

**We'koqma'q First Nation
Consolidated Financial
Statements**
March 31, 2015

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Management's responsibility for financial reporting

The accompanying consolidated financial statements of the We'koqma'q First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.


The consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the band's assets are appropriately accounted for and adequately safeguarded.

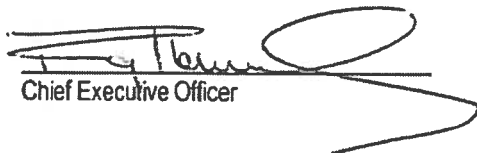
The band council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The 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 annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by MGM & Associates, Chartered Accountants in accordance with generally accepted auditing standards on behalf of the members. MGM & Associates, Chartered Accountants have full and free access to the council.



Chief



Chief Executive Officer



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INDEPENDENT AUDITORS' REPORT

To the Members of
We'koqma'q First Nation

We have audited the accompanying consolidated financial statements of We'koqma'q First Nation which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations, changes in net financial liabilities, fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' 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 auditors consider 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, these consolidated financial statements present fairly, in all material respects, the financial position of We'koqma'q First Nation as at March 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matters

The comparative information has been audited by another firm of chartered accountants.

A handwritten signature in black ink that reads "MGM & Associates". The signature is stylized, with the "M" and "G" being particularly prominent.

Chartered Accountants

Sydney, Canada
August 31, 2015

We'koqma'q First Nation

Consolidated statement of operations

Year ended March 31	Schedule	Budget (unaudited)	2015	2014
Revenues				
Aboriginal Affairs and Northern Development Canada	A	\$ 4,268,000	\$ 4,653,725	\$ 4,879,853
Grants – other	C/D/G/I	-	801,656	100,882
Mi'kmaw Kina'matnewey	D/P	4,509,500	4,708,242	4,471,695
Province of Nova Scotia - Education	D	-	39,275	33,745
Grant – education	D	-	39,168	8,164
Department of Fisheries and Oceans	G	164,400	528,041	214,357
Commercial fishing	G	3,154,500	2,271,858	2,058,332
Mi'kmaq Employment Training Secretariat	H	350,000	349,005	341,486
Grants – special	H	10,000	11,200	213,159
Health Canada Programs	J/Q	997,364	1,070,661	1,001,273
Health funding - other	J	174,125	81,884	81,379
Nurse practitioner	J	70,000	60,903	-
Canada Mortgage and Housing Corporation	D/I	48,000	32,000	14,652
Housing	L	620,000	660,757	745,900
Commercial enterprises	N	12,569,000	12,518,169	12,443,855
Province of Nova Scotia - Gaming	M	190,000	147,233	168,349
Summer games	P	-	-	232,692
Grant - MPAL	Q	151,640	-	-
Sports and Recreation Nova Scotia	Q	25,000	-	-
Memberships	Q	50,000	30,995	7,846
Security revenue	R	624,760	538,514	268,488
Miscellaneous	K	55,000	75,957	74,171
		<u>28,031,289</u>	<u>28,619,243</u>	<u>27,360,278</u>
Expenditures				
Social development	B	2,482,000	3,290,316	3,200,136
Band government	C	2,215,500	1,355,851	1,156,977
Education	D	4,426,393	5,240,138	5,087,857
Operations and maintenance	E	610,000	823,964	697,160
Economic development	F	160,000	216,215	102,889
Fishery	G	2,036,005	1,908,188	1,424,553
Employment development	H	500,920	723,105	716,232
Capital projects	I	823,600	640,300	657,557
Health Canada programs	J	1,215,395	1,302,175	1,185,465
Miscellaneous	K	30,000	-	58,354
Housing	L	342,000	250,516	350,890
Commercial enterprises	N	11,655,650	11,401,858	11,444,459
Summer games	P	-	126,489	353,684
Recreation	Q	285,940	92,040	9,577
Waycobah Contracting Ltd.	R	692,210	451,327	269,698
		<u>27,475,613</u>	<u>27,822,482</u>	<u>26,715,488</u>
Excess of revenues over expenditures before other revenues (expenditures)		555,676	796,761	644,790
Other revenues (expenditures)				
Capital revenue	O	-	-	346,000
Depreciation		-	(1,751,835)	(1,758,360)
		-	(1,751,835)	(1,412,360)
Excess (deficiency) of revenues over expenditures		\$ 555,676	\$ (955,074)	\$ (767,570)

See accompanying notes to the consolidated financial statements

We'koqma'q First Nation**Consolidated statement of financial position**

March 31

2015**2014**

Financial assets

Receivables (Note 4)	\$ 1,634,728	\$ 1,130,602
Replacement reserve fund (Note 5)	609	609
Band funds in trust (Note 6)	<u>32,672</u>	<u>31,328</u>
	<u>1,668,009</u>	<u>1,162,539</u>

Financial liabilities

Bank indebtedness (Note 7)	795,326	1,242,739
Payables and accruals (Note 8)	2,964,654	2,163,974
HST payable (Note 9)	1,777,961	1,876,952
Deferred revenue (Note 10)	912,017	308,036
Long-term debt (Note 11)	<u>14,844,875</u>	<u>14,403,889</u>
	<u>21,294,833</u>	<u>19,995,590</u>

Net financial liabilities (Page 5)**19,626,824** **18,833,051****Non-financial assets**

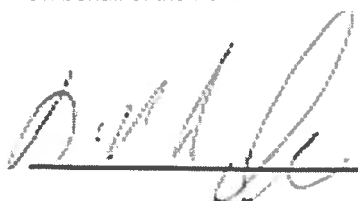
Inventory (Note 12)	146,116	83,913
Prepaid expenses (Note 13)	188,534	53,691
Property and equipment (Note 14)	32,420,559	32,859,962
Other assets (Note 2)	<u>1,451,754</u>	<u>1,451,754</u>
	<u>34,206,963</u>	<u>34,449,320</u>

Fund balances (Page 6)**\$ 14,580,139** **\$ 15,616,269**

Contingencies (Note 16)

Commitments (Note 17)

On behalf of the Band Council



Chief

Councilor

See accompanying notes to the consolidated financial statements

We'koqma'q First Nation**Consolidated statement of changes in net financial liabilities**

Year ended March 31	Budget (unaudited)	2015	2014
Excess (deficiency) of revenues over expenditures	\$ 555,676	\$ (955,074)	\$ (767,570)
Depreciation	-	1,751,835	1,758,360
Capital assets acquired	-	(1,312,432)	(1,811,893)
	<u>555,676</u>	<u>(515,671)</u>	<u>(821,103)</u>
Replacement reserve fund withdrawals		(82,400)	(24,796)
Interest earned on restricted funds		1,344	784
Usage of prepaid expenses		(134,843)	19,831
Acquisition of inventory, net of usage		<u>(62,203)</u>	<u>12,786</u>
		<u>(278,102)</u>	<u>8,605</u>
Change in net financial liabilities		(793,773)	(812,498)
Net financial liabilities, beginning of year		<u>(18,833,051)</u>	<u>(18,020,553)</u>
Net financial liabilities, end of year		<u>\$ (19,626,824)</u>	<u>\$ (18,833,051)</u>

