

**We'koqma'q First Nation  
Consolidated Financial  
Statements**

March 31, 2014

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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.

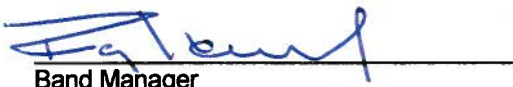
The band council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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 Chant Rowe and Associates in accordance with generally accepted auditing standards on behalf of the members. Chant Rowe Shaw and associates have full and free access to the council.



Chief



Band Manager

# Auditors' Report

To the Chief and Councilors of the We'koqma'q First Nation

We have audited the accompanying consolidated statement of financial position of the We'koqma'q First Nation (the "Band Council") as at March 31, 2014, and the consolidated statement of operations, changes in net financial liabilities, statement of fund balances, and statement of cash flows the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

The Band Council's management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Band Council'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 Band Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Band Council's 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 the We'koqma'q First Nation as at March 31, 2014, and the results of its operations, changes in its net financial liabilities, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Glace Bay, Nova Scotia  
July 31, 2014



Chartered Accountants

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# We'koqma'q First Nation

## Consolidated statement of financial position

March 31

2014

2013

### Financial assets

Receivables (Note 4)	\$ 1,130,602	\$ 1,343,952
Replacement reserve fund (Note 5)	609	609
Band funds in trust (Note 6)	<u>31,328</u>	<u>78,544</u>
	<u>1,162,539</u>	<u>1,423,105</u>

### Financial liabilities

Bank indebtedness (Note 7)	1,242,739	840,916
Payables and accruals (Note 8)	2,163,974	2,139,743
HST payable (Note 9)	1,876,952	1,989,228
Deferred revenue (Note 10)	308,036	721,740
Long term debt (Note 11)	<u>14,403,889</u>	<u>13,752,031</u>
	<u>19,995,590</u>	<u>19,443,658</u>

### Net financial liabilities (Page 5)

18,833,051 18,020,553

### Non-financial assets

Inventory (Note 12)	83,913	96,699
Prepaid expenses (Note 13)	53,691	73,522
Property and equipment (Note 14)	32,859,962	32,806,429
Goodwill (Note 2)	<u>1,451,754</u>	<u>1,451,754</u>
	<u>34,449,320</u>	<u>34,428,404</u>

### Net assets

\$ 15,616,269 \$ 16,407,851

### Fund balances (Page 6)


\$ 15,616,269 \$ 16,407,851

Contingencies (Note 16)

Commitments (Note 17)

On behalf of the Band Council

 Chief

 Band Manager

See accompanying notes to the consolidated financial statements.



# We'koqma'q First Nation

## Consolidated statement of operations

Year ended March 31	Schedule	Budget (Note 3)	2014	2013
<b>Revenue</b>				
Department of Indian and Northern Affairs				
Canada	A	\$ 4,268,000	\$ 4,879,853	\$ 4,791,354
Grants – other	C/D/I	-	100,882	-
Mi'kmaw Kina'matnewey	D/P	4,509,500	4,471,695	4,369,677
Province of Nova Scotia	D	-	33,745	-
Grant – education	D	-	8,164	-
Department of Fisheries and Oceans	G	164,400	214,357	314,967
Commercial fishing	G	3,154,500	2,058,332	2,068,434
Mi'kmaq employment training secretariat	H	350,000	341,486	343,117
Grants – special	H	10,000	213,159	-
Health Canada Programs	J/Q	997,364	1,001,273	863,897
Health funding - other	J	174,125	81,379	130,168
Nurse practitioner	J	70,000	-	-
Canada Mortgage and Housing Corporation	D/I	48,000	14,652	12,000
Housing fund	L	620,000	745,900	758,885
Commercial enterprises	N	12,569,000	12,443,855	10,268,051
Province of Nova Scotia	M	190,000	168,349	155,158
Summer games	P	-	232,692	-
Grant - MPAL	Q	151,640	-	-
Sports and Recreation Nova Scotia	Q	25,000	-	-
Memberships	Q	50,000	7,846	-
Security revenue	Q	624,760	268,488	-
Miscellaneous	K	55,000	74,171	80,926
		28,031,289	27,360,278	24,156,634
Social development	B	2,482,000	3,200,136	3,173,979
Band government	C	2,215,500	1,156,977	1,209,060
Education	D	4,426,393	5,087,857	5,050,021
Operations and maintenance	E	610,000	697,160	867,654
Economic development	F	160,000	102,889	81,473
Fishery	G	2,036,005	1,424,553	1,435,964
Employment development	H	500,920	716,232	394,856
Capital projects	I	823,600	657,557	434,073
Community health and welfare	J	1,215,395	1,185,465	1,013,859
Housing fund	L	342,000	423,943	476,225
Commercial enterprises	N	11,655,650	11,444,459	9,290,059
Summer games	P	-	353,684	-
Recreation	Q	285,940	9,577	-
Waycobah Contracting Ltd.	R	692,210	269,698	-
Miscellaneous	K	30,000	58,354	48,014
		27,475,613	26,788,541	23,475,237
Excess of expenditures over revenue before				
Other income (expense)		555,676	571,737	681,397
Capital revenue	O	-	346,000	705,200
Depreciation		-	(1,758,360)	(1,749,517)
		-	(1,412,360)	(1,044,317)
Excess of (expenditures over revenue) revenue				
Over expenditures		\$ 555,676	\$ (840,623)	\$ (362,920)

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	2014	2013
Net revenues (loss)	\$ 555,676	\$ (840,623)	\$ (362,920)
Depreciation	-	1,758,360	1,749,517
Capital assets acquired	-	(1,811,893)	(1,384,247)
	<u>\$ 555,676</u>	<u>(894,156)</u>	<u>2,350</u>
Replacement Reserve Fund allocations		73,053	70,488
Replacement Reserve Fund withdrawals		(24,796)	(77,540)
Other changes in reserve funds		-	(41,905)
Interest earned on restricted funds		784	298
Additions to prepaid expenses		19,831	(20,655)
Acquisition of inventory, net of usage		<u>12,786</u>	<u>(55,329)</u>
		<u>81,658</u>	<u>(124,643)</u>
Change in net Financial liabilities		(812,498)	(122,293)
Net Financial liabilities, beginning of year		<u>(18,020,553)</u>	<u>(17,898,260)</u>
Net financial liabilities, end of year		<u>\$ (18,833,051)</u>	<u>\$ (18,020,553)</u>

See accompanying notes to the consolidated financial statements.

# **We'koqma'q First Nation** **Consolidated Statement of Fund Balances**

Year Ended March 31

2014 2013

	Investment in Capital Assets	Unrestricted Fund	Net assets - externally Restricted	Funds on deposit with INAC	Replacement Reserve	Total	Total
Opening balance	\$ 20,703,884	\$ (4,490,312)	\$ 30,544	\$ 163,735	\$ 16,407,851	\$ 16,819,430	
Deficiency of revenue over expenditures (Page 3)	(1,758,360)	917,737	-	-	(840,623)	(362,920)	
Acquisition of capital assets	1,811,893	(1,811,893)	-	-	-	-	
Increase in capital long term debt	(1,637,401)	1,637,401	-	-	-	-	
Current year allocations	-	-	-	73,053	73,053	70,488	
Withdrawals	-	-	-	(24,796)	(24,796)	(77,540)	
Other replacement reserve adjustments	-	-	-	-	-	(41,905)	
Interest earned	-	-	784	-	-	784	298
Repayment of capital long term debt	985,543	(985,543)	-	-	-	-	
Ending balance	\$ 20,105,559	\$ (4,732,610)	\$ 31,328	\$ 211,992	\$ 15,616,269	\$ 16,407,851	

See accompanying notes to the consolidated financial statements.



