



Consolidated Financial Statements

We'koqma'q First Nation

March 31, 2017

Contents

	<u>Page</u>
Management's responsibility for financial reporting	1
Independent Auditor's Report	2 - 3
Consolidated statement of operations	4
Consolidated statement of financial position	5
Consolidated statement of changes in net debt	6
Consolidated statement of cash flows	7
Notes to the consolidated financial statements	8 – 19
Schedule A – schedule of segmented disclosure	20 - 23
Schedule B – Health Canada Programs	24

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.

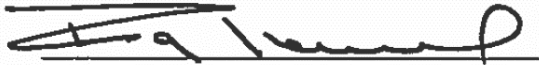
The consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management 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 fulfils 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 Grant Thornton LLP in accordance with generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the council.



CEO



Donald Davis
Director of Operations

Independent Auditor's Report

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To the Chief and Councillors of the

We'koqma'q First Nation

We have audited the accompanying consolidated financial statements of the We'koqma'q First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations, changes in net debt, and cash flows the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

The First Nation'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 First Nation'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 First Nation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the First Nation'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, 2017, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedules included on Page 24 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, on the audit of the consolidated financial statements taken as a whole.

Sydney, Canada

July 27, 2017



Chartered Professional Accountants
Licensed Public Accountants

We'koqma'q First Nation

Consolidated statement of operations

Year ended March 31	Budget	2017	2016
Revenues			
Fisheries	\$ 5,650,341	\$ 3,803,581	\$ 2,609,534
Rental	40,764	38,537	40,123
Commercial sales	9,315,171	9,024,452	9,013,685
Government transfers (Note 15)	11,523,214	16,546,222	13,626,705
Other revenues	-	995,712	328,510
	<u>26,529,490</u>	<u>30,408,504</u>	<u>25,618,557</u>
Expenditures			
Administration	805,415	828,682	194,642
Advertising	9,195	9,155	9,149
Bad debt	-	-	46,419
Community	210,000	450,894	306,398
Core funding and benefits	613,000	638,913	553,000
Economic and employment development	315,600	529,243	376,720
Education and training	5,053,115	5,492,132	5,231,820
Elections	51,000	46,052	-
Energy efficiency project	-	300,531	-
Equipment	215,400	264,988	140,173
Fisheries	2,043,590	837,065	551,108
Health programs	768,253	1,173,469	1,363,323
Insurance	197,400	183,286	169,736
Interest	650,524	772,654	673,182
Landscaping	120,000	121,109	108,735
Municipal services	501,000	586,545	362,266
Office	130,060	140,981	145,043
Other	30,000	14,263	123,169
Professional fees	200,000	640,205	691,371
Purchases	6,074,630	5,918,242	6,070,086
Repairs and maintenance	753,546	1,362,873	484,284
Salaries and benefits	3,464,593	4,263,195	2,994,136
Security	215,831	37,827	16,377
Social	2,093,798	2,027,217	2,139,958
Training	332,040	5,497	-
Travel	83,946	142,604	134,024
Telephone and utilities	148,132	134,599	142,720
	<u>25,080,068</u>	<u>26,922,221</u>	<u>23,027,839</u>
Annual surplus before amortization and loss on disposal of assets	1,449,422	3,486,283	2,590,718
Amortization	-	1,991,208	1,757,793
Loss on disposition of assets	-	173,086	-
	<u>-</u>	<u>2,164,294</u>	<u>1,757,793</u>
Annual surplus	\$ 1,449,422	\$ 1,321,989	\$ 832,925
Accumulated surplus, beginning of year		13,961,310	13,128,385
Accumulated surplus, end of year		\$ 15,283,299	\$ 13,961,310

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation

Consolidated statement of financial position

March 31

2017

2016

Financial assets

Receivables (Note 2)	\$ 2,512,368	\$ 1,311,283
Restricted cash (Note 3)	85,047	33,974
Inventory (Note 4)	<u>1,305,870</u>	<u>445,113</u>
	<u>3,903,285</u>	<u>1,790,370</u>

