



Consolidated Financial Statements

Wasoqopa'q First Nation

March 31, 2024

Contents

	Page
Independent Auditors' Report	1-2
Management's Responsibility for Financial Reporting	3
Consolidated Statement of Operations	4
Consolidated Statement of Accumulated Surplus	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Net Debt	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9-28
Consolidated Schedule of Revenue and Expenditures	
Band Management and Support	29
Education	30
Community Maintenance	31
Social Services	32
Community Health Representatives	33
Housing Fund	34
Fisheries Fund	35
Training Fund	36
Forestry Fund	37
Schedule of Honoraria, Travel Expenses, and Other Remuneration paid to Chief and Council	38

Independent Auditor's Report

**To the Chief and Council of
Wasoqopa'q First Nation**

Opinion

We have audited the consolidated financial statements of Wasoqopa'q First Nation (the "Band"), which comprise the statement of financial position as at March 31, 2024, and the consolidated statements of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wasoqopa'q First Nation as at March 31, 2024, and the results of its consolidated operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Other Matters

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The Schedules of revenues and expenditures on pages 29 to 38 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subject to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and Chief and Council for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative to do so.

Chief and Council are responsible for overseeing the Band's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether these consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Chief and Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Wasoqopa'q First Nation Management's Responsibility for Financial Reporting

March 31, 2024

The accompanying consolidated financial statements of Wasoqopa'q First Nation and all the information in this 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 Canadian Public Sector Accounting Standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. 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 external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Wasoqopa'q First Nation and meet when required.

On behalf of Wasoqopa'q First Nation:

Chief _____

Band Manager _____

Wasoqopa'q First Nation

Consolidated Statement of Operations

Year Ended March 31

	<u>Budget</u> <u>2024</u>	<u>Actual</u> <u>2024</u>	<u>Actual</u> <u>2023</u>
Revenues			
Federal government operating transfers	\$ 4,751,127	\$ 6,314,008	\$ 5,337,818
Federal government capital transfers	350,000	3,121,642	3,674,595
Provincial government operating transfers	150,000	276,909	263,099
Economic activities	12,165,000	11,709,374	11,043,602
Economic activities – incorporated entities	30,454,817	32,576,389	31,155,080
Other	<u>3,396,318</u>	<u>3,631,144</u>	<u>3,787,241</u>
	<u>51,267,262</u>	<u>57,629,466</u>	<u>55,261,435</u>
Expenses			
Band management and support	15,355,550	13,982,016	13,274,166
Education	987,768	1,546,321	1,323,230
Community maintenance	1,663,200	1,803,749	1,606,658
Social services	996,050	940,362	908,402
Community health	701,127	940,726	645,127
Housing	668,550	692,753	672,292
Fisheries	3,265,050	3,775,704	3,299,802
Training	475,000	540,199	492,663
Forestry	64,500	72,362	112,304
Incorporated entities	<u>26,024,643</u>	<u>27,421,114</u>	<u>26,332,227</u>
	<u>50,201,438</u>	<u>51,715,305</u>	<u>48,666,870</u>
Annual surplus	<u>\$ 1,065,824</u>	<u>\$ 5,914,161</u>	<u>\$ 6,594,566</u>

Federal government transfers (Note 20)

See accompanying notes to the consolidated financial statements.

Wasoqopa'q First Nation

Consolidated Statement of Accumulated Surplus

Year Ended March 31

2024

2023

	Investment in Capital Assets	Unrestricted Fund	Net Assets - externally restricted		Total	Total
			Funds on deposit with ISC	Replacement Reserve		
Opening balance, as previously stated	\$ 8,821,260	\$36,642,498	\$ 12,399	\$ 808,412	\$ 46,284,569	\$ 39,678,900
Surplus	-	5,914,161	-	-	5,914,161	6,594,566
Change in prepaid expenses	-	14,178	-	-	14,178	11,103
Current year allocations	-	(3,135)	-	3,135	-	-
Interest earned	-	(3,793)	422	3,371	-	-
Transfer to replacement reserve	-	-	-	-	-	-
Ending balance	<u>\$ 8,821,260</u>	<u>\$42,563,909</u>	<u>\$ 12,821</u>	<u>\$ 814,918</u>	<u>\$ 52,212,908</u>	<u>\$ 46,284,569</u>

See accompanying notes to the consolidated financial statements.