# We'koqma'q First Nation

## Consolidated statement of cash flows

Year Ended March 31

2014

2013

Decrease in cash and cash equivalents

### Operations

Excess of revenues over expenditures	\$ (840,623)	\$ (362,920)
Depreciation	1,758,360	1,749,517
Allocation to replacement reserve	73,053	70,488
Charges to replacement reserve	(24,796)	(77,540)
Other replacement reserve adjustments		(41,905)
Change in non-cash operating working capital		
Receivables	213,350	(23,507)
Prepaid expenses	19,831	(20,655)
Inventory	12,786	(55,329)
Payables and accruals	24,231	122,462
HST payable	(112,276)	(77,144)
Deferred revenue	(413,704)	717,823
	<u>710,212</u>	<u>2,001,290</u>

### Financing

Trust contributions	784	298
Issue of long term debt	1,637,401	572,240
Repayment of long term debt	(985,543)	(1,163,634)
	<u>652,642</u>	<u>(591,096)</u>

### Investing

Capital assets acquired	<u>(1,811,893)</u>	<u>(1,384,247)</u>
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Net increase (decrease) in cash and cash equivalents	(449,039)	25,947
Cash and cash equivalents, beginning of year	<u>(761,763)</u>	<u>(787,710)</u>
Cash and cash equivalents, end of year	<u>\$ (1,210,802)</u>	<u>\$ (761,763)</u>

Cash and cash equivalents consist of:

Bank indebtedness	\$ (1,242,739)	\$ (840,916)
Funds in trust	31,328	78,544
Restricted cash	<u>609</u>	<u>609</u>
	<u>\$ (1,210,802)</u>	<u>\$ (761,763)</u>

See accompanying notes to the consolidated financial statements.

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# **We'koqma'q First Nation**

## **Notes to the consolidated financial statements**

March 31, 2014

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### **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.

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### **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.

#### **Canada Mortgage and Housing Corporation (CMHC) replacement reserve**

The replacement reserve account is funded by an annual charge against earnings as opposed to an appropriation of surplus.

# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2014

### 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.

#### Goodwill

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 goodwill.

Goodwill is subject to an assessment of impairment by applying a fair value based test on an annual basis. The Company will also evaluate goodwill for 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 Company uses discounted expected future cash flows to determine the fair value the business. Goodwill impairment is then assessed based upon a comparison of the fair value of the Company to the underlying carrying values of the reporting unit's net assets, including goodwill. If the carrying amount of the Company exceeds its fair value, an impairment charge is recorded to the extent that the carrying amount of the goodwill exceeds its fair value.

	<u>2014</u>	<u>2013</u>
Goodwill 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 Band'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 revenue and expenses during the period. Actual results could differ from these estimates.

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# **We'koqma'q First Nation**

## **Notes to the consolidated financial statements**

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March 31, 2014

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### **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	4-10%, straight line
Housing properties	25 year, straight line
Fishing vessels	4%, straight line
Equipment	20%, straight line
Vehicles	30%, straight line
Community housing	4%, straight line
Subdivision	4%, straight line
Infrastructure	4-20%, straight line
Project Haven	4%, straight line
Rod's One Stop	3-10 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.

#### **Interest rate risk**

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

#### **Financial instruments**

The Band's financial instruments consist of bank indebtedness, receivables, payables, and long-term debt. The carrying value of the other financial instruments approximates their fair market value at March 31, 2014.

# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2014

### 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.

4. Receivables	2014	2013
Indian Affairs and Northern Development – Fire Protection	\$ -	\$ 22,000
Indian Affairs and Northern Development – Municipal service	-	56,000
Indian Affairs and Northern Development – Waste water	-	48,430
Indian Affairs and Northern Development – Commemoration	-	2,000
CMHC	-	3,679
Cape Breton Regional Health Authority	-	70,564
Department of Fisheries and Oceans	421,087	487,473
Enterprise Cape Breton Corporation	-	164,729
Health Canada	1,500	6,439
Mi'kmaw Kina'matnewey Education	88,042	48,778
Mi'kmaw Employment and Training Secretariat	81,090	78,669
Province of Nova Scotia Gaming Agreement	149,875	110,746
Bus loans	73,698	95,326
Land claims	17,210	17,210
Core advances	24,020	51,534
Trade and sundry	335,632	91,927
	1,192,154	1,355,504
Less: allowance for doubtful accounts	61,552	11,552
	<u>\$ 1,130,602</u>	<u>\$ 1,343,952</u>

The Band 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.



# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2014

### 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 for 2014, based on the dates subsidy assistance commenced is \$73,053 (2013 - \$70,488). 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>2014</u>	<u>2013</u>
Cash	\$ <u>609</u>	\$ <u>609</u>

### 6. Band funds in trust

	<u>2014</u>	<u>2013</u>
Consolidated revenue fund (Note 19)	\$ 31,328	\$ 30,544
Trust funds held for purchase of building	<u>-</u>	<u>48,000</u>
	\$ <u>31,328</u>	\$ <u>78,544</u>

### 7. Band indebtedness

	<u>2014</u>	<u>2013</u>
Cash in bank accounts (overdraft)		
We'koqmaq First Nation Band	\$ (762,253)	\$ (793,690)
We'koqmaq First Nation Housing	(1,860,995)	(598,921)
Rods One Stop	<u>2,610,838</u>	<u>1,562,010</u>
	(12,410)	169,399
Less outstanding cheques	<u>(428,178)</u>	<u>(307,826)</u>
Net balances in bank accounts of all entities	(440,588)	(138,427)
Line of credit – Peace Hills Trust	<u>(802,151)</u>	<u>(702,489)</u>
Net consolidated cash position	\$ <u>(1,242,739)</u>	\$ <u>(840,916)</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.

# **We'koqma'q First Nation**

## **Notes to the consolidated financial statements**

March 31, 2014

<b>8. Payables and accruals</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Trade accounts payable	<b>\$ 2,058,794</b>	\$ 1,735,123
Accrued liabilities	<b>105,180</b>	304,620
Advance from Premium Seafoods	<b>-</b>	100,000
	<b><u>\$ 2,163,974</u></b>	<b><u>\$2,139,743</u></b>

### **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 principle owing. All interest and penalties stemming from this liability have been forgiven on the condition that returns and payments are received on time.