We'koqma'q First Nation **Consolidated statement of fund balances**

Year Ended March 31

2015 2014

	Investment in Capital Assets	Unrestricted Fund	Funds on deposit with AANDC	Replacement Reserve	Total	Total
Opening balance	\$ 20,105,559	\$ (4,732,610)	\$ 31,328	\$ 211,992	\$ 15,616,269	\$ 16,407,851
Excess (deficiency) of revenues over expenditures	(1,773,034)	817,960	-	-	(955,074)	(767,570)
Capital assets acquired	1,312,432	(1,312,432)	-	-	-	-
Increase in long-term debt	(2,081,447)	2,081,447	-	-	-	-
Current year allocations	-	(73,053)	-	73,053	-	-
Withdrawals	-	-	-	(82,400)	(82,400)	(24,796)
Interest earned	-	-	1,344	-	1,344	784
Repayment of long-term debt	1,640,461	(1,640,461)	-	-	-	-
Ending balance	\$ 19,203,971	\$ (4,859,149)	\$ 32,672	\$ 202,645	\$ 14,580,139	\$ 15,616,269

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation

Consolidated statement of cash flows

Year Ended March 31

2015

2014

Decrease in cash and cash equivalents

Operations		
Deficiency of revenues over expenditures	\$ (955,074)	\$ (767,570)
Depreciation	1,751,835	1,758,360
Charges to replacement reserve	(82,400)	(24,796)
Change in non-cash operating working capital		
Receivables	(504,126)	213,350
Prepays	(134,843)	19,831
Inventory	(62,203)	12,786
Payables and accruals	800,680	24,231
HST payable	(98,991)	(112,276)
Deferred revenue	603,981	(413,704)
	<u>1,318,859</u>	<u>710,212</u>
Financing		
Trust contributions	1,344	784
Issue of long- term debt	2,081,447	1,637,401
Repayment of long-term debt	(1,640,461)	(985,543)
	<u>442,330</u>	<u>652,642</u>
Investing		
Capital assets acquired	<u>(1,312,432)</u>	<u>(1,811,893)</u>
Net increase (decrease) in cash and cash equivalents	448,757	(449,039)
Cash and cash equivalents, beginning of year	<u>(1,210,802)</u>	<u>(761,763)</u>
Cash and cash equivalents, end of year	\$ <u>(762,045)</u>	\$ <u>(1,210,802)</u>
Cash and cash equivalents consist of:		
Bank indebtedness	\$ (795,326)	\$ (1,242,739)
Funds in trust	32,672	31,328
Restricted cash	<u>609</u>	<u>609</u>
	\$ <u>(762,045)</u>	\$ <u>(1,210,802)</u>

See accompanying notes to the consolidated financial statements

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2015

1. Nature of operations

The purpose of the We'koqma'q First Nation is to provide services to its community for civic improvement, social welfare, housing, education and economic development.

2. Summary of significant accounting policies

Reporting entity and principles of financial reporting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, which encompass the principles common with First Nations.

The consolidated financial statements of the We'koqma'q First Nation are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the First Nation and the changes thereto. The consolidated statement of financial position includes all the assets and liabilities of the First Nation.

Significant aspects of the accounting policies adopted by the First Nation are as follows:

Principles of consolidation

The consolidated financial statements include the accounts of all funds and operations in which the First Nation has a controlling interest. All inter-fund balances have been eliminated on consolidation but in order to present the results of operations for each specific fund, transactions amongst funds have not been eliminated on the individual schedules.

Revenue recognition

We'koqma'q First Nation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when recovered or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2015

2. Summary of significant accounting policies (continued)

Canada Mortgage and Housing Corporation (CMHC) – Revenues and expenditures

Revenue and expenditures are recorded according to the accrual basis of accounting. Rental revenue for projects constructed in the No. 14275 series is recorded at a flat monthly rate of \$200 per unit and not on a rent-to-income basis as set out in the agreement with the Canada Mortgage and Housing Corporation. Rental revenue for projects constructed in the No. 19042 series is recorded at the lower end of market.

Rental revenue is only being collected from tenants on social assistance and all uncollected rental revenue is paid by the We'koqma'q First Nation Administration Fund.

Land – Housing Projects

Land is valued at the estimated fair market value as per the Section 56.1 application. No value for land has been recorded if not specified on the Section 56.1 application.

Other assets

The excess of the cost of acquiring the assets of Rod's One Stop over the value assigned to the identifiable net tangible assets acquired is other assets.

Other assets are subject to an assessment of impairment by applying a fair value based test on an annual basis. The First Nation will also evaluate impairment between the annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. The First Nation uses discounted expected future cash flows to determine the fair value the business. Other asset impairment is then assessed based upon a comparison of the fair value of the First Nation to the underlying carrying values of the reporting unit's net assets, including other assets. If the carrying amount of the First Nation exceeds its fair value, an impairment charge is recorded to the extent that the carrying amount of the other assets exceeds its fair value.

	<u>2015</u>	<u>2014</u>
Other assets at original cost	\$ 2,125,093	\$ 2,125,093
Accumulated amortization	(423,339)	(423,339)
Disposition	<u>(250,000)</u>	<u>(250,000)</u>
	<u>\$ 1,451,754</u>	<u>\$ 1,451,754</u>

Use of estimates

In preparing the First Nation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2015

2. Summary of significant accounting policies (continued)

Depreciation

Rates and bases of depreciation applied to write off the cost of property and equipment over their estimated lives are as follows:

Buildings	4%, declining balance
Housing properties	4%, declining balance
Fishing vessels	4%, declining balance
Equipment	20%, declining balance
Vehicles	30%, declining balance
Community housing	4%, declining balance
Subdivision	4%, declining balance
Infrastructure	20%, declining balance
Project haven	4%, declining balance
Rod's One Stop	5-10 years, straight line

Investments

Investments are valued at the lower of cost and net realizable value.

Inventory

Inventory is valued at the lower of cost and net realizable value less normal profit margins using the retail inventory method.

Income taxes

The Band Council is exempt from income taxes under Section 149(l)(c) of the *Canadian Income Tax Act*.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank balances, net of bank overdraft. Bank borrowings are considered to be financing activities.

3. Budget figures

Budget figures have been compiled from information provided by management. These figures have not been audited or verified by any means and are provided for comparative purposes only.

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2015

4. Receivables	<u>2015</u>	<u>2014</u>
AANDC	\$ 347,699	\$ -
Department of Fisheries and Oceans	226,600	421,087
Health Canada	229,945	1,500
Mi'kmaw Kina'matnewey	-	88,042
Mi'kmaw Employment and Training Secretariat	-	81,090
Province of Nova Scotia Gaming Agreement	150,654	149,875
Bus loans	48,526	73,698
Land claims	17,210	17,210
Core advances	28,516	24,020
Trade and sundry	<u>647,130</u>	<u>335,632</u>
	1,683,692	1,192,154
Less: allowance for doubtful accounts	<u>61,552</u>	<u>61,552</u>
	<u>\$ 1,634,728</u>	<u>\$ 1,130,602</u>

The First Nation is exposed to credit risk on accounts receivable of non-governmental customers. In order to reduce the credit risk, the Band has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of individual customers, historical trends and other information.