Wasoqopa'q First Nation

Consolidated Statement of Financial Position

March 31

2024

2023

Financial assets

Cash and cash equivalents	\$ 19,045,929	\$ 15,799,235
Receivables (Note 6)	2,049,982	1,471,590
Inventory held for resale (Note 1)	1,261,518	1,314,284
Restricted cash and deposits		
Funds on deposit at DISC (Note 15 a))	12,821	12,399
Funds on deposit at FNFA (Note 15 b))	1,249,046	1,202,833
CMHC reserves (Note 10)	715,482	785,097
	<u>24,334,778</u>	<u>20,585,438</u>

Financial liabilities

Payables and accruals (Note 9)	1,900,437	1,562,718
Deferred revenue (Note 3)	5,191,162	3,547,453
Assessment of sales tax, penalties and interest (Note 17)	536,438	836,438
Asset retirement obligation (Note 23)	668,105	632,462
Long-term debt (Note 8)	18,665,088	19,001,734
	<u>26,961,231</u>	<u>25,580,806</u>

Net debt

(2,626,453) (4,995,368)

Non-financial assets

Portfolio investments (Note 22)	2	2
Tangible capital assets (Note 7)	49,703,553	46,135,956
Asset retirement obligation asset	610,111	632,462
Intangibles (Note 1)	4,437,000	4,437,000
Prepaid expenses	88,695	74,517
	<u>54,839,361</u>	<u>51,279,937</u>

Accumulated surplus

\$ 52,212,908 \$ 46,284,569

Accumulated surplus (Page 5)

\$ 52,212,908 \$ 46,284,569

Contingencies and commitments (Note 17)

On behalf of the Band

_____ Chief

_____ Band Manager

See accompanying notes to the consolidated financial statements

Wasoqopa'q First Nation Consolidated Statement of Changes in Net Debt

March 31	Budget	2024	2023
Surplus	\$ 1,065,824	\$ 5,914,161	\$ 6,594,566
Tangible capital asset additions	(8,580,000)	(6,314,352)	(6,333,476)
Loss on disposal of tangible capital assets	-	-	-
Asset retirement obligation addition	-	-	(632,462)
Amortization of asset retirement obligation asset	-	22,351	-
Amortization of tangible capital assets	<u>2,750,000</u>	<u>2,746,752</u>	<u>2,573,817</u>
Decrease in net debt	<u>\$ (4,764,176)</u>	<u>2,368,912</u>	<u>2,202,445</u>
Net debt, beginning of year		<u>(4,995,368)</u>	<u>(7,197,812)</u>
Net debt, end of year		<u>\$ (2,626,453)</u>	<u>\$ (4,995,368)</u>

See accompanying notes to the consolidated financial statements

Wasoqopa'q First Nation

Consolidated Statement of Cash Flows

March 31

2024

2023

Increase (decrease) in cash and cash equivalents

Operations

Annual surplus	\$ 5,914,161	\$ 6,594,566
Amortization	2,746,752	2,573,817
Accretion expense	35,643	-
Loss on disposal of tangible capital assets	-	-
Changes in non-cash operating working capital balances (Note 11)	1,178,785	(3,212,518)
Amortization of asset retirement obligation asset	<u>22,351</u>	<u>-</u>
	<u>9,897,692</u>	<u>5,955,864</u>

Financing

Advances of long-term debt, net of repayments	<u>(336,646)</u>	<u>(803,042)</u>
---	------------------	------------------

Capital transactions

Asset retirement obligation addition	-	(632,462)
Purchase of tangible capital assets	<u>(6,314,352)</u>	<u>(6,333,476)</u>
	<u>(6,314,352)</u>	<u>(6,965,935)</u>

Increase (decrease) in cash and cash equivalents **3,246,694** (1,813,115)