<b>10. Deferred revenue</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
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Funding not fully expended by March 31, 2014, 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	<b>\$ 197,310</b>	\$ 53,000
Mi'kmaw Kina'matnewey	<b>71,000</b>	3,909
AANDC – 08557 Capital waste water	<b>-</b>	237,000
AANDC – 08502 Community response	<b><u>39,726</u></b>	<u>427,831</u>
	<b><u>\$ 308,036</u></b>	<b><u>\$ 721,740</u></b>

# **We'koqma'q First Nation**

## **Notes to the consolidated financial statements**

March 31, 2014

<b>11. Long term debt</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
C.M.H.C. Housing Projects mortgages, maturing in 2015 to 2018, bearing interest at 1.49% to 7.34%, repayable in equal monthly instalments of principal and interest totalling \$37,541. As security, the Minister of Indian and Northern Affairs has provided a guarantee to C.M.H.C.	<b>\$ 5,707,787</b>	<b>\$ 5,837,989</b>
3.00% Royal Bank Section 10 mortgage, maturing in November 2016, repayable in blended monthly instalments of \$2,002.	<b>45,757</b>	<b>67,839</b>
3.47% Royal Bank Section 10 Mortgage, maturing in March 2015, repayable in blended monthly instalments of \$1,063.	<b>111,446</b>	<b>120,147</b>
Prime plus 1% Term Loan, repayable in blended monthly instalments of \$24,395.	<b>361,177</b>	<b>521,832</b>
6.30% Term Loan, repayable blended monthly instalments of \$782.	<b>113,610</b>	<b>115,898</b>
5.60% Term Loan, repayable in blended monthly instalments of \$8,690.	<b>1,243,049</b>	<b>1,277,930</b>
3.25% Term Loan, maturing in September 20, 2015, repayable in blended monthly instalments of \$1,404.	<b>161,494</b>	<b>172,893</b>
Prime plus 1% Mortgage Payable, maturing May 1, 2015, repayable in blended monthly instalments of \$4,275. As security, the entity has provided a general security agreement and first charge on two vessels.	<b>193,447</b>	<b>246,009</b>
Non-Interest bearing loan, repayable in annual instalments from crab fishery revenue.	<b>80,000</b>	<b>120,000</b>
Prime plus 3% Term Loan, repayable in blended quarterly instalments of \$6,089.	<b>72,227</b>	<b>92,807</b>
4.8% term loan, repayable in equal monthly instalments of \$545, including interest	<b>-</b>	<b>1,071</b>
6.15% Term Loan, repayable in blended monthly instalments of \$2,300.	<b>329,814</b>	<b>336,730</b>

# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2014

11. Long term debt (cont'd)	<u>2014</u>	<u>2013</u>
6.10% Term Loan, repayable in blended monthly instalments of \$16,739.	2,439,303	2,492,463
7.50% Term Loan, repayable in blended quarterly instalments of \$26,531.	369,936	509,471
3.95% Term Loan, repayable in blended monthly instalments of \$1,452.	194,001	201,075
6.15% Term Loan, repayable in blended monthly instalments of \$8,435.	1,224,510	1,250,989
4.5% Term Loan, repayable blended monthly instalments of \$3,776.	93,780	144,776
5.09% Term Loan, repayable in blended monthly instalments of \$369.	42,532	45,136
4.7% Term Loan, repayable in blended monthly instalments of \$3,746.	160,511	196,976
3.28% Term Loan, repayable in blended monthly instalments of \$436.	88,668	-
Prime + 2% Term Loan, repayable in blended monthly instalments of \$4,104.	746,845	-
5.75% Term Loan, repayable in blended monthly instalments of \$11,530	600,000	-
5.75% Term Loan, repayable in blended monthly Instalments of \$560	23,995	-
	<u>14,403,889</u>	<u>13,752,031</u>
Less: Current portion	<u>625,316</u>	<u>427,368</u>
	<u>\$ 13,778,573</u>	<u>\$ 13,324,663</u>

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

2015	\$ 625,316
2016	\$ 648,715
2017	\$ 619,928
2018	\$ 504,465
2019	\$ 412,644

# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2014

12. Inventory	2014	2013
We'koqma'q First Nation – Rods One Stop	<u>\$ 83,913</u>	<u>\$ 96,699</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 (Rods One Stop).

13. Prepaid expenses	2014	2013
Prepaid tuition	<u>\$ 53,691</u>	<u>\$ 73,522</u>

Prepaid expenses consist of amounts paid to educational institutions for tuition for the period January 1 through June 30.

14.	Property and equipment	2014	2013	
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 35,000	\$ -	\$ 35,000	\$ 35,000
Buildings				
Band office	1,858,432	912,892	945,540	984,937
School	8,850,990	1,905,836	6,945,154	7,234,534
Police station	322,987	132,136	190,851	198,803
Fisheries	826,862	221,524	605,338	560,123
Health centre	2,379,190	429,424	1,949,766	2,031,006
Fire station	127,860	70,553	57,307	59,695
Fitness Centre	133,768	2,675	131,093	-
Waycobah Contracting	129,219	-	129,219	-
Equipment and furniture	1,483,372	1,101,415	381,957	449,875
Fishing vessels	2,543,484	875,130	1,668,354	1,737,869
Fish Farm	1,281,386	271,491	1,009,895	1,122,106
Vehicles	287,188	253,158	34,030	5,924
Community housing	5,101,953	1,517,122	3,584,831	2,751,433
Subdivision	9,563,729	2,038,071	7,525,658	7,782,163
Infrastructure	4,232,757	3,106,758	1,125,999	988,672
Project Haven	198,931	198,931	-	-
Rod's One Stop	1,332,897	1,054,348	278,549	334,650
Housing properties	11,502,969	5,241,548	6,261,421	6,529,639
	\$ 52,192,974	\$ 19,333,012	\$ 32,859,962	\$ 32,806,429



## **We'koqma'q First Nation**

### **Notes to the consolidated financial statements**

March 31, 2014

#### **15. Capital management**

The primary objectives of We'koqma'q First Nation's capital management is to provide adequate funding to ensure efficient delivery of its services to the Band Members, primarily through the provision of housing services.

We'koqma'q First Nation monitors and makes adjustments to its capital structure when necessary, in light of changes to economic conditions, the objectives of the First Nation and the cash requirements of the entity.

We'koqma'q First Nation considers its total capitalization to include all interest-bearing debt including long term debt and the current portion thereof, equity, net of cash. The calculation is set out in the following table:

	<u>2014</u>	<u>2013</u>
Long term debt	\$ 14,403,889	\$ 13,752,031
Add: bank indebtedness	<u>1,242,739</u>	<u>840,916</u>
Net funded debt	15,646,628	14,592,947
Equity	<u>15,666,269</u>	<u>16,407,851</u>
Capital under management	<u>\$ 31,312,897</u>	<u>\$ 31,000,798</u>

Although We'koqma'q First Nation does not include operating lease in its definition of capital, the entity does give consideration to its obligations under operating leases when assessing its total capitalization.

The primary investments undertaken by We'koqma'q First Nation includes improvements and additions to the housing properties, community buildings and infrastructure. The entity relies largely on its cash flow from operations to fund its capital investment program. The cash flow is supplemented, when necessary, through the borrowing of additional debt. No changes were made to these objectives in the current period.

For the year ended March 31, 2011, the We'koqma'q First Nation was operating under the terms of a Remedial Management Plan (RMP) with the Department of Indian Affairs. Under the terms of this agreement the First Nation was required to achieve annual deficit reduction targets from operations totalling \$1,210,000 over a six year period. The We'koqma'q First Nation plans to continue to meet this targeted deficit reduction.

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## **We'koqma'q First Nation**

### **Notes to the consolidated financial statements**

March 31, 2014

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#### **16. Contingencies**

- a) The band 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 Band 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, 2014, 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, 2014, was \$215,187 which was recorded as revenue.

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#### **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.