5. Replacement reserve fund

Under the terms of the agreement with the C.M.H.C., the replacement reserve account is to be credited in the amount of \$73,053 annually. The required replacement reserve allocation for 2015, based on the dates subsidy assistance commenced is \$73,053 (2014 - \$73,053). These funds along with accumulated interest must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by the C.M.H.C. from time to time. The funds in the account may only be used as approved by the C.M.H.C. Withdrawals are credited to interest first and then principal. At year end, the funds in reserve consisted of the following:

	<u>2015</u>	<u>2014</u>
Cash	<u>\$ 609</u>	<u>\$ 609</u>

6. Band funds in trust

	<u>2015</u>	<u>2014</u>
Consolidated revenue fund (Note 19)	<u>\$ 32,672</u>	<u>\$ 31,328</u>

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2015

7. Band indebtedness	<u>2015</u>	<u>2014</u>
Cash in bank accounts (overdraft)		
We'koqma'q First Nation Band	\$ (1,041,174)	\$ (762,253)
We'koqma'q First Nation Housing	(2,460,637)	(1,860,995)
Rod's One Stop	<u>3,975,349</u>	<u>2,610,838</u>
	473,538	(12,410)
Less outstanding cheque	<u>(402,769)</u>	<u>(428,178)</u>
Net balances in bank accounts of all entities	70,769	(440,588)
Line of credit – Peace Hills Trust	<u>(866,095)</u>	<u>(802,151)</u>
Net consolidated cash position	<u>\$ (795,326)</u>	<u>\$ (1,242,739)</u>

The Peace Hills Trust line of credit is in the amount of \$500,000 and bears interest at 4.75%. The line of credit is fully advanced at year end. Amounts advanced in excess of the authorized limit bear interest at 24.00% per annum.

8. Payables and accruals	<u>2015</u>	<u>2014</u>
Trade accounts payable	\$ 2,823,245	\$ 2,058,794
Accrued liabilities	<u>141,409</u>	<u>105,180</u>
	<u>\$ 2,964,654</u>	<u>\$ 2,163,974</u>

9. HST payable

During the fiscal year ended March 31, 2011, the Band was able to reach an agreement with Canada Revenue Agency for repayment of the HST liability stemming from selling practices in the 2004 and 2005 fiscal years.

The agreement with Canada Revenue Agency states that the Band is required to provide the Agency with monthly installments of \$8,000 beginning April 1, 2011, to be applied against the principal owing. All interest and penalties stemming from this liability have been forgiven on the condition that returns and payments are received on time.

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2015

10. Deferred revenue 2015 2014

Funding not fully expended by March 31, 2015, has been treated as deferred revenue by the Band and will be brought into income in the fiscal year when the related expenditures are incurred.

The specific programs and amounts deferred are as follows:

Department of Fisheries and Oceans	\$ -	\$ 197,310
Mi'kmaw Kina'matnewey	-	71,000
Health Canada	229,945	-
AANDC – NT92 Capitalization	260,576	-
AANDC – 08502 Community response	39,726	39,726
Deferred – Other	381,770	-
	<u>\$ 912,017</u>	<u>\$ 308,036</u>

11. Long-term debt 2015 2014

C.M.H.C. Housing Projects mortgages, maturing in 2016 to 2033, bearing interest at 1.49% to 4.01%, repayable in equal monthly instalments of principal and interest totalling \$35,921. As security, the Minister of Aboriginal Affairs and Northern Development Canada has provided a guarantee to C.M.H.C.

\$ 5,477,376 \$ 5,707,787

2.32% Royal Bank Section 10 mortgage, maturing in November 2016, repayable in blended monthly instalments of \$1,953.

23,147 45,757

3.47% Royal Bank Section 10 Mortgage, maturing in March 2020, repayable in blended monthly instalments of \$1,063.

102,406 111,446

Prime plus 1% Term Loan, repayable in blended monthly instalments of \$24,395. Paid off in February 2015.

- 361,177

6.30% Term Loan, maturing in November 2016, repayable in blended monthly instalments of \$782.

111,181 113,610

5.60% Term Loan, maturing in December 2016, repayable in blended monthly instalments of \$8,690.

1,206,226 1,243,049

3.25% Term Loan, maturing in September 2015, repayable in blended monthly instalments of \$1,404.

149,720 161,494

Prime plus 1% Mortgage Payable, repayable in blended monthly instalments of \$4,275. Paid off in February 2015.

- 193,447

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2015

11. Long-term debt (cont'd)	<u>2015</u>	<u>2014</u>
Non-Interest bearing loan, repayable in annual instalments from crab fishery revenue.	-	80,000
Prime plus 3% Term Loan, maturing in November 2018, repayable in blended quarterly instalments of \$6,089.	51,780	72,227
6.15% Term Loan, maturing in May 2015, repayable in blended monthly instalments of \$2,300.	321,864	329,814
6.10% Term Loan, maturing in November 2015, repayable in blended monthly instalments of \$16,739.	2,382,933	2,439,303
7.50% Term Loan, repayable in blended quarterly instalments of \$26,531. Paid off in February 2015.	-	369,936
3.95% Term Loan, maturing in October 2018, repayable in blended monthly instalments of \$1,452.	183,983	194,001
6.15% Term Loan, maturing in November 2015, repayable in blended monthly instalments of \$8,435.	1,196,419	1,224,510
4.5% Term Loan, maturing in February 2016, repayable in blended monthly instalments of \$3,776.	51,853	93,780
5.09% Term Loan, maturing in December 2016, repayable in blended monthly instalments of \$369.	40,180	42,532
4.7% Term Loan, maturing in February 2018, repayable in blended monthly instalments of \$3,746.	122,328	160,511
3.28% Term Loan, maturing in January 2019, repayable in blended monthly instalments of \$436.	86,300	88,668
Prime plus 2% Term Loan, maturing in June 2019, repayable in blended monthly instalments of \$4,115.	767,529	746,845
5.75% Term Loan, maturing in March 2019, repayable in blended monthly instalments of \$11,530.	493,016	600,000
5.75% Term Loan, maturing in March 2019, repayable in blended monthly instalments of \$561.	18,469	23,995
4.15% Term Loan, maturing in May 2019, repayable in blended monthly instalments of \$1,321.	121,320	-
4.50% Term Loan, maturing in November 2019, repayable in blended monthly instalments of \$6,525.	334,015	-

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2015

11. Long-term debt (cont'd)	<u>2015</u>	<u>2014</u>
1.90% Term Loan, maturing in June 2019, repayable in blended monthly instalments of \$611.	29,350	-
Ulnooweg. 10.75% Term Loan with no set terms of repayment.	104,660	-
Peace Hills Trust. Prime plus 1% Term Loan, repayable in blended monthly instalments of \$15,348.	<u>1,468,820</u>	<u>-</u>
	14,844,875	14,403,889

Principal repayments in each of the next five (5) years are due as follows:

2016	\$ 608,239
2017	\$ 639,193
2018	\$ 671,778
2019	\$ 706,083
2020	\$ 742,200

12. Inventory	<u>2015</u>	<u>2014</u>
We'koqma'q First Nation – Rod's One Stop	<u>\$ 146,116</u>	<u>\$ 83,913</u>

Inventory consists of retail goods on hand valued at the lower of cost and net realizable value held by We'koqma'q First Nation – Commercial Enterprises (Rod's One Stop).

13. Prepaid expenses	<u>2015</u>	<u>2014</u>
Prepaid living allowance	<u>\$ 188,534</u>	<u>\$ 53,691</u>

14. Comparative figures

Certain of the 2014 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2015.