Financial liabilities

Bank indebtedness (Note 5)	426,178	677,226
Payables and accruals (Note 6)	4,295,018	2,832,551
HST payable (Note 7)	1,509,211	1,605,212
Deferred revenue (Note 8)	935,945	573,073
Long-term debt (Note 9)	<u>17,457,428</u>	<u>15,359,511</u>
	<u>24,623,780</u>	<u>21,047,573</u>

Net debt (Page 6) (20,720,495) (19,257,203)

Non-financial assets

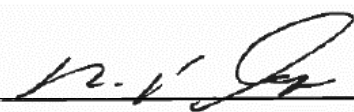
Prepays	70,818	69,588
Property and equipment (Note 10)	<u>35,932,976</u>	<u>33,148,925</u>
	<u>36,003,794</u>	<u>33,218,513</u>

Accumulated surplus (Page 4) \$ 15,283,299 \$ 13,961,310

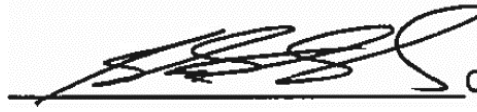
Contingencies (Note 11)

Commitments (Note 12)

On behalf of the Band Council



Chief



Councillor

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation

Consolidated statement of changes in net debt

Year ended March 31	Budget	2017	2016
Excess of revenues over expenses	\$ 1,449,422	\$ 1,321,989	\$ 832,925
Loss on disposal of assets	-	173,086	
Amortization	-	1,991,208	1,757,794
Capital assets acquired	-	(4,948,345)	(2,486,160)
	<u>1,449,422</u>	<u>(1,462,062)</u>	<u>104,559</u>
Acquisition (usage) of prepaid expenses	-	(1,230)	118,946
Change in net debt	1,449,422	(1,463,292)	223,505
Net debt, beginning of year	<u>(19,480,708)</u>	<u>(19,257,203)</u>	<u>(19,480,708)</u>
Net debt, end of year	<u>\$ (18,031,286)</u>	<u>\$ (20,720,495)</u>	<u>\$ (19,257,203)</u>

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation

Consolidated statement of cash flows

Year ended March 31

2017

2016

Increase in cash and cash equivalents

Operating		
Excess of revenues over expenses	\$ 1,321,989	\$ 832,925
Amortization	1,991,208	1,757,794
Loss of disposal of assets	<u>173,086</u>	<u>-</u>
	3,486,283	2,590,719
Change in non-cash operating working capital		
Receivables	(1,201,085)	323,445
Prepays	(1,230)	118,946
Inventory	(860,757)	(298,997)
Payables and accruals	1,462,467	(132,103)
HST payable	(96,001)	(172,749)
Deferred revenue	<u>362,872</u>	<u>(338,944)</u>
	3,152,549	2,090,317
Financing		
Issue of long-term debt	3,288,079	1,555,460
Repayment of long-term debt	<u>(1,190,162)</u>	<u>(1,041,824)</u>
	2,097,917	514,636
Capital		
Capital assets acquired	<u>(4,948,345)</u>	<u>(2,486,160)</u>
Net increase in cash and cash equivalents	302,121	118,793
Cash and cash equivalents, beginning of year	<u>(643,252)</u>	<u>(762,045)</u>
Cash and cash equivalents, end of year	\$ 341,131	\$ (643,252)

Cash and cash equivalents is comprised of:

Restricted cash	\$ 85,047	\$ 33,974
Bank indebtedness	<u>(426,178)</u>	<u>(677,226)</u>
	\$ (341,131)	\$ (643,252)

See accompanying notes to the consolidated financial statements.

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2017

1. Summary of significant accounting policies

Reporting entity and principles of financial reporting

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

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 public sector entities, as required by the Public Sector Accounting Board (PSAB).

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 entities over which the First Nation has a controlling interest, after the elimination of inter-fund transactions and balances. The entities consolidated in these financial statements include Rod's One Stop, Waycobah Housing Projects, and Waycobah Contracting Incorporated.

Government transfers

Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

Revenue recognition

All non-government contributions or grant revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Rental revenue is recognized when received or receivable and collection is reasonably assured.

Gaming revenue from video lottery net of corresponding direct expenses are recognized at the time of play and are recorded net of commissions and credits paid out. Other gaming revenues are recognized as earned when received or receivable as long as collection is reasonably assured.