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#### **18. Economic dependence**

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

# We'koqma'q First Nation

## Notes to the consolidated financial statements

March 31, 2014

### 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>2014</u>	<u>2013</u>
Net assets, beginning of year	\$ 30,544	\$ 30,246
Interest earned	<u>784</u>	<u>298</u>
Net assets, end of year	<u>\$ 31,328</u>	<u>\$ 30,544</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>2014</u>	<u>2013</u>
Deficit, beginning of year	\$ (99,011)	(\$112,016)
Adjustments made to by CMHC	<u>-</u>	<u>20</u>
Deficit as recognized by CMHC	(99,011)	(111,996)
Current year excess of revenue over expenditures	<u>10,049</u>	<u>12,985</u>
Deficit, end of year	<u>\$ (88,962)</u>	<u>\$ (99,011)</u>

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## **We'koqma'q First Nation**

### **Notes to the consolidated financial statements**

March 31, 2014

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#### **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 Band 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 Band.

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 Rods One Stop

Capital Revenue – Funding received in support of capital expenditures.

Summer games – operating 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, 2014

### **22. Government transfers**

	<u>Operating</u>	<u>Capital</u>	<u>2014 Total</u>
Aboriginal Affairs and Northern Development Canada	\$4,879,853	\$346,000	<b>\$5,225,853</b>
Health Canada	1,001,273	-	<b>1,001,273</b>
Department of Fisheries and Oceans	214,357	-	<b>214,357</b>
Canada Mortgage and Housing	215,187	14,652	<b>229,839</b>
Mi'kmaw Kina'matnewey	4,471,695	-	<b>4,471,695</b>
Mi'kmaq Employment/ Training Secretariat	341,486	-	<b>341,486</b>
Sub-total	11,123,851	360,652	<b>11,484,503</b>
Province of Nova Scotia	202,094	-	<b>202,094</b>
<b>Total</b>	<b>\$11,325,945</b>	<b>\$360,652</b>	<b>\$11,696,597</b>

	<u>Operating</u>	<u>Capital</u>	<u>2013 Total</u>
Aboriginal Affairs and Northern Development Canada	\$4,791,354	\$540,471	<b>\$5,331,825</b>
Health Canada	863,897	-	<b>863,897</b>
Department of Fisheries and Oceans	314,967	-	<b>314,967</b>
Canada Mortgage and Housing	234,153	12,000	<b>246,153</b>
Mi'kmaw Kina'matnewey	4,369,677	-	<b>4,369,677</b>
Mi'kmaq Employment/ Training Secretariat	343,117	-	<b>343,117</b>
Enterprise Cape Breton	-	164,729	<b>164,729</b>
Other	-	-	<b>-</b>
Sub-total	10,917,165	717,200	<b>11,634,365</b>
Province of Nova Scotia	155,158	-	<b>155,158</b>
<b>Total</b>	<b>\$11,072,323</b>	<b>\$717,200</b>	<b>\$11,789,523</b>



# **We'koqma'q First Nation**

## **Notes to the consolidated financial statements**

March 31, 2014

### **23. Expenses by object**

	<u><b>2014</b></u>	<u><b>2013</b></u>
Administration	\$328,315	\$385,914
Advertising	10,215	2,849
Allocation to replacement reserves	73,053	70,488
Bad debts	51,406	12,667
Basic needs	2,395,642	2,311,511
Capital projects	21,319	-
Community buildings	106,569	116,430
Community events	216,108	285,497
Core funding, travel and expenses	471,982	508,584
Cost of goods sold	10,510,037	8,231,213
CRF	117,879	84,204
Daycare	125,758	109,981
Depreciation	1,758,360	1,749,517
Economic and employment development	2,889	81,473
Education	1,594,404	1,084,385
Emergency	-	135,329
Equipment	14,311	66,594
Fire and police protection	15,253	24,938
Fisheries and licenses	596,757	854,096
Fitness center	-	48,014
FOMI program	-	24,195
Health canada programs	818,319	750,988
Insurance	174,035	156,435
Interest and bank charges	648,354	751,302
Landscaping	141,054	-
Membership and elections	40,262	48,637
Municipal services and administration	109,517	179,155
Office and miscellaneous	151,249	252,370
Outreach	42,167	52,813
Professional fees	700,711	419,471
Repairs and maintenance	650,169	693,274
Roads	102,340	103,480
Salaries and benefits	4,986,510	4,649,280
Security	209,937	214,593
Special needs	118,919	110,794
Summer games	353,684	-

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**We'koqma'q First Nation**  
**Notes to the consolidated financial statements**  
March 31, 2014

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**23. Expenses by object (continued)**

Summer student program	71,676	34,411
Reinvestment strategy	-	13,266
Telephone	62,011	61,589
Transportation	229,493	219,540
Training	138,356	5,719
Travel and administration	101,385	74,435
Utilities	60,044	30,700
Water and sewer	226,452	214,623
	<u>\$28,546,901</u>	<u>\$25,224,754</u>

# **We'koqma'q First Nation**

## **Schedule A – Aboriginal Affairs and Northern Development**

### **Canada – Revenue**

Year ended March 31	Schedule	Budget	2014	2013
Social development	B	\$ 3,100,000	\$ 3,140,277	3,119,917
Band government	C	395,000	504,615	385,425
Education	D	-	12,848	113,224
Operations and maintenance	E			
Facilities		223,500	222,101	220,661
Water		-	37,500	85,930
Energy efficiency		-	100,000	-
Waste water		-	237,000	-
Community Buildings		-	-	200,000
Municipal services		-	-	56,000
Fire protection		-	-	22,000
Response		-	170,757	322,128
		<u>223,500</u>	<u>767,358</u>	<u>906,719</u>
Economic development	F	75,000	123,760	77,017
Employment training	H	30,000	30,000	29,345
Capital	I	326,500	528,932	322,329
Health	J	118,000	118,063	117,298
Commemoration	J	-	-	29,280
		<u>4,268,000</u>	<u>5,225,853</u>	<u>5,100,554</u>
Less transfers for capitalized projects				
Capital – Waste water		-	237,000	-
O and M- Response		-	109,000	109,200
O and M- Community buildings		-	-	200,000
		-	346,000	309,200
		<u>\$ 4,268,000</u>	<u>\$ 4,879,853</u>	<u>\$ 4,791,354</u>

See accompanying notes to the consolidated financial statements.

**We'koqma'q First Nation**  
**Schedule B – Social development**  
**Revenue and expenditure**

Year ended March 31	Budget	2014	2013
Revenue – AANDC	\$ 3,100,000	\$ 3,140,277	\$ 3,119,917
Expenditures			
Administration	-	578,489	643,030
Basic needs	2,250,000	2,395,642	2,311,511
Salaries and benefits	100,000	93,151	86,999
Special needs	96,000	118,919	110,794
Reinvestment strategy	-	-	13,266
Travel and administration	36,000	13,935	8,379
	<u>2,482,000</u>	<u>3,200,136</u>	<u>3,173,979</u>
	\$ 618,000	\$ (59,859)	\$ (54,062)

See accompanying notes to the consolidated financial statements.