We'koqma'q First Nation **Notes to the consolidated financial statements**

Year Ended March 31

15. Property and equipment

	Opening Cost	Additions	Disposals	Closing Cost	Opening Accumulated Depreciation	Depreciation	Closing Accumulated Depreciation	2015 Net Book Value	2014 Net Book Value
Land	\$ 35,000	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000
Buildings									
Band office	1,858,432	-	-	1,858,432	912,892	37,822	950,714	907,718	945,540
School	8,850,990	-	-	8,850,990	1,905,836	277,806	2,183,642	6,667,348	6,945,154
Police station	322,987	-	-	322,987	132,136	7,634	139,770	183,217	190,851
Fisheries	826,862	360,925	-	1,187,787	221,524	24,214	245,738	942,049	605,338
Health centre	2,379,190	-	-	2,379,190	429,424	77,991	507,415	1,871,775	1,949,766
Fire station	127,860	-	-	127,860	70,553	2,292	72,845	55,015	57,307
Fitness centre	133,768	-	-	133,768	2,675	5,244	7,919	125,849	131,093
Waycobah contracting	129,219	15,197	-	144,416	-	-	-	144,415	129,219
Equipment and furniture	1,483,372	105,801	-	1,589,173	1,101,415	85,343	1,186,758	402,416	381,957
Fishing vessels	2,543,484	6,900	-	2,550,384	875,130	66,872	942,002	1,608,382	1,668,354
Fish farm	1,281,386	373,673	-	1,655,059	271,491	119,673	391,164	1,263,895	1,009,895
Vehicles	287,188	37,146	-	324,334	253,158	16,886	270,044	54,290	34,030
Community housing	5,101,953	296,250	-	5,398,203	1,517,122	143,693	1,660,815	3,737,388	3,584,831
Subdivision	9,563,729	-	-	9,563,729	2,038,071	301,026	2,339,097	7,224,632	7,525,658
Infrastructure	4,232,757	-	-	4,232,757	3,106,758	124,293	3,231,051	1,001,706	1,125,999
Project haven	198,931	-	-	198,931	198,931	-	198,931	-	-
Rod's One Stop	1,332,897	-	-	1,332,897	1,054,348	44,356	1,098,704	234,193	278,549
Housing Properties	11,502,969	116,540	-	11,619,509	5,241,548	416,690	5,658,238	5,961,271	6,261,421
	<u>\$52,192,974</u>	<u>\$1,312,432</u>	<u>\$ -</u>	<u>\$53,505,406</u>	<u>\$ 19,333,012</u>	<u>\$ 1,751,835</u>	<u>\$ 21,084,847</u>	<u>\$32,420,559</u>	<u>\$32,859,962</u>

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2015

16. Contingencies

- a) We'koqma'q First Nation has entered into funding arrangements and contribution agreements with various government departments and agencies. Funding received under these arrangements and agreements are subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.
- b) Subsidy assistance payments received through C.M.H.C. pursuant to Section 56.1 of the National Housing Act are subject to repayment if the housing projects fail to comply with the terms and conditions of the agreement. As at March 31, 2015, the housing projects have not complied with all the terms and conditions including its failure to calculate rent-to-income in accordance with sub-paragraph 2(5) of the Operating Agreement.

The projects have received federal assistance through C.M.H.C. pursuant to Section 56.1 of the National Housing Act to reduce the mortgage interest expense to enable the projects to provide housing to low income individuals. The amount of assistance recorded for the year ended March 31, 2015, was \$220,133 which was recorded as revenue.

17. Commitments

The We'koqma'q First Nation has entered into an agreement with Premium Seafoods Limited which expires in December 2015. Under the terms of the agreement, the We'koqma'q First Nation has agreed to deal exclusively with Premium Seafoods Limited with respect to We'koqma'q's entire fishery including all fish species, shellfish, fish products and other entitlements.

18. Economic dependence

The We'koqma'q First Nation receives a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

Due to certain deficiencies in its working capital position, the First Nation was also party to a Remedial Management Plan agreement (RMP) with Aboriginal Affairs and Northern Development Canada. Under the terms of the RMP agreement, funding from the funding arrangement with Aboriginal Affairs and Northern Development Canada can be suspended if terms of the RMP are not complied with by the First Nation.

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2015

19. Trust Fund

The Trust Fund arises from monies 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

The changes in net assets of the Trust Fund during the year are as follows:

	<u>2015</u>	<u>2014</u>
Net assets, beginning of year	\$ 31,328	\$ 30,544
Interest earned	<u>1,344</u>	<u>784</u>
Net assets, end of year	<u>\$ 32,672</u>	<u>\$ 31,328</u>

20. Operating reserve fund

After the payment of all costs and expenses including the allocation to the Replacement Reserve, any surplus revenue will be retained by the First Nation within an Operating Reserve fund. Interest earnings must accrue to and be maintained in the Operating Reserve fund. The Project's Operating Reserve fund may only be used for the ongoing operating costs of the housing projects committed under the 1997 On-Reserve Program (19042 886 series housing projects).

Accordingly, future years' deficits may be recovered from the Operating Reserve fund. The First Nation agrees to maintain Operating Reserve funds in a separate bank account and/or invested only in accounts or instruments insured by the CDIC, or as may otherwise be mutually agreed to by the First Nation and CMHC.

	<u>2015</u>	<u>2014</u>
Deficit, beginning of year	\$ (88,962)	\$ (99,011)
Current year excess of revenues over expenditures	<u>11,604</u>	<u>10,049</u>
Deficit, end of year	<u>\$ (77,358)</u>	<u>\$ (88,962)</u>

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2015

21. Segmented information

We'koqma'q Reserve Band Council provides a wide range of services to its members, including training, education, social, health care and housing. For management reporting purposes We'koqma'q Reserve Band Council's operations and activities are organized and reported by divisions. The divisions were created for the purpose of recording activities to comply with specific regulations and requirements.

Divisions that have been separately disclosed in the consolidated schedules of revenues and expenditures on the following pages are:

Social Development – social assistance provided to qualifying members.

Band Government – all associated with the administration of the First Nation operations.

Education – providing elementary, secondary and post-secondary tuition for qualifying members along with related programs and support.

Operations and Maintenance – repairs and maintenance carried out during the year to the community buildings.

Economic Development – specified development projects undertaken by the First Nation.

Department of Fisheries and Oceans – AFS Program – management of the DFO fisheries operations.

Employment Development – activities related to job training and skills.

Capital Projects – provides capital construction projects for the community.

Health Canada – activity of the Health Centre which provides a variety of health care programs and support.

Miscellaneous – all other items not reported in a specified division.

Housing Fund – Section 95 and non-subsidized housing operation.

Gaming – Monies received from the Province of Nova Scotia from casino profits.

Commercial enterprises – Operating results from Rod's One Stop

Capital Revenue – Funding received in support of capital expenditures.

Summer games – operation results from hosting the Nova Scotia Mi'kmaw Summer Games.

Recreation – activities relating to operation of the gymnasium.

Waycobah Contracting Ltd. – Operating results for security company.