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2017

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Interest revenue is recognized as accrued unless it is externally restricted. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and impairment.

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	25 years, straight line
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

When conditions indicate that a tangible capital asset no longer contributes to the First Nation's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-downs of tangible capital assets are accounted for as expenses in the statement of operations and such write-downs are not reversed.

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, 2017

1. Summary of significant accounting policies (continued)

Inventory

The cost of inventories is comprised of directly attributable costs and includes the purchase price plus other costs incurred in bringing the inventories to their present location and condition, such as freight. The cost is reduced by the value of rebates and allowances received from vendors. The Band estimates net realizable value as the amount that inventories are expected to be sold. Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable due to obsolescence, damage, or declining selling prices. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in selling price, the amount of the write-down previously recorded is reversed. Costs that do not contribute to bringing inventories to their present location and condition, such as storage and administrative overheads, are specifically excluded from the cost of inventories and are expensed in the period incurred.

The cost of inventory recognized as an expense during fiscal 2017 was \$10,593,152 (2016 - \$6,070,086). No write-down of inventories below their cost to their net realizable value was made in fiscal 2017. There were no reversals of inventories written down previously that are no longer estimated to sell below cost.

Income taxes

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

2. Receivables	<u>2017</u>	<u>2016</u>
Indigenous and Northern Affairs Canada	\$ 387,724	\$ 31,799
Department of Fisheries and Oceans	606,591	259,972
Health Canada	3,840	-
Province of Nova Scotia	123,749	134,379
Land claims	17,210	17,210
Core advances	59,835	28,516
Trade and sundry	<u>1,374,971</u>	<u>900,959</u>
	<u>2,573,920</u>	<u>1,372,835</u>
Less: allowance for doubtful accounts	<u>61,552</u>	<u>61,552</u>
	<u>\$ 2,512,368</u>	<u>\$ 1,311,283</u>

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2017

3. Restricted cash	<u>2017</u>	<u>2016</u>
Funds on deposit with Indigenous and Northern Affairs Canada (INAC)	\$ 33,995	\$ 33,365
Replacement reserve	<u>51,052</u>	<u>609</u>
	<u>\$ 85,047</u>	<u>\$ 33,974</u>

Funds on deposit with Indigenous and Northern Affairs Canada refers to monies that were derived from capital revenue sources as outlined in Section 32 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 and restricted for specific purposes.

Under the terms of the agreement with the Canada Mortgage and Housing Corporation (CMHC), replacement reserve funds are required to be set aside for housing repairs or replacements. The funds may only be used as approved by the CMHC. These allocated amounts have not been fully set aside as at March 31, 2017, with a total deficiency of \$141,329 (2016 -\$250,598). Agreements have been made with the CMHC to eliminate this deficiency with a requirement for the First Nation to set aside \$25,000 per fiscal year towards this shortfall.

4. Inventory	<u>2017</u>	<u>2016</u>
Rod's One Stop	\$ 168,018	\$ 163,914
Trout farm inventory	<u>1,137,852</u>	<u>281,199</u>
	<u>\$ 1,305,870</u>	<u>\$ 445,113</u>

5. Bank indebtedness

The First Nation has an established line of credit from Peace Hills Trust. The line of credit is in the amount of \$375,735 which 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. Amounts are secured by the assignment of funding from Indigenous and Northern Affairs Canada and Mi'kmaw Kina'matnewey.

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2017

6. Payables and accruals	<u>2017</u>	<u>2016</u>
Trade	\$ 4,039,553	\$ 2,667,342
Accrued liabilities	<u>255,465</u>	<u>165,209</u>
	<u>\$ 4,295,018</u>	<u>\$ 2,832,551</u>

7. HST payable

During the fiscal year ended March 31, 2011, the First Nation was able to reach an agreement with Canada Revenue Agency (CRA) for repayment of the HST liability stemming from selling practices in the 2004 and 2005 fiscal years. The agreement with CRA states that the First Nation 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.