# **We'koqma'q First Nation** **Schedule C – Band government** **Revenue and expenditure**

Year ended March 31	Budget	2014	2013
<b>Revenue</b>			
AANDC	\$ 395,000	\$ 378,007	\$ 385,425
AANDC – Governance	-	81,675	-
AANDC – Policy implementation	-	35,000	-
AANDC – Membership	-	9,933	-
Grants – other	-	32,382	-
	<u>395,000</u>	<u>536,997</u>	<u>385,425</u>
<b>Expenditure</b>			
Community events	300,000	215,544	283,650
Core funding, travel and expenses	475,000	471,982	508,584
Interest and bank charges	235,500	291,319	542,183
Membership and elections	55,000	40,262	48,637
Office	50,000	65,436	72,945
Professional fees	350,000	555,194	313,767
Repairs and maintenance	20,000	15,587	15,808
Salaries and benefits	600,000	518,333	573,281
Security	-	29,484	-
Sundry	30,000	14,994	29,362
Telephone	50,000	49,576	49,176
Travel	15,000	8,745	53,618
Training	15,000	13,151	5,719
Utilities	20,000	24,347	(1,607)
Department allocation	-	(1,156,977)	(1,286,063)
	<u>2,215,500</u>	<u>1,156,977</u>	<u>1,209,060</u>
	<u>\$ (1,820,500)</u>	<u>\$ (619,980)</u>	<u>\$ (823,635)</u>

See accompanying notes to the consolidated financial statements.



# **We'koqma'q First Nation** **Schedule D – Education** **Revenue and expenditure**

<b>Year ended March 31</b>	<b>Budget</b>	<b>2014</b>	<b>2013</b>
<b>Revenue</b>			
AANDC	\$ -	\$ 12,848	\$ 113,224
Mi'kmaw Kina'matnewey	4,434,500	4,421,695	4,369,677
Mi'kmaw Kina'matnewey	75,000	-	-
Heritage Canada	-	1,017	-
CMHC – RRAP	-	5,000	-
Miscellaneous	-	7,147	-
United Church	-	58,500	-
Province of Nova Scotia	-	33,745	20,000
	<u>4,509,500</u>	<u>4,539,952</u>	<u>4,502,901</u>
<b>Expenditure</b>			
Administration	-	578,488	643,031
Band controlled school	3,591,043	3,483,662	3,239,785
Post secondary	835,350	796,214	943,294
Provincial tuition agreement	-	-	4,371
Transportation	-	229,493	219,540
	<u>4,426,393</u>	<u>5,087,857</u>	<u>5,050,021</u>
	<u>\$ 83,107</u>	<u>\$ (547,905)</u>	<u>\$ (547,120)</u>

See accompanying notes to the consolidated financial statements.

**We'koqma'q First Nation**  
**Schedule E – Operations and maintenance**  
**Revenue and expenditure**

Year ended March 31	Budget	2014	2013
<b>Revenue</b>			
AANDC	\$ 223,500	\$ 222,101	\$ 220,661
AANDC – Energy efficiency	-	100,000	-
AANDC – Response	-	61,757	212,928
AANDC - Water	-	37,500	85,930
AANDC - Municipal services	-	-	56,000
AANDC- Fire protection	-	-	22,000
	<u>223,500</u>	<u>421,358</u>	<u>597,519</u>
<b>Expenditure</b>			
Community buildings	80,000	106,569	116,430
Administration	-	45,298	-
Dog Control	5,000	-	-
Emergency	-	-	135,329
Fire protection	15,000	-	20,722
Graveyard	40,000	-	-
Insurance	100,000	82,187	93,699
Municipal services and administration	150,000	109,517	179,155
Police protection	5,000	-	4,216
Roads	40,000	102,340	103,480
Wages and benefits	-	84,797	-
Water and sewer	175,000	166,452	214,623
	<u>610,000</u>	<u>697,160</u>	<u>867,654</u>
	<u>\$ (386,500)</u>	<u>\$ (275,802)</u>	<u>\$ (270,135)</u>

See accompanying notes to the consolidated financial statements.

**We'koqma'q First Nation**  
**Schedule F – Economic development**  
**Revenue and expenditure**

Year ended March 31	Budget	2014	2013
Revenue			
AANDC	\$ 75,000	\$ 102,520	\$ 77,017
Expenditures			
Economic and employment development	125,000	2,889	81,473
Processing centre	35,000	-	-
Professional fees	-	40,000	-
Wages and benefits	-	60,000	-
	160,000	102,889	-
	\$ (85,000)	\$ (369)	\$ (4,456)

See accompanying notes to the consolidated financial statements.

# **We'koqma'q First Nation** **Schedule G – Fishery** **Revenue and expenditure**

Year ended March 31	Budget	2014	2013
<b>Revenue</b>			
Department of Fisheries and Oceans	\$ 164,400	\$ 214,357	\$ 314,967
Commercial fishing	<u>3,154,500</u>	<u>2,058,332</u>	<u>2,068,434</u>
	<u>3,318,900</u>	<u>2,272,689</u>	<u>2,383,401</u>
<b>Expenditures</b>			
Administration	42,000	113,225	152,242
Fishery strategy	518,125	594,738	842,323
Vehicle	-	-	88
FOMI Program	-	-	24,195
Equipment	10,000	14,311	66,594
Travel	80,000	-	12,350
Fishery Training	89,000	2,019	11,773
Wages and benefits	<u>1,296,880</u>	<u>700,260</u>	<u>326,399</u>
	<u>2,036,005</u>	<u>1,424,553</u>	<u>1,435,964</u>
	<u>\$ 1,282,895</u>	<u>\$ 848,136</u>	<u>\$ 947,437</u>

See accompanying notes to the consolidated financial statements.

# **We'koqma'q First Nation** **Schedule H – Employment development** **Revenue and expenditure**

Year ended March 31	Budget	2014	2013
<b>Revenue</b>			
Mi'kmaq Employment/Training Secretariat	\$ 350,000	\$ 341,486	\$ 343,117
Grants – Special	10,000	213,159	-
AANDC – Community employment	-	21,240	-
AANDC – students and training	30,000	30,000	29,345
	<u>390,000</u>	<u>605,885</u>	<u>372,462</u>
<b>Expenditures</b>			
CRF	174,000	117,879	84,204
Daycare	85,000	125,758	109,981
Employment training	-	125,205	-
Outreach	45,000	42,167	52,813
Summer student program	30,000	30,676	34,411
Youth employment	42,000	41,000	-
Landscaping	75,000	141,054	-
Wages and benefits	-	88,481	-
Other	49,920	4,012	113,447
	<u>500,920</u>	<u>716,232</u>	<u>394,856</u>
	<u>\$ (110,920)</u>	<u>\$ (110,347)</u>	<u>\$ (22,394)</u>

See accompanying notes to the consolidated financial statements.



# **We'koqma'q First Nation** **Schedule I – Capital projects** **Revenue and expenditure**

Year ended March 31	Budget	2014	2013
<b>Revenue</b>			
AANDC	\$ 326,500	\$ 324,432	\$ 322,329
AANDC– Home repair	-	204,500	-
Canada Mortgage and Housing Corporation- RRAP	48,000	9,652	12,000
Grants	-	10,000	-
	<u>374,500</u>	<u>548,584</u>	<u>334,329</u>
<b>Expenditures</b>			
Wages and benefits	98,600	30,176	34,920
Insurance	30,000	30,000	-
Interest – section 10 projects	215,000	215,883	-
Housing repairs and maintenance	390,000	356,593	349,346
RRAP program spending	90,000	9,652	32,530
Section 10 housing	-	-	7,958
Police station	-	1,543	361
Fire Station	-	13,710	8,958
	<u>823,600</u>	<u>657,557</u>	<u>434,073</u>
	<u>\$ (449,100)</u>	<u>\$ (108,973)</u>	<u>\$ (99,744)</u>

See accompanying notes to the consolidated financial statements.