Cash and cash equivalents

Beginning of year	<u>15,799,235</u>	<u>17,612,351</u>
End of year	<u>\$ 19,045,929</u>	<u>\$ 15,799,235</u>

See accompanying notes to the consolidated financial statements

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

1. Summary of significant accounting policies

Reporting entity and principles of financial reporting

The consolidated financial statements of Wasoqopa'q First Nation (the "Band") are the representations of management prepared in accordance with Canadian public sector accounting standards for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

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

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

Principles of consolidation

The consolidated financial statements include the accounts of all funds and operations in which the Band has a controlling interest, after the elimination of inter-fund transactions and balances. The entities include the following Wasoqopa'q First Nation Funds - Operating Fund, Capital Fund, Housing Fund, Development Fund, Fisheries Fund, Forestry Fund, Training Fund, Social Fund, Education Fund and Recreation Fund.

The Band had full control over the following enterprises during the year and their accounts have been consolidated. The enterprises recorded in this manner are Your Winner's World – AFN Ltd., Medway Entertainment – AFN, The Gold Nugget – AFN Ltd., Kespuwick Fisheries Incorporated, AFN Entertainment Centre/Winner's Corner – AFN, Hammonds Plains Entertainment AFN and 3321702 NS Ltd.

The retail enterprises operate a combination of video lottery terminals, bingo hall, convenience stores and gas bars. Kespuwick Resources manages the Fisheries operations on behalf of the Band. 3321702 NS Ltd. Operates the Tru By Hilton hotel located in Yarmouth.

Budget

The budget was approved by the Finance and Audit Committee on March 8, 2023 and by Chief and Council on March 14, 2023.

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

Revenues and expenditures are recorded according to the accrual basis of accounting. Rental revenue is recorded at a flat monthly rate and not on a rent-to-income basis as set out in the agreement with CMHC.

Rental revenue is only being collected from tenants on social assistance and all uncollected rental revenue is treated as bad debts. As part of consolidation, \$95,587 (2023 - \$121,156) was recorded as rental revenue in the Housing Fund and as rental expense in the Social Services Fund and \$267,427 (2023 – \$258,839) in contributions from the General Fund were eliminated.

Operating surplus reserve

The operating surplus reserve account is funded by an appropriation of surplus, including the annual charge to the replacement reserve as opposed to an annual charge to earnings for projects entered into under the 1997 Section 95 On-Reserve Housing Program.

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

1. Summary of significant accounting policies (continued)

Replacement reserve

The replacement reserve account is funded by an annual charge against earnings as opposed to an appropriation of surplus and contributions received from CMHC.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and highly liquid temporary money market instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts directly attributable to their acquisition, construction or betterment of the asset. Interest on construction is also included in cost. Amortization, at the rates noted below, is expensed in the current year.

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

Housing	25 yrs straight line basis
Commercial buildings	25 yrs straight line basis
Community buildings	25 yrs straight line basis
Furniture and equipment	10 yrs straight line basis
Paving and roads	30 yrs straight line basis
Forestry equipment	10 yrs straight line basis
Recreation	10 yrs straight line basis
Retail operations	10 yrs straight line basis
Motor vehicles	5 yrs straight line basis
Computers	4 yrs straight line basis
Fishing equipment and vessels	10 yrs straight line basis
Gas pumps	30 yrs straight line basis

Donated assets are recorded at a nominal value of \$1, unless otherwise noted. In the year of acquisition amortization of capital assets is calculated at the full annual rate as stated above.

Intangible assets

The Band classifies purchased fishing licenses and permits as intangible assets. These indefinite-lived fishing licenses and permits are recognized at cost and are not amortized.

The Band evaluates the carrying value of its licenses and permits annually for impairment. Should a permanent impairment be identified, the impairment will be recognized as a reduction in the carrying value and as a charge against income on the statement of operations in the period the impairment occurred.

RRAP expenditures

Repairs and renovations incurred under the CMHC Residential Renovations Assistance Program ("RRAP") are expensed in the Operating Fund in the year incurred.

Inventory held for resale

Inventory is valued at the lower of cost and net realizable value. The cost of inventories includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs such as storage