We'koqma'q First Nation
Notes to the consolidated financial statements
March 31, 2015

22. Government transfers

	2015			2014		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers						
Aboriginal Affairs and Northern Development Canada	\$ 4,328,380	\$ 325,345	\$ 4,653,725	\$ 4,350,921	874,932	\$ 5,225,853
Health Canada	1,070,661	-	1,070,661	1,001,273	-	1,001,273
Department of Fisheries and Oceans	528,041	-	528,041	214,357	-	214,357
Canada Mortgage and Housing	220,133	32,000	252,133	220,187	9,652	229,839
Mi'kmaw Kina'matneway	4,708,242	-	4,708,242	4,471,695	-	4,471,695
Mi'kmaw Employment Training Secretariat	349,005	-	349,005	341,486	-	341,486
Other	24,000	163,983	187,983	1,017	-	1,017
Subtotal	11,228,462	521,328	11,749,790	10,600,936	884,584	11,485,520
Province of Nova Scotia	186,508	-	186,508	202,094	-	202,094
Total	<u>\$ 11,414,970</u>	<u>\$ 521,328</u>	<u>\$ 11,936,298</u>	<u>\$ 10,803,030</u>	<u>\$ 884,584</u>	<u>\$ 11,687,614</u>

23. Expenses by object

	<u>2015</u>	<u>2014</u>
Administrative	\$ 109,209	\$ 193,123
Advertising	10,845	33,762
Capital projects	57,043	24,905
Community Expenses	350,232	566,710
Core funding and benefits	503,225	471,982
Depreciation	1,751,835	1,758,360
Economic and employment development	420,083	485,574
Education and training	4,613,032	4,524,539
Equipment	331,357	14,311
Fisheries	676,478	594,738
Health programs	1,302,175	1,185,465
Insurance	188,210	179,335
Interest	721,964	648,354
Landscaping	214,129	141,054
Municipal services	548,215	378,309
Office	116,087	107,709
Other	164,302	152,714
Professional fees	763,747	700,711
Purchases	10,445,926	10,478,158
Repairs & Maintenance	418,115	527,659
Salaries and benefits	2,850,419	2,405,500
Security	254,555	209,937
Social	2,506,012	2,514,561
Travel	103,133	54,423
Telephone and utilities	153,989	121,955
Total	<u>\$29,574,317</u>	<u>\$ 28,473,848</u>

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2015

24. Financial instruments

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The First Nation's financial instruments that are exposed to concentrations of credit risk are primarily accounts receivable.

The First Nation's maximum exposure to credit risk corresponds to the carrying amount for all receivables.

Liquidity risk

Liquidity risk is the risk that the First Nation may not have cash available to satisfy its liabilities as they come due. The First Nation actively maintains a committed credit facility to ensure that it has sufficient available funds to meet current and foreseeable future financial requirements at a reasonable cost.

The First Nation monitors capital markets and the related conditions. Market conditions allowing, the First Nation will access debt capital markets for various long-term debt maturities and as other liabilities come due or as assessed to be appropriate in order to minimize risk and optimize pricing.

The contractual maturities of the principal portion of significant financial liabilities as at March 31, 2015, are outlined in Note 11.

Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the First Nation would receive or pay to settle the financial assets and financial liabilities at the reporting date.

The book values of cash and cash equivalents, receivables, and payables and accruals approximate fair values at the balance sheet date due to their short term to maturity. The fair value of the long term debt approximates its carrying amount.

Interest rate risk

The First Nation has interest bearing loans on which general interest rate fluctuations apply. The financial risk is the risk to the First Nation's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. The First Nation does not use derivative instruments to reduce its exposure to interest and foreign currency risk.

We'koqma'q First Nation **Schedule A – Aboriginal and Northern Development** **Canada Revenues**

Year ended March 31	Schedule	Budget (unaudited)	2015	2014
Social development	B	\$ 3,100,000	\$ 3,140,277	3,140,277
Band government	C	395,000	462,770	504,615
Education	D	-	-	12,848
Operations and maintenance	E	223,500	351,142	767,358
Economic development	F/H	75,000	216,773	123,760
Employment development	H	30,000	36,000	30,000
Capital	I	326,500	325,345	528,932
Health	J	<u>118,000</u>	<u>121,418</u>	<u>118,063</u>
		<u>4,268,000</u>	<u>4,653,725</u>	<u>5,225,853</u>
Less transfers for capitalized projects				
Capital – Waste water	E	-	-	237,000
O and M – Response	E	<u>-</u>	<u>-</u>	<u>109,000</u>
		-	-	346,000
		<u>\$ 4,268,000</u>	<u>\$ 4,653,725</u>	<u>\$ 4,879,853</u>

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation
Schedule B – Social development
Revenues and expenditures

Year ended March 31	Budget (unaudited)	2015	2014
Revenues			
AANDC	\$ 3,100,000	<u>3,140,277</u>	<u>3,140,277</u>
Expenditures			
Administration	-	677,926	578,489
Basic needs	2,250,000	2,360,084	2,395,642
Salaries and benefits	100,000	94,210	93,151
Special needs	96,000	145,928	118,919
Travel and administration	36,000	12,168	13,935
	<u>2,482,000</u>	<u>3,290,316</u>	<u>3,200,136</u>
	<u>\$ 618,000</u>	<u>\$ (150,039)</u>	<u>\$ (59,859)</u>

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation
Schedule C – Band government
Revenues and expenditures

Year ended March 31	Budget (unaudited)	2015	2014
Revenues			
AANDC	\$ 395,000	\$ 388,750	\$ 378,007
AANDC – Governance	-	63,805	81,675
AANDC – Policy implementation	-	-	35,000
AANDC – Membership	-	10,215	9,933
Grants – Other	-	176,501	32,382
	<u>395,000</u>	<u>639,271</u>	<u>536,997</u>
Expenditures			
Community events	300,000	213,689	215,544
Core, travel and expenses	475,000	503,225	471,982
Interest and bank charges	235,500	377,686	291,319
Membership and elections	55,000	53,590	40,262
Office	50,000	68,817	65,436
Professional fees	350,000	524,566	555,194
Repairs and maintenance	20,000	65,988	15,587
Salaries and benefits	600,000	634,943	518,333
Security	-	42,330	29,484
Sundry	30,000	37,054	14,994
Telephone	50,000	60,380	49,576
Travel	15,000	76,060	8,745
Training	15,000	15,328	13,151
Utilities	20,000	38,047	24,347
Department allocation	-	(1,355,852)	(1,156,977)
	<u>2,215,500</u>	<u>1,355,851</u>	<u>1,156,977</u>
	<u>\$ (1,820,500)</u>	<u>\$ (716,580)</u>	<u>\$ (619,980)</u>

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation
Schedule D – Education
Revenues and expenditures

Year ended March 31	Budget (unaudited)	2015	2014
Revenues			
AANDC	\$ -	\$ -	\$ 12,848
Mi'kmaw Kina'matnewey	4,434,500	4,658,242	4,421,695
Mi'kmaw Kina'matnewey	75,000	-	-
Heritage Canada	-	-	1,017
CMHC – RRAP	-	-	5,000
Miscellaneous	-	39,168	7,147
United Church	-	-	58,500
Province of Nova Scotia	-	39,275	33,745
	<u>4,509,500</u>	<u>4,736,685</u>	<u>4,539,952</u>
Expenditures			
Administration	-	677,926	578,488
Band controlled school	3,591,043	3,592,884	3,483,662
Post-secondary	835,350	730,258	796,214
Transportation	-	239,070	229,493
	<u>4,426,393</u>	<u>5,240,138</u>	<u>5,087,857</u>
	<u>\$ 83,107</u>	<u>\$ (503,453)</u>	<u>\$ (547,905)</u>