# **We'koqma'q First Nation** **Schedule J – Health Canada Programs** **Revenue and expenditure**

Year ended March 31	Budget	2014	2013
<b>Revenue</b>			
Health Canada	\$ 947,364	\$ 1,001,273	\$ 863,897
AANDC- Adult care	118,000	118,063	117,298
Nurse Practitioner	70,000	-	-
AANDC - Commemoration	-	-	29,280
Other	174,125	81,379	130,168
	<u>1,309,489</u>	<u>1,200,715</u>	<u>1,140,643</u>
<b>Expenditure</b>			
Accreditation	59,066	60,454	56,052
Brighter futures	58,266	39,950	37,822
Capital renno agreement	-	-	9,345
Commemoration	-	-	29,280
Health promotion and injury	168,090	156,279	159,281
CDC Immunization strategy	4,100	5,275	9,347
Diabetes initiative	40,680	46,631	38,408
AHTF integration	-	-	11,809
Operations and maintenance	78,210	112,858	87,372
Aboriginal headstart	48,627	49,907	36,661
Pre-natal nutrition	17,921	6,257	5,917
Mental wellness	58,478	95,460	82,145
Maternal child health	37,110	40,322	37,596
Management and support	148,838	135,192	166,154
Home and community care	159,440	168,423	240,627
Oral health	9,196	11,085	6,043
Capital projects	21,000	21,319	-
E-health infostructure	13,200	19,373	-
Medical transportation	74,823	78,404	-
Total Health Canada related expenditures	997,045	1,047,189	1,013,859
INAC funded healthcare	-	126,039	-
Office	9,000	-	-
Travel	1,000	-	-
Self funded programs – home care	150,000	12,237	-
Wages and benefits	68,500	-	-
Telephone	10,850	-	-
	<u>1,215,395</u>	<u>1,185,465</u>	<u>1,013,859</u>
	<u>\$ 94,094</u>	<u>\$ 15,250</u>	<u>\$ 126,784</u>

See accompanying notes to the consolidated financial statements.

# **We'koqma'q First Nation**

## **Schedule K – Miscellaneous**

### **Revenue and expenditure**

<b>Year ended March 31</b>	<b>Budget</b>	<b>2014</b>	<b>2013</b>
<b>Revenue</b>			
Rent	\$ 40,000	\$ 39,571	\$ -
Other	<u>15,000</u>	<u>34,600</u>	<u>80,926</u>
	<u>55,000</u>	<u>74,171</u>	<u>80,926</u>
<b>Expenditure</b>			
Fitness centre	-	-	48,014
Bad debts	-	50,000	-
Miscellaneous	<u>30,000</u>	<u>8,354</u>	<u>-</u>
	<u>30,000</u>	<u>58,354</u>	<u>48,014</u>
	<u>\$ 25,000</u>	<u>\$ 15,817</u>	<u>\$ 32,912</u>

See accompanying notes to the consolidated financial statements.

# **We'koqma'q First Nation** **Schedule L – Housing** **Revenue and expenditure**

Year ended March 31	Budget	2014	2013
<b>Revenue</b>			
Canada Mortgage and Housing	\$ 220,000	\$ 215,187	\$ 234,153
Rent	400,000	351,740	357,540
Band Contribution	-	178,973	167,192
	<u>620,000</u>	<u>745,900</u>	<u>758,885</u>
<b>Expenditures</b>			
Administration	7,000	34,600	32,600
Allocation to replacement reserve	80,000	73,053	70,488
Insurance	30,000	60,000	60,000
Interest on long term debt	165,000	113,417	167,443
Professional fees	10,000	26,000	24,000
Repairs and maintenance	50,000	116,873	121,694
	<u>342,000</u>	<u>423,943</u>	<u>476,225</u>
	<u>\$ 278,000</u>	<u>\$ 321,957</u>	<u>\$ 282,660</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	2014	2013
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## Revenue

Province of Nova Scotia

Allocation of Sydney Casino profits

\$ 190,000	\$ 168,349	\$ 135,158
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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	2014	2013
Revenues	\$ 12,569,000	\$ 12,443,855	\$ 10,268,051
Expenditure			
Advertising	11,600	10,215	2,849
Bad debts	-	1,406	12,667
Cost of sales	10,764,000	10,478,158	8,231,213
Community activity	-	564	1,847
Insurance	-	(952)	2,736
Interest and bank charges	-	27,719	41,676
Office and sundry	30,000	35,832	36,616
Professional fees	60,000	74,440	81,704
Repairs, maintenance	10,000	38,606	274,495
Security	150,000	180,453	-
Telephone	11,250	12,435	12,413
Travel	7,000	-	-
Utilities	45,000	35,697	32,307
Wages and employee benefits	566,800	549,886	559,535
	<u>11,655,650</u>	<u>11,444,459</u>	<u>9,290,058</u>
Net earnings from operations	\$ 913,350	\$ 999,396	\$ 977,993

See accompanying notes to the consolidated financial statements.

# **We'koqma'q First Nation** **Schedule O – Capital revenue** **Revenue**

Year ended March 31	Budget	2014	2013
AANDC – Waste water	\$ -	\$ 237,000	\$ -
AANDC - Community buildings	-	-	200,000
AANDC - Response	-	-	109,200
AANDC - Gym	-	109,000	-
ECBC- Fish farm	-	-	164,729
Department of Fisheries and Oceans- Fish Farm	-	-	231,271
	<u>\$ -</u>	<u>\$ 346,000</u>	<u>\$ 705,200</u>

See accompanying notes to the consolidated financial statements.

# **We'koqma'q First Nation**

## **Schedule P – Summer games**

### **Revenue and expenditure**

Year ended March 31 Budget **2014** **2013**

#### **Revenue**

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

#### **Expenditure**

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

**Year ended March 31**

2014

2013

## Memberships

**\$ 50,000**

**\$ 7,846 \$**

\$ -

151,640

— — —

50,000

—

25,000

—

**276,640**

**7,846**

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## 600

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7,500

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2,400

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900

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7.000

—

267,540

**9,577**

**285,940**

**9,577**

100

\$ (9,300)

\$ (1,731)

\$ \_\_\_\_\_ -





**We'koqma'q First Nation**  
**Schedule S– Excess (Deficiency) of Funding over**  
**Expenses and Tangible Capital Asset Purchases by**  
**Program/Service/Activity**