8. Deferred revenue	<u>2017</u>	<u>2016</u>
Health Canada	\$ 229,945	\$ 229,945
Indigenous and Northern Affairs Canada		
Community response	-	39,726
Water system upgrades	675,000	278,402
Deferred – Other government	<u>31,000</u>	<u>25,000</u>
	<u>\$ 935,945</u>	<u>\$ 573,073</u>

9. Long-term debt

Canada Mortgage and Housing Corporation

CMHC Housing Projects mortgages, maturing in 2017 to 2033, bearing interest at 1.49% to 4.01%, repayable under various terms.

\$ 5,065,904 \$ 4,984,692

Royal Bank of Canada

1.89% - 2.85% housing project mortgages, repayable under various terms by December 1, 2020.

272,075 342,783

4.67% Section 10 Mortgage, maturing in March 2020, repayable in blended monthly instalments of \$1,063.

84,559 93,575

4.1% Term Loan, maturing in September 2017, repayable in blended monthly instalments of \$1,404.

124,031 137,227

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2017

9. Long-term debt (continued)	<u>2017</u>	<u>2016</u>
4.7% Term Loan, maturing in February 2018, repayable in blended monthly instalments of \$3,746.	40,282	82,256
3.28% Term Loan, maturing in January 2019, repayable in blended monthly instalments of \$436.	81,342	83,861
TD Canada Trust		
4.01% housing project mortgage, maturing in November 2018, repayable in blended monthly instalments of \$1,691.	32,673	51,251
Peace Hills Trust		
4.75% Term Loan, repayable in blended monthly instalments of \$15,348.	1,231,028	1,353,544
3.95% Term Loan, maturing in November 2020, repayable in blended monthly instalments of \$6,994.	1,125,294	1,164,579
3.95% Term Loan, maturing in May 2020, repayable in blended monthly instalments of \$1,906.	300,912	311,840
3.95% Term Loan, maturing in December 2021, repayable in blended monthly instalments of \$8,323.	1,121,484	1,167,460
3.95% Term Loan, maturing in November 2020, repayable in blended monthly instalments of \$13,884.	2,241,659	2,319,347
3.95% Term Loan, maturing in October 2018, repayable in blended monthly instalments of \$1,452.	162,682	173,551
3.95% Term Loan, maturing in December 2021, repayable in blended monthly instalments of \$359.	35,010	37,712
3.95% Term Loan, maturing in June 2019, repayable in blended monthly instalments of \$4,115.	727,165	747,784
4.15% Term Loan, maturing in May 2019, repayable in blended monthly instalments of \$1,321.	98,618	110,209
4.5% Term Loan, repaid during the year.	-	7,993
5.75% Term Loan, maturing in March 2019, repayable in blended monthly instalments of \$561.	6,490	12,652
5.75% Term Loan, maturing in March 2019, repayable in blended monthly instalments of \$11,530.	260,483	380,096

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2017

9. Long-term debt (continued)	<u>2017</u>	<u>2016</u>
4.50% Term Loan, maturing in November 2019, repayable in blended monthly instalments of \$6,525.	201,887	269,440
0% Term Loan, maturing in October 2020, repayable in monthly instalments of \$660.	29,060	36,986
3.95% Term Loan, maturing in February 2041, repayable in blended monthly instalments of \$3,669.	773,395	786,973
6.30% Term Loan, maturing in November 2021, repayable in blended monthly instalments of \$782.	105,858	108,611
4.5% Term Loan, maturing in December 2026, repayable in blended monthly instalments of \$13,680.	1,284,814	-
UInooweg		
10.75% Term Loan with no set terms of repayment.	458,000	158,000
10% Term Loan with no set terms of repayment.	300,000	-
BMO		
Prime plus 3% Term Loan, maturing in November 2018, repayable in blended quarterly instalments of \$6,089.	7,176	30,071
Toyota Canada		
1.90% Term Loan, maturing in June 2019, repayable in blended monthly instalments of \$611.	14,686	22,018
Province of Nova Scotia		
5.35% term loan, maturing in March 2028, repayable in blended monthly instalments of \$7,053	998,924	-
3.25% Term Loan with no set terms of repayment	105,853	-
3.45% Term Loan with no set terms of repayment	121,475	-
3.45% Term Loan with no set terms of repayment	149,209	-
Other		
Private loan. Non-interest bearing with no set terms of repayment.	<u>195,400</u>	<u>385,000</u>
	<u>\$ 17,457,428</u>	<u>\$ 15,359,511</u>

As security, for the Canada Mortgage and Housing Corporation, Royal Bank of Canada and TD Canada Trust housing project mortgages, the First Nation has provided an irrevocable authorization to Indigenous and Northern Affairs Canada to assign all funding until all loans are repaid to the bank and a floating charge on the assets of the First Nation.