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation **Schedule E – Operations and maintenance** **Revenues and expenditures**

Year ended March 31	Budget (unaudited)	2015	2014
Revenues			
AANDC – Facilities O & M	\$ 223,500	\$ 222,725	\$ 222,101
AANDC – Energy efficiency	-	-	100,000
AANDC – Response	-	-	61,757
AANDC – Water	-	103,518	37,500
AANDC – Fire protection	-	24,899	-
	<u>223,500</u>	<u>351,142</u>	<u>421,358</u>
Expenditures			
Community buildings	80,000	53,371	106,569
Administration	-	57,043	45,298
Dog control	5,000	-	-
Fire protection	15,000	22,608	-
Graveyard	40,000	-	-
Insurance	100,000	95,861	82,187
Municipal services and administration	150,000	244,475	109,517
Police protection	5,000	-	-
Roads	40,000	96,157	102,340
Wages and benefits	-	69,474	84,797
Water and sewer	175,000	184,975	166,452
	<u>610,000</u>	<u>823,964</u>	<u>697,160</u>
	<u>\$ (386,500)</u>	<u>\$ (472,822)</u>	<u>\$ (275,802)</u>

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation
Schedule F – Economic development
Revenues and expenditures

Year ended March 31	Budget (unaudited)	2015	2014
Revenues			
AANDC	\$ 75,000	\$ 216,773	\$ 102,520
Expenditures			
Economic and employment development	125,000	3,651	2,889
Processing centre	35,000	-	-
Professional fees	-	152,517	40,000
Wages and benefits	-	60,047	60,000
	160,000	216,215	102,889
	\$ (85,000)	\$ 558	\$ (369)

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation
Schedule G – Fishery
Revenues and expenditures

Year ended March 31	Budget (unaudited)	2015	2014
Revenues			
Department of Fisheries and Oceans	\$ 164,400	\$ 528,041	\$ 214,357
Grants –Other	-	624,876	-
Commercial fishing	3,154,500	2,271,858	2,058,332
	<u>3,318,900</u>	<u>3,424,775</u>	<u>2,272,689</u>
Expenditures			
Administration	42,000	74,409	113,225
Fishery strategy	518,125	676,478	594,738
Equipment	10,000	321,374	14,311
Travel	80,000	-	-
Fishery training	89,000	1,600	2,019
Wages and benefits	1,296,880	834,327	700,260
	<u>2,036,005</u>	<u>1,908,188</u>	<u>1,424,553</u>
	<u>\$ 1,282,895</u>	<u>\$ 1,516,587</u>	<u>\$ 848,136</u>

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation **Schedule H – Employment development** **Revenues and expenditures**

Year ended March 31	Budget (unaudited)	2015	2014
Revenues			
Mi'kmaq Employment Training Secretariat	\$ 350,000	\$ 349,005	\$ 341,486
Grants – Special	10,000	11,200	213,159
AANDC – Community employment	-	-	21,240
AANDC – Students and training	<u>30,000</u>	<u>36,000</u>	<u>30,000</u>
	<u>390,000</u>	<u>396,205</u>	<u>605,885</u>
Expenditures			
CRF	174,000	179,842	117,879
Daycare	85,000	121,531	125,758
Employment training	-	33,892	125,205
Outreach	45,000	40,441	42,167
Summer student program	30,000	74,618	30,676
Youth employment	42,000	-	41,000
Landscaping	75,000	214,129	141,054
Wages and benefits	-	52,987	88,481
Other	<u>49,920</u>	<u>5,665</u>	<u>4,012</u>
	<u>500,920</u>	<u>723,105</u>	<u>716,232</u>
	<u>\$ (110,920)</u>	<u>\$ (326,900)</u>	<u>\$ (110,347)</u>

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation
Schedule I – Capital projects
Revenues and expenditures

Year ended March 31	Budget (unaudited)	2015	2014
Revenues			
AANDC	\$ 326,500	\$ 325,345	\$ 324,432
AANDC – Home repair	-	-	204,500
Canada Mortgage and Housing Corporation- RRAP	48,000	32,000	9,652
Grants	-	279	10,000
	<u>374,500</u>	<u>357,624</u>	<u>548,584</u>
Expenditures			
Wages and benefits	98,600	33,953	30,176
Insurance	30,000	30,000	30,000
Interest – section 10 projects	215,000	212,176	215,883
Housing repairs and maintenance	390,000	297,996	356,593
RRAP program spending	90,000	66,175	9,652
Police station	-	-	1,543
Fire station	-	-	13,710
	<u>823,600</u>	<u>640,300</u>	<u>657,557</u>
	<u>\$ (449,100)</u>	<u>\$ (282,676)</u>	<u>\$ (108,973)</u>

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation
Schedule J – Health Canada Programs
Revenues and expenditures

Year ended March 31	Budget (unaudited)	2015	2014
Revenues			
Health Canada	\$ 947,364	\$ 1,070,661	\$ 1,001,273
AANDC - Adult care	118,000	121,418	118,063
Nurse Practitioner	70,000	60,903	-
Other	174,125	81,884	81,379
	<u>1,309,489</u>	<u>1,334,866</u>	<u>1,200,715</u>
Expenditures			
Accreditation	59,066	37,556	60,454
Addictions	-	123,594	-
Brighter Futures	58,266	31,283	39,950
Health promotion and injury	168,090	167,018	156,279
CDC Immunization strategy	4,100	1,807	5,275
Diabetes initiative	40,680	47,430	46,631
Operations and maintenance	78,210	130,420	112,858
Aboriginal headstart	48,627	37,801	49,907
Pre-natal nutrition	17,921	20,954	6,257
Mental wellness	58,478	90,438	95,460
Maternal child health	37,110	44,550	40,322
Management and support	148,838	133,012	135,192
Home and community care	159,440	172,514	168,423
Oral health	9,196	9,254	11,085
Capital projects	-	-	21,319
E-health infostructure	13,200	15,673	19,373
Medical transportation	74,823	87,464	78,404
Total Health Canada related expenditures	976,045	1,150,768	1,047,189
AANDC funded healthcare	-	118,493	126,039
Office	9,000	-	-
Travel	1,000	-	-
Self-funded programs – home care	150,000	32,914	12,237
Wages	68,500	-	-
Telephone	10,850	-	-
	<u>1,215,395</u>	<u>1,302,175</u>	<u>1,185,465</u>
	<u>\$ 94,094</u>	<u>\$ 32,691</u>	<u>\$ 15,250</u>

See accompanying notes to the consolidated financial statements

We'koqma'q First Nation **Schedule K – Miscellaneous** **Revenues and expenditures**

Year ended March 31

	Budget (unaudited)	2015	2014
Revenues			
Rent	\$ 40,000	\$ 41,157	\$ 39,571
Other	<u>15,000</u>	<u>34,800</u>	<u>34,600</u>
	<u>55,000</u>	<u>75,957</u>	<u>74,171</u>
Expenditures			
Bad debts	-	-	50,000
Miscellaneous	<u>30,000</u>	<u>-</u>	<u>8,354</u>
	<u>30,000</u>	<u>-</u>	<u>58,354</u>
	<u>\$ 25,000</u>	<u>\$ 75,957</u>	<u>\$ 15,817</u>