Year ended March 31

2014

	<u>Schedule</u>	<u>Surplus (deficit) Before Depreciation</u>	<u>Purchase of Tangible Capital Assets</u>	<u>Capital Funding Schedule O</u>	<u>Excess (Deficiency) Of Funding</u>
Social Development	B	\$(59,859)	\$-	\$-	\$(59,859)
Band Government	C	(619,980)	(1,028,610)	-	(1,648,590)
Education	D	(497,905)	-	-	(497,905)
Operations and Maintenance	E	(275,802)	-	-	(275,802)
Economic Development	F	(369)	-	-	(369)
Fishery	G	848,136	(109,272)	-	738,864
Employment Development	H	(110,347)	-	-	(110,347)
Capital Projects	I	(108,973)	(255,500)	346,000	(18,473)
Health Canada Programs	J	15,250	-	-	15,250
Miscellaneous	K	15,817	-	-	15,817
CMHC Housing	L	321,957	(146,475)	-	175,482
Gaming	M	168,349	-	-	168,349
Commercial Enterprise	N	999,396	(272,036)	-	727,360
Summer Games	P	(120,992)	-	-	(120,992)
Recreation	Q	(1,731)	-	-	(1,731)
Waycobah Contracting	R	(1,210)	-	-	(1,210)
		<u>\$571,737</u>	<u>\$(1,811,893)</u>	<u>\$346,000</u>	<u>\$(894,156)</u>

See accompanying notes to the consolidated financial statements

# We'koqma'q First Nation

## Schedule T - Schedule of federal government funding

Year Ended March 31, 2014

Federal Government Department	Funding received	Unexpended Funding April 1, 2013	Adjustments	Total Funding Available	Funding Expended	Unexpended funding March 31, 2014
<b>Indian and Northern Affairs Canada</b>						
Education Grant	\$4,471,695			\$4,471,695	\$5,029,357	\$(557,662)
Education - COEP	12,848			12,848	12,848	-
F.N. & Inuit Youth Work Experience	30,000			30,000	30,676	(676)
Block Funding – Adult Care	118,063			118,063	126,039	(7,976)
Economic Development	102,520			102,520	102,889	(369)
Capital	528,932			528,932	647,905	(118,973)
Indian Government Support	504,615			504,615	1,156,977	(652,362)
Operations and maintenance	421,358			421,358	697,160	(275,802)
Social Assistance	3,140,277			3,140,277	3,200,136	(59,859)
Community Employment	21,240			21,240	182,054	(160,814)
Capital revenue	<u>346,000</u>			<u>346,000</u>	<u>346,000</u>	=
	<u>\$9,697,548</u>			<u>\$9,697,548</u>	<u>\$11,532,041</u>	<u>\$(1,834,493)</u>
<b>TOTAL</b>						
<b>Health Canada</b>						
Brighter futures	\$58,266			\$58,266	\$39,950	\$18,316
Operations and Maintenance	78,210			78,210	112,858	(34,648)
Health Promotion & Injury/Illness Prevention	168,090			168,090	156,279	11,811
Aboriginal Diabetes Initiative	40,680			40,680	46,631	(5,951)
Aboriginal Headstart	48,627			48,627	49,907	(1,280)
Pre-natal nutrition	17,921			17,921	6,257	11,664
Mental Health	58,478			58,478	95,460	(36,982)
Management & support	148,838			148,838	135,192	13,646
Home & community care	159,440			159,440	168,423	(8,983)
COHI	9,196			9,196	11,085	(1,889)
Maternal child health	37,110			37,110	40,322	(3,212)
E-Health Info structure	13,200			13,200	19,373	(6,173)
Communicable disease control	4,100			4,100	5,275	(1,175)
Medical transportation	74,823			74,823	78,404	(3,581)
Prior year revenue	3,909			3,909	-	3,909
Capital projects	21,319			21,319	21,319	-
Accreditation	<u>59,066</u>			<u>59,066</u>	<u>60,454</u>	<u>(1,388)</u>
<b>TOTAL</b>	<u>\$1,001,273</u>			<u>\$1,001,273</u>	<u>\$1,047,189</u>	<u>\$(45,916)</u>
<b>CMHC</b>						
Non-Profit on reserve housing	\$215,187			\$215,187	\$423,943	\$(208,756)
RRAP	<u>14,652</u>			<u>14,652</u>	<u>14,652</u>	=
<b>TOTAL</b>	<u>\$229,839</u>			<u>\$229,839</u>	<u>\$438,595</u>	<u>\$(208,756)</u>
<b>Fisheries and Oceans Canada</b>	<u>\$214,357</u>			<u>\$214,357</u>	<u>\$1,424,553</u>	<u>\$(1,210,196)</u>
<b>Mi'kmaq Employment/ Training Secretariat</b>	<u>\$341,486</u>	<u>\$34,703</u>		<u>\$376,189</u>	<u>\$378,297</u>	<u>\$(2,108)</u>
<b>TOTAL</b>	<u>\$11,484,503</u>	<u>\$34,703</u>		<u>\$11,519,206</u>	<u>\$14,820,675</u>	<u>\$(3,301,469)</u>

# We'koqma'q First Nation

## Schedule U– Schedule of Segmented Disclosure

Year ended March 31

	Social Development		Band Government	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
<b>Revenues</b>				
Federal government operating transfers	\$ 3,140,277	\$ 3,119,917	\$ 504,615	\$ 385,425
Federal government capital transfers	-	-	-	-
Provincial government operating transfers	-	-	-	-
Health Canada	-	-	-	-
Mi'kmaq Employment/Training secretariat	-	-	-	-
Economic activities	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	-
Department of Fisheries	-	-	-	-
Other	-	-	32,382	-
	-	-	-	-
	3,140,277	3,119,917	536,997	385,425
<b>Expenses</b>				
Salaries and benefits	93,151	86,999	471,982	573,281
Amortization	441,716	437,264	42,978	36,791
Interest	-	-	291,319	542,183
Other	3,106,985	3,086,980	393,676	93,596
	3,641,852	3,611,243	1,199,955	1,245,851
<b>Surplus (deficit) for the year</b>	\$ (501,575)	\$ (491,326)	\$ (662,958)	\$ (860,426)

# **We'koqma'q First Nation**

## **Schedule U– Schedule of Segmented Disclosure**

Year ended March 31

	Education		Operations and Maintenance	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
<b>Revenues</b>				
Federal government operating transfers	\$ 4,434,543	\$ 4,482,901	\$ 421,358	\$ 597,519
Federal government capital transfers	-	-	-	-
Provincial government operating transfers	33,745	20,000	-	-
Health Canada	-	-	-	-
Mi'kmaq Employment/Training secretariat	-	-	-	-
Economic activities	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	-
Department of Fisheries	-	-	-	-
Other	71,664	-	-	-
	-	-	-	-
	4,539,952	4,502,901	421,358	597,519
<b>Expenses</b>				
Salaries and benefits	3,483,662	2,505,447	84,797	-
Amortization	356,465	385,294	140,276	133,903
Interest	-	-	-	-
Other	1,604,195	2,544,574	612,363	867,654
	5,444,322	5,435,315	837,436	1,001,557
<b>Surplus (deficit) for the year</b>	\$ (904,370)	\$ (932,414)	\$ (416,078)	\$ (404,038)

**We'koqma'q First Nation**  
**Schedule U– Schedule of Segmented Disclosure**  
Year ended March 31

	Economic Development		Miscellaneous	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
<b>Revenues</b>				
Federal government operating transfers	\$ 102,520	\$ 77,017	\$ -	\$ -
Federal government capital transfers	-	-	-	-
Provincial government operating transfers	-	-	-	-
Health Canada	-	-	-	-
Mi'kmaq Employment/Training secretariat	-	-	-	-
Economic activities	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	-
Department of Fisheries	-	-	-	-
Other	-	-	74,171	80,926
	102,520	77,017	74,171	80,926
<b>Expenses</b>				
Salaries and benefits	60,000	-	-	-
Amortization	-	-	-	-
Interest	-	-	-	-
Other	42,889	81,473	58,354	48,014
	102,889	81,473	58,354	48,014
<b>Surplus (deficit) for the year</b>	\$ (369)	\$ (4,456)	\$ 15,817	\$ 32,912