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2017

9. Long-term debt (continued)

Peace Hills Trust loans are secured by the assignment of funding from Indigenous and Northern Affairs Canada and Mi'kmaw Kina'matnewey, and has been given a general security agreement constituting a first ranking security interest in all personal property of the Waycobah First Nation.

For the Royal Bank of Canada, Ulnooweg, BMO, Toyota Canada loans, the First Nation has given a general security agreement constituting a 2nd security interest in all present and future personal property of the First Nation and including specific charges over property.

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

2018	\$ 2,014,661
2019	\$ 1,162,004
2020	\$ 983,847
2021	\$ 949,505
2022	\$ 962,974

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2017

10. Property and equipment

	Opening Cost	Additions	Disposals	Closing Cost	Opening Accumulated Depreciation	Depreciation	Accumulated Depreciation on Disposals	Closing Accumulated Depreciation	2017 Net Book Value	2016 Net Book Value
Land	\$ 35,000			\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000
Buildings										
Band office	1,858,432	127,315		1,985,747	987,023	34,856	-	1,021,879	963,868	871,409
School	8,850,990			8,850,990	2,450,336	256,026	-	2,706,362	6,144,628	6,400,654
Police station	322,987			322,987	147,099	7,036	-	154,135	168,852	175,888
Fisheries	1,433,381	325,426		1,758,807	288,332	46,815	-	335,147	1,423,659	1,145,049
Health centre	2,379,190			2,379,190	582,286	71,876	-	654,162	1,725,028	1,796,904
Fire station	127,860			127,860	75,046	2,113	-	77,159	50,701	52,814
Fitness centre	133,768			133,768	12,953	4,833	-	17,786	115,982	120,815
Waycobah contracting	183,044	9,000		192,044	5,944	13,739	-	19,683	172,361	177,099
Equipment and furniture	1,661,186	6,090		1,667,276	1,272,113	75,395	-	1,347,508	319,768	389,073
Computer	-	25,297		25,297	-	6,957	-	6,957	18,340	-
Fishing vessels	2,557,884	1,718,097		4,275,981	1,006,487	92,256	-	1,098,743	3,177,238	1,551,397
Fish farm	1,688,439	94,753		1,783,192	519,222	126,486	-	645,708	1,137,484	1,169,218
Vehicles	393,854	6,000		399,854	298,482	31,204	-	329,686	70,168	95,372
Community housing	6,096,616			6,096,616	1,818,654	152,289	-	1,970,943	4,125,673	4,277,962
Subdivision	9,623,729	20,000		9,643,729	2,629,282	280,178	-	2,909,460	6,734,269	6,994,447
Infrastructure	4,232,757			4,232,757	3,334,522	86,651	-	3,421,173	811,584	898,235
Project haven	198,931			198,931	198,931	-	-	198,931	-	-
Rod's One Stop	2,345,307	2,287,868	1,225,354	3,407,821	1,138,246	263,950	(1,052,268)	349,928	3,057,893	1,207,061
Housing Properties	11,868,209	328,500	-	12,196,709	6,077,681	438,548	-	6,516,229	5,680,480	5,790,528
	<u>\$ 55,991,564</u>	<u>\$ 4,948,345</u>	<u>\$ 1,225,354</u>	<u>\$ 59,714,555</u>	<u>\$ 22,842,639</u>	<u>\$ 1,991,208</u>	<u>\$ (1,052,268)</u>	<u>\$ 23,781,579</u>	<u>\$ 35,932,976</u>	<u>\$ 33,148,925</u>

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2017

11. 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 Canada Mortgage and Housing Corporation 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.
-

12. Commitments

The First Nation has entered into an agreement with Premium Seafoods Limited which expires in December 2017. Under the terms of the agreement, the We'koqma'q First Nation has agreed to sell exclusively to Premium Seafoods Limited with respect to its entire fishery including all fish species, shellfish, fish products and other entitlements.

