	1,003,348	1,005,282	
Debt Servicing	-	-	150,193	143,416	-	-	-	-	207,931	236,455	
Other Expenses	1,594,002	1,063,390	2,684,053	2,332,792	833,641	633,079	-	-	48,763,095	44,307,494	
Total Expenses	2,260,981	1,622,046	4,114,355	4,052,826	2,405,433	1,959,916	-	-	56,445,078	51,784,597	
Annual Surplus (Deficit)	\$ 71,669	\$ 141,013	\$ 78,451	\$ 510,355	\$ 73,489	\$ 150,704	\$ -	\$ -	\$ 6,002,803	\$ 3,993,478	

22. Government Transfers

	2019			2018		
	Operating	Capital	Total	Operating	Capital	Total
Federal Government Transfers						
Indigenous Services Canada	\$ 4,972,690	\$ 3,633,754	\$ 8,606,444	\$ 5,780,014	\$ 1,806,393	\$ 7,586,407
Health Canada	819,436	-	819,436	728,663	-	728,663
Human Resources and Social Development Canada	252,819	-	252,819	434,896	-	434,896
Canadian Mortgage and Housing Corporation	85,279	-	85,279	93,793	-	93,793
Department of Fisheries	226,795	-	226,795	193,742	-	193,742
Total Federal Government Transfers	6,357,019	3,633,754	9,990,773	7,231,108	1,806,393	9,037,501
Provincial Government Transfers						
Total Provincial Government Transfers	3,059,518	-	3,059,518	3,059,518	-	3,059,518
Total Government Transfers	\$ 9,416,537	\$ 3,633,754	\$ 13,050,291	\$ 10,290,626	\$ 1,806,393	\$ 12,097,019