**We'koqma'q First Nation**  
**Schedule U- Schedule of Segmented Disclosure**  
Year ended March 31

	Fishery		Employment Development	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
<b>Revenues</b>				
Federal government operating transfers	\$ -	\$ -	\$ 51,240	\$ 29,345
Federal government capital transfers	-	-	-	-
Provincial government operating transfers	-	-	-	-
Health Canada	-	-	-	-
Mi'kmaq Employment/Training secretariat	-	-	341,486	343,117
Economic activities	\$2,058,332	\$2,068,434	-	-
Canada Mortgage and Housing Corporation	-	-	-	-
Department of Fisheries	214,357	314,967	-	-
Other	-	-	213,159	-
	2,272,689	2,383,401	605,885	372,462
<b>Expenses</b>				
Salaries and benefits	700,260	326,399	88,481	-
Amortization	224,893	214,846	-	-
Interest	-	-	-	-
Other	724,293	1,109,565	627,751	394,856
	1,649,446	1,650,810	716,232	394,856
<b>Surplus (deficit) for the year</b>	<b>\$ 623,243</b>	<b>\$ 732,591</b>	<b>\$ (110,347)</b>	<b>\$ (22,394)</b>

**We'koqma'q First Nation**  
**Schedule U– Schedule of Segmented Disclosure**  
**Year ended March**

	Capital Projects		Health Canada	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
<b>Revenues</b>				
Federal government operating transfers	\$ -	\$ -	\$ 118,063	\$ 146,578
Federal government capital transfers	324,432	322,329	-	-
Provincial government operating transfers	204,500	-	-	-
Health Canada	-	-	1,001,273	863,897
Mi'kmaq Employment/Training secretariat	-	-	-	-
Economic activities	-	-	-	-
Canada Mortgage and Housing Corporation	9,652	12,000	-	-
Department of Fisheries	-	-	-	-
Other	10,000	-	81,379	130,168
	<b>548,584</b>	<b>334,329</b>	<b>1,200,715</b>	<b>1,140,643</b>
<b>Expenses</b>				
Salaries and benefits	30,176	-	825,738	-
Amortization	-	-	81,240	84,625
Interest	-	-	-	-
Other	627,381	434,073	359,727	1,013,859
	<b>657,557</b>	<b>434,073</b>	<b>1,266,705</b>	<b>1,098,484</b>
<b>Surplus (deficit) for the year</b>	<b>\$ (108,973)</b>	<b>\$ (99,744)</b>	<b>\$ (65,990)</b>	<b>\$ 42,159</b>

**We'koqma'q First Nation**  
**Schedule U– Schedule of Segmented Disclosure**  
**Year ended March**

	Housing Fund		Gaming	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
<b>Revenues</b>				
Federal government operating transfers	\$ -	\$ -	\$ -	\$ -
Federal government capital transfers	-	-	-	-
Provincial government operating transfers	-	-	168,349	135,158
Health Canada	-	-	-	-
Mi'kmaq Employment/Training secretariat	-	-	-	-
Economic activities	\$351,740	\$357,540	-	-
Canada Mortgage and Housing Corporation	215,187	234,153	-	-
Department of Fisheries	-	-	-	-
Other	178,973	167,192	-	-
	745,900	758,885	168,349	135,158
<b>Expenses</b>				
Salaries and benefits	-	-	-	-
Amortization	414,691	456,795	-	-
Interest	113,417	167,443	-	-
Other	310,526	308,782	-	-
	838,634	933,020	-	-
<b>Surplus (deficit) for the year</b>	\$ (92,734)	\$ (174,135)	\$ 168,349	\$ 135,158

**We'koqma'q First Nation**  
**Schedule U— Schedule of Segmented Disclosure**  
**Year ended March**

	Commercial Enterprises		Capital Revenue	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
<b>Revenues</b>				
Federal government operating transfers	\$ -	\$ -	\$ -	\$ -
Federal government capital transfers	-	-	346,000	309,200
Provincial government operating transfers	-	-	-	-
Health Canada	-	-	-	-
Mi'kmaq Employment/Training secretariat	-	-	-	-
Economic activities	12,443,855	10,268,051	-	-
Canada Mortgage and Housing Corporation	-	-	-	-
Department of Fisheries	-	-	-	231,271
Other	-	-	-	164,729
	12,443,855	10,268,051	346,000	705,200
<b>Expenses</b>				
Salaries and benefits	549,886	559,535	-	-
Amortization	56,101	-	-	-
Interest	-	-	-	-
Other	10,894,573	8,730,523	-	-
	11,500,560	9,290,058	-	-
<b>Surplus (deficit) for the year</b>	\$ 943,295	\$ 977,993	\$ 346,000	\$ 705,200

**We'koqma'q First Nation**  
**Schedule U— Schedule of Segmented Disclosure**  
**Year ended March**

	Summer Games		Recreation	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
<b>Revenues</b>				
Federal government operating transfers	\$ -	\$ -	\$ -	\$ -
Federal government capital transfers	-	-	-	-
Provincial government operating transfers	-	-	-	-
Health Canada	-	-	-	-
Mi'kmaq Employment/Training secretariat	50,000	-	-	-
Economic activities	-	-	-	-
Canada Mortgage and Housing Corporation	-	-	-	-
Department of Fisheries	-	-	-	-
Other	232,692	-	7,846	-
	<b>282,692</b>	<b>-</b>	<b>7,846</b>	<b>-</b>
<b>Expenses</b>				
Salaries and benefits	44,462	-	-	-
Amortization	-	-	-	-
Interest	-	-	-	-
Other	309,222	-	9,577	-
	<b>353,684</b>	<b>-</b>	<b>9,577</b>	<b>-</b>
<b>Surplus (deficit) for the year</b>	<b>\$ (70,992)</b>	<b>\$ -</b>	<b>\$ (1,731)</b>	<b>\$ -</b>

**We'koqma'q First Nation**  
**Schedule U– Schedule of Segmented Disclosure**  
**Year ended March**

	Waycobah Contracting		Totals	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
<b>Revenues</b>				
Federal government operating transfers	\$ -	\$ -	\$8,772,616	\$8,838,702
Federal government capital transfers	-	-	670,432	631,529
Provincial government operating transfers	-	-	406,594	155,158
Health Canada	-	-	1,001,273	863,897
Mi'kmaq Employment/Training secretariat	-	-	341,486	343,117
Economic activities	-	-	14,853,927	12,694,025
Canada Mortgage and Housing Corporation	-	-	224,839	246,153
Department of Fisheries	-	-	214,357	546,238
Other	268,488	-	1,170,754	543,015
			0	0
	268,488	-	27,656,278	24,861,834
<b>Expenses</b>				
Salaries and benefits	-	-	6,432,595	4,051,661
Amortization	-	-	1,758,360	1,749,518
Interest	-	-	404,736	709,626
Other	269,698	-	19,951,210	18,713,949
			0	0
	269,698	-	28,546,901	25,224,754
<b>Surplus (deficit) for the year</b>	\$ (1,210)	\$ -	\$ (890,623)	\$ (362,920)