13. Accumulated surplus

The First Nation segregates its accumulated surplus into the following categories:

	<u>2017</u>	<u>2016</u>
Unallocated	\$ 15,056,923	\$ 13,700,518
Funds on deposit with Indigenous and Northern Affairs Canada	33,995	33,365
Replacement reserve	<u>192,381</u>	<u>227,427</u>
	<u>\$ 15,283,299</u>	<u>\$ 13,961,310</u>

The funds on deposits have been set aside to be spent on specific projects.

We'koqma'q First Nation

Notes to the consolidated financial statements

March 31, 2017

14. Segmented information

We'koqma'q First Nation provides a wide range of services to its members, including training, education, social, health care and housing. For management reporting purposes We'koqma'q First Nation'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
- Recreation – activities relating to operation of the gymnasium.
- Waycobah Contracting Incorporated – Operating results for security company.

See Schedule A – Schedule of Segment Disclosure for current year details.

We'koqma'q First Nation
Notes to the consolidated financial statements
 March 31, 2017

15. Government transfers

	2017			2016		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers						
Indigenous and Northern Affairs Canada	\$ 5,672,781	\$ 1,147,258	\$ 6,820,039	\$ 4,033,887	\$ 1,097,195	\$ 5,131,082
Health Canada	1,512,953		1,512,953	1,243,508		1,243,508
Department of Fisheries and Oceans	360,970		360,970	345,483		345,483
Canada Mortgage and Housing Corporation	425,406	202,850	628,256	217,253		217,253
Mi'kmaw Kina'matneway	5,563,524		5,563,524	4,883,287		4,883,287
Mi'kmaw Employment						
Training Secretariat	324,064		324,064	347,532		347,532
Other	1,058,691		1,058,691	1,118,277		1,118,277
Subtotal	14,918,389	1,350,108	16,268,497	12,189,227	1,097,195	13,286,422
Province of Nova Scotia	277,725		277,725	340,283		340,283
Total	<u>\$ 15,196,114</u>	<u>\$ 1,350,108</u>	<u>\$ 16,546,222</u>	<u>\$ 12,529,510</u>	<u>\$ 1,097,195</u>	<u>\$ 13,626,705</u>

Wee'koqma'q First Nation

Schedule A – Schedule of Segmented Disclosure

Year Ended March 31

	Social Development			Band Government			Education			Operations and Maintenance		
	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016
Revenues												
Federal government operating transfers	\$ 3,151,189	\$ 3,171,422	\$ 3,139,974	\$ 400,351	\$ 402,922	\$ 399,825	\$ 4,781,605	\$ 5,563,524	\$ 4,883,287	\$ 299,207	\$ 958,835	\$ 250,537
Federal government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-
Provincial government operating transfers	-	-	-	-	-	-	122,500	38,194	88,371	-	-	-
Economic activities	-	-	-	-	-	-	-	-	28,188	-	-	-
Other	-	-	-	-	-	22,092	-	41,678	-	-	-	3,600
	<u>3,151,189</u>	<u>3,171,422</u>	<u>3,139,974</u>	<u>400,351</u>	<u>402,922</u>	<u>421,917</u>	<u>4,904,105</u>	<u>5,643,396</u>	<u>4,999,846</u>	<u>299,207</u>	<u>958,835</u>	<u>254,137</u>
Expenses												
Salaries and benefits	101,500	101,883	103,514	583,400	581,204	545,836	-	-	-	96,331	58,572	62,008
Depreciation	-	331,421	393,656	-	41,892	43,637	-	366,829	352,049	-	154,401	160,039
Interest	-	-	-	525,031	595,838	324,769	-	-	-	-	-	-
Other	2,644,798	2,323,043	3,186,228	1,149,000	819,302	302,138	5,053,115	5,981,102	5,795,188	651,000	1,313,904	565,901
	<u>2,746,298</u>	<u>2,756,347</u>	<u>3,683,398</u>	<u>2,257,431</u>	<u>2,038,236</u>	<u>1,216,380</u>	<u>5,053,115</u>	<u>6,347,931</u>	<u>6,147,237</u>	<u>747,331</u>	<u>1,526,877</u>	<u>787,948</u>
Surplus (deficit) for the year	<u>\$ 404,891</u>	<u>\$ 415,075</u>	<u>\$ (543,424)</u>	<u>\$(1,857,080)</u>	<u>\$ (1,635,314)</u>	<u>\$ (794,463)</u>	<u>\$ (149,010)</u>	<u>\$ (704,535)</u>	<u>\$ (1,147,391)</u>	<u>\$ (448,124)</u>	<u>\$ (568,042)</u>	<u>\$ (533,811)</u>