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation
Schedule L – Housing
Revenues and expenditures

Year ended March 31	Budget (unaudited)	2015	2014
Revenues			
Canada Mortgage and Housing	\$ 220,000	\$ 220,133	\$ 215,187
Rent	400,000	363,540	351,740
Band contribution	-	77,084	178,973
	<u>620,000</u>	<u>660,757</u>	<u>745,900</u>
Expenditures			
Administration	7,000	34,800	34,600
Insurance	30,000	60,000	60,000
Interest on long- term debt	165,000	104,630	113,417
Professional fees	10,000	26,000	26,000
Repairs and maintenance	50,000	25,086	116,873
	<u>262,000</u>	<u>250,516</u>	<u>350,890</u>
Net revenues (expenditures) before the following	358,000	410,241	395,010
Financing and transfers			
Allocation to replacement reserve	80,000	73,053	73,053
	<u>\$ 278,000</u>	<u>\$ 337,188</u>	<u>\$ 321,957</u>

See accompanying notes to the consolidated financial statements

We'koqma'q First Nation
Schedule M – Gaming
Revenue and expenditure

Year ended March 31	Budget (unaudited)	2015	2014
<hr/>			
Revenues			
Province of Nova Scotia			
Allocation of Sydney Casino profits	\$ 190,000	\$ 147,233	\$ 168,349

See accompanying notes to the consolidated financial statements

We'koqma'q First Nation
Schedule N – Commercial enterprises
Revenue and expenditure

Year ended March 31	Budget (unaudited)	2015	2014
Revenues	\$ 12,569,000	\$ 12,518,169	\$ 12,443,855
Expenditures			
Advertising	11,600	9,545	10,215
Bad debts	-	-	1,406
Community activity	-	-	564
Cost of sales	10,764,000	10,445,926	10,478,158
Insurance	-	24	(952)
Interest and bank charges	-	27,312	27,719
Office and sundry	30,000	41,683	35,832
Professional fees	60,000	58,583	74,440
Repairs, maintenance	10,000	29,045	38,606
Security	150,000	212,225	180,453
Telephone	11,250	11,728	12,435
Travel	7,000	946	-
Utilities	45,000	30,628	35,697
Wages and employee benefits	566,800	534,213	549,886
	<u>11,655,650</u>	<u>11,401,858</u>	<u>11,444,459</u>
Net earnings from operations	\$ 913,350	\$ 1,116,311	\$ 999,396

See accompanying notes to the consolidated financial statements

We'koqma'q First Nation
Schedule O – Capital revenue
Revenues

Year ended March 31	Budget (unaudited)	2015	2014
<hr/>			
Revenues			
AANDC – Waste water	\$ -	\$ -	\$ 237,000
AANDC – Gym	<u>-</u>	<u>-</u>	<u>109,000</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,000</u>

See accompanying notes to the consolidated financial statements

We'koqma'q First Nation **Schedule P – Summer games** **Revenues and expenditures**

Year ended March 31

Budget
(unaudited)

2015

2014

Revenues

Grants and entrance fees	\$ -	\$ -	\$ 232,692
Mi'kmaw Kina'matnewey	-	<u>50,000</u>	<u>50,000</u>
	-	<u>50,000</u>	<u>282,692</u>

Expenditures

Advertising	-	-	23,547
Entertainment	-	-	11,315
Merchandise	-	-	35,389
Fireworks	-	-	8,991
Travel and accommodations	-	-	31,442
Facility costs	-	-	97,338
Prizes	-	-	7,521
Office and miscellaneous	-	-	4,900
Meals	-	-	7,562
Insurance	-	-	5,300
Community events	-	<u>83,172</u>	<u>8,068</u>
Rental fees and officials	-	-	67,849
Wages	-	<u>43,317</u>	<u>44,462</u>
	-	<u>126,489</u>	<u>353,684</u>
	\$ -	\$ (76,489)	\$ (70,992)

We'koqma'q First Nation
Schedule Q – Recreation
Revenues and expenditures

Year ended March 31

	Budget (unaudited)	2015	2014
Revenues			
Memberships	\$ 50,000	\$ 30,995	\$ 7,846
Grant - MPAL	151,640	-	-
Health Canada – Brighter Futures	50,000	-	-
Sports and Recreation Nova Scotia	25,000	-	-
	<u>276,640</u>	<u>30,995</u>	<u>7,846</u>
Expenditures			
Office and other supplies	600	4,995	-
Repairs and maintenance	7,500	-	-
Fitness equipment	-	9,983	-
Telephone	2,400	-	-
Utilities	900	13,206	-
Brighter Futures	7,000	-	-
Wages	267,540	63,856	9,577
	<u>285,940</u>	<u>92,040</u>	<u>9,577</u>
	<u>\$- (9,300)</u>	<u>\$ (61,045)</u>	<u>\$ (1,731)</u>

We'koqma'q First Nation
Schedule R – Waycobah Contracting Ltd.
Revenues and expenditures

Year ended March 31	Budget (unaudited)	2015	2014
Revenues			
External security revenue	\$ 518,680	\$ 307,347	\$ 76,500
Internal security revenue	106,080	231,167	119,864
Land clearing	-	-	37,124
Grant revenue	-	-	35,000
	<u>624,760</u>	<u>538,514</u>	<u>268,488</u>
Expenditures			
Advertising	5,600	1,300	-
Bank charges	-	160	16
Dues and fees	-	371	1,541
Insurance	7,000	2,325	2,800
Office and other supplies	1,500	221	-
Professional fees	-	2,081	5,077
Subcontractors	-	-	31,879
Telephone	6,000	-	-
Travel	-	13,959	301
Uniforms	-	1,818	1,707
Wages	672,110	429,092	226,377
	<u>692,210</u>	<u>451,327</u>	<u>269,698</u>
	<u>\$ (67,450)</u>	<u>\$ 87,187</u>	<u>\$ (1,210)</u>

We'koqma'q First Nation

Schedule S – Schedule of Segmented Disclosure

Year Ended March 31

	Social Development			Band Government			Education			Operations and Maintenance		
	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014
Revenues												
Federal government operating transfers	\$ 3,100,000	\$ 3,140,277	\$ 3,140,277	\$ 395,000	\$ 486,770	\$ 504,615	\$ 4,434,500	\$ 4,558,242	\$ 4,440,560	\$ 223,500	\$ 351,142	\$ 421,358
Federal government capital transfers	-	-	-	-	-	-	75,000	-	-	-	-	-
Provincial government operating transfers	-	-	-	-	-	-	-	39,275	33,745	-	-	-
Economic activities	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	152,501	32,382	-	39,168	65,647	-	-	-
	3,100,000	3,140,277	3,140,277	395,000	639,271	536,997	4,509,500	4,736,685	4,539,952	223,500	351,142	421,358
Expenses												
Salaries and benefits	100,000	94,210	93,151	600,000	634,943	471,982	2,696,894	3,592,884	3,483,662	-	69,474	84,797
Amortization	-	447,270	441,716	-	45,456	42,978	-	331,473	356,465	-	135,843	140,276
Interest	-	-	-	-	377,686	291,319	-	-	-	-	-	-
Other	2,382,000	3,196,106	3,106,985	1,615,500	343,222	393,676	1,729,499	1,647,254	1,604,195	610,000	754,490	612,363
	2,482,000	3,737,586	3,641,852	2,215,500	1,401,307	1,199,955	4,426,393	5,571,611	5,444,322	610,000	959,807	837,436
Surplus (deficit) for the year	\$ 618,000	\$ (597,309)	\$ (501,575)	\$ (1,820,500)	\$ (762,036)	\$ (662,958)	\$ 83,107	\$ (834,926)	\$ (904,370)	\$ (386,500)	\$ (608,665)	\$ (415,078)