We'koqma'q First Nation

Schedule A – Schedule of Segmented Disclosure

Year Ended March 31

	Economic Development			Fishery			Employment Development			Capital Projects		
	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016
Revenues												
Federal government operating transfers	\$ 80,000	\$ 80,514	\$ 83,751	278,600	1,534,567	345,483	\$ 435,000	\$ 534,784	\$ 385,492	\$ 366,812	202,850	551,077
Federal government capital transfers	-	-	-	-	-	-	-	-	-	-	1,147,258	1,097,195
Provincial government operating transfers	-	-	-	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	5,650,341	3,803,581	2,609,534	-	-	-	-	-	-
Other	-	57,365	73,100	-	544,898	81,450	-	37,470	9,000	-	-	-
	80,000	137,879	156,851	5,928,941	5,883,046	3,036,467	435,000	572,254	394,492	366,812	1,350,108	1,648,272
Expenses												
Salaries and benefits	-	-	743	1,221,955	1,757,896	956,354	45,764	105,243	59,332	-	44,460	29,874
Depreciation	-	-	-	-	296,761	263,576	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	221,872
Other	80,000	90,234	147,926	2,624,677	1,622,102	421,799	537,640	513,023	499,417	667,000	905,299	369,140
	80,000	90,234	148,669	3,846,632	3,676,759	1,641,729	583,404	618,266	558,749	667,000	949,759	620,886
Surplus (deficit) for the year	\$ -	\$ 47,645	\$ 8,182	\$ 2,082,309	\$ 2,206,287	\$ 1,394,738	\$ (148,404)	\$ (46,012)	\$ (164,257)	\$ (300,188)	\$ 400,349	\$ 1,027,386

We'koqma'q First Nation

Schedule A – Schedule of Segmented Disclosure

Year Ended March 31

	Health Canada			Miscellaneous			Housing			Gaming		
	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016
Revenues												
Federal government operating transfers	\$ 923,062	\$ 1,635,575	\$ 1,365,348	\$ -	\$ 610,840	368,633	465,348	222,556	217,253	\$ -	\$ -	\$ -
Federal government capital transfers	-	-	-	-	-	-	-	202,850	-	-	-	-
Provincial government operating transfers	95,000	125,621	127,372	-	-	-	-	-	-	124,540	113,910	124,540
Economic activities	-	-	-	40,764	38,537	-	-	-	-	-	-	-
Other	-	-	-	-	73,914	-	-	-	-	-	-	-
	1,018,062	1,761,196	1,492,720	40,764	723,291	368,633	465,348	425,406	217,253	124,540	113,910	124,540
Expenses												
Salaries and benefits	70,000	-	-	7,800	-	44,243	-	-	-	-	-	-
Depreciation	-	71,876	74,871	-	-	-	-	438,548	419,445	-	-	-
Interest	-	-	-	-	-	-	95,493	86,277	95,540	-	-	-
Other	948,062	1,554,950	1,363,323	-	1,510	24,995	146,000	424,525	196,706	-	-	-
	1,018,062	1,626,826	1,438,194	7,800	1,510	69,238	241,493	949,350	711,691	-	-	-
Surplus (deficit) for the year	\$ -	\$ 134,370	\$ 54,526	\$ 32,964	\$ 721,781	\$ 299,395	\$ 223,855	\$ (523,944)	\$ (494,438)	\$ 124,540	\$ 113,910	\$ 124,540

We'koqma'q First Nation

Schedule A – Schedule of Segmented Disclosure

Year Ended March 31

	Commerical Enterprises			Recreation			Waycobah Contracting			Totals		
	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016
Revenues												
Federal government operating transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,567	\$ 11,181,174	\$ 14,918,389	\$ 12,189,227
Federal government capital transfers	-	-	-	-	-	-	-	-	-	-	1,350,108	1,097,195
Provincial government operating transfers	-	-	-	-	-	-	-	-	-	342,040	277,725	340,283
Economic activities	8,240,771	8,067,252	8,520,503	26,000	29,668	21,656	1,048,400	927,532	483,461	15,006,276	12,866,570	11,663,342
Other	-	-	-	-	-	-	-	240,387	139,268	-	995,712	328,510
	8,240,771	8,067,252	8,520,503	\$ 26,000	\$ 29,668	\$ 21,656	\$ 1,048,400	\$ 1,167,919	\$ 821,296	26,529,490	30,408,504	25,618,557
Expenses												
Salaries and benefits	500,747	505,908	495,927	65,000	121,397	66,641	772,096	986,632	629,664	3,464,593	4,263,195	2,994,136
Depreciation	-	263,950	39,542	-	4,833	5,034	-	20,697	5,944	-	1,991,208	1,757,793
Interest	30,000	82,733	30,401	-	-	-	-	7,806	600	650,524	772,654	673,182
Other	6,390,659	6,249,885	6,159,347	11,400	-	26,309	61,600	260,579	302,104	20,964,951	22,059,458	19,360,521
	6,921,406	7,102,476	6,725,217	\$ 76,400	\$ 126,230	\$ 97,984	\$ 833,696	\$ 1,275,714	\$ 938,312	25,080,068	29,086,515	24,785,632
Surplus (deficit) for the year	\$ 1,319,365	\$ 964,776	\$ 1,795,286	\$ (50,400)	\$ (96,562)	\$ (76,328)	\$ 214,704	\$ (107,795)	\$ (117,016)	\$ 1,449,422	\$ 1,321,989	\$ 832,925

We'koqma'q First Nation Schedule B – Health Canada Programs Revenues and expenses

Year ended March 31	Budget	2017	2016
Revenues			
Health Canada Programs	\$ 801,222	\$ 1,512,953	\$ 1,243,508
Indigenous and Northern Affairs Canada -			
Adult care	121,840	122,622	121,840
Nova Scotia Health Authority	70,000	125,621	127,372
Health Funding - Other	25,000	-	-
	<u>1,018,062</u>	<u>1,761,196</u>	<u>1,492,720</u>
Expenses			
Aboriginal headstart	38,799	37,700	38,001
Accreditation	29,938	37,972	37,613
Addictions	84,165	156,963	125,906
Brighter Futures	25,173	43,527	37,785
CDC Immunization strategy	3,471	7,100	4,671
Capital projects	9,063	-	-
Depreciation	-	71,876	74,871
Diabetes initiative	32,458	49,029	52,717
E-health infostructure	10,532	18,370	14,507
Health promotion and injury	125,720	180,879	166,089
HSIF	70,000	85,485	-
Home and community care	126,408	172,537	169,071
Jordon's principle	-	3,840	-
Management and support	114,727	263,313	251,661
Maternal child health	29,610	24,513	33,649
Medical transportation	68,407	86,445	85,864
Mental wellness	49,289	87,792	86,266
Operations and maintenance	56,018	118,166	100,462
Oral health	7,337	1,283	9,835
Pre-natal nutrition	15,107	20,017	22,806
	<u>826,222</u>	<u>1,466,807</u>	<u>1,311,774</u>
Total Health Canada related expenditures	826,222	1,466,807	1,311,774
INAC funded healthcare	121,840	141,554	114,306
Self-funded programs – home care	-	18,465	12,114
	<u>1,018,062</u>	<u>1,626,826</u>	<u>1,438,194</u>
Excess (deficiency) of revenues over expenses	\$ -	\$ 134,370	\$ 54,526

See accompanying notes to the consolidated financial statements