We'koqma'q First Nation

Schedule S – Schedule of Segmented Disclosure

Year Ended March 31

	Economic Development			Miscellaneous			Fishery			Employment Development		
	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014
Revenues												
Federal government operating transfers	\$ 75,000	\$ 216,773	\$ 102,520	\$ -	\$ -	\$ -	164,400	528,041	214,357	\$ 380,000	\$ 385,005	\$ 392,726
Federal government capital transfers	-	-	-	-	-	-	-	163,983	-	-	-	-
Provincial government operating transfers	-	-	-	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	3,154,500	2,271,858	2,058,332	-	-	-
Other	-	-	-	55,000	75,957	74,171	-	460,893	-	10,000	11,200	213,159
	75,000	216,773	102,520	55,000	75,957	74,171	3,318,900	3,424,775	2,272,689	390,000	396,205	605,885
Expenses												
Salaries and benefits	-	60,047	60,000	-	-	-	1,295,880	834,327	700,260	-	52,987	88,481
Amortization	-	-	-	-	-	-	-	245,884	224,893	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Other	160,000	156,168	42,889	30,000	-	58,354	739,125	1,073,861	724,293	500,920	670,118	627,751
	160,000	216,215	102,889	30,000	-	58,354	2,035,005	2,154,072	1,649,446	500,920	723,105	716,232
Surplus (deficit) for the year	\$ (85,000)	\$ 58	\$ (369)	\$ 25,000	\$ 75,957	\$ 15,817	\$ 1,282,895	\$ 1,270,703	\$ 623,243	\$ (110,920)	\$ (326,900)	\$ (110,347)

We'koqma'q First Nation

Schedule S – Schedule of Segmented Disclosure

Year Ended March 31

	Capital Projects			Health Canada			Housing			Gaming		
	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014
Revenues												
Federal government operating transfers	\$ -	\$ -	\$ -	\$ 1,065,364	\$ 1,192,079	\$ 1,119,336	220,000	220,133	215,187	\$ -	\$ -	\$ -
Federal government capital transfers	374,500	357,345	538,584	-	-	-	-	-	-	-	-	-
Provincial government operating transfers	-	-	-	-	-	-	-	-	-	190,000	147,233	168,349
Economic activities	-	-	-	-	-	-	400,000	363,540	351,740	-	-	-
Other	-	279	10,000	244,125	142,787	81,379	-	77,084	178,973	-	-	-
	374,500	357,624	548,584	1,309,489	1,334,866	1,200,715	620,000	660,757	745,900	190,000	147,233	168,349
Expenses												
Salaries and benefits	98,600	33,953	30,176	881,241	1,014,750	825,738	-	-	-	-	-	-
Amortization	-	-	-	-	77,991	81,240	-	416,590	414,691	-	-	-
Interest	215,000	212,176	215,883	-	-	-	165,000	104,630	113,417	-	-	-
Other	510,000	394,171	411,498	334,154	287,425	359,727	177,000	145,886	237,473	-	-	-
	823,600	640,300	657,557	1,215,395	1,380,166	1,266,705	342,000	667,206	765,581	-	-	-
Surplus (deficit) for the year	\$ (449,100)	\$ (282,676)	\$ (108,973)	\$ 94,094	\$ (45,300)	\$ (65,990)	\$ 278,000	\$ (6,449)	\$ (19,681)	\$ 190,000	\$ 147,233	\$ 168,349

We'koqma'q First Nation

Schedule S – Schedule of Segmented Disclosure

Year Ended March 31

	Commercial Enterprises			Capital Revenue			Summer Games			Recreation		
	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014
Revenues												
Federal government operating transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50,000	50,000	50,000	-	-
Federal government capital transfers	-	-	-	-	-	346,000	-	-	-	-	-	-
Provincial government operating transfers	-	-	-	-	-	-	-	-	-	25,000	-	-
Economic activities	12,569,000	12,518,169	12,443,855	-	-	-	-	-	-	-	30,995	-
Other	-	-	-	-	-	-	-	-	232,692	201,640	-	7,846
	12,569,000	12,518,169	12,443,855	-	-	346,000	-	50,000	282,692	276,640	30,995	7,846
Expenses												
Salaries and benefits	566,800	534,212	549,886	-	-	-	-	43,317	44,462	267,540	63,856	-
Amortization	-	44,356	56,101	-	-	-	-	-	-	-	6,872	-
Interest	-	27,312	27,719	-	-	-	-	-	-	-	-	-
Other	11,088,850	10,840,334	10,866,854	-	-	-	-	83,172	309,222	18,400	28,184	9,577
	11,655,650	11,446,214	11,500,560	-	-	-	-	126,489	353,684	285,940	98,912	9,577
Surplus (deficit) for the year	\$ 913,350	\$ 1,071,955	\$ 943,295	\$ -	\$ -	\$ 346,000	\$ -	\$ (76,489)	\$ (70,992)	\$ (9,300)	\$ (67,917)	\$ (1,731)

We'koqma'q First Nation **Schedule S – Schedule of Segmented Disclosure** Year Ended March 31

	Waycobah Contracting				Totals	
	Budget 2015 (unaudited)	Actual 2015	Actual 2014	Budget 2015 (unaudited)	Actual 2015	Actual 2014
Revenues						
Federal government operating transfers	\$ -	\$ -	\$ -	\$ 10,107,764	\$ 11,228,462	\$ 10,600,935
Federal government capital transfers	-	-	-	449,500	521,328	884,584
Provincial government operating transfers	-	-	-	215,000	186,508	202,094
Economic activities	-	-	-	16,123,500	15,184,562	14,853,927
Other	624,760	538,514	268,488	1,135,525	1,498,383	1,164,737
	<u>624,760</u>	<u>538,514</u>	<u>268,488</u>	<u>28,031,289</u>	<u>28,619,243</u>	<u>27,706,278</u>
Expenses						
Salaries and benefits	672,110	429,092	226,377	7,180,065	7,458,052	6,658,972
Amortization	-	-	-	-	1,751,835	1,758,360
Interest	-	-	-	380,000	721,804	648,338
Other	20,100	22,235	43,321	19,915,548	19,642,626	19,408,178
	<u>692,210</u>	<u>451,327</u>	<u>269,698</u>	<u>27,475,613</u>	<u>29,574,317</u>	<u>28,473,848</u>
Surplus (deficit) for the year	<u>\$ (67,450)</u>	<u>\$ 87,187</u>	<u>\$ (1,210)</u>	<u>\$ 555,676</u>	<u>\$ (955,074)</u>	<u>\$ (767,570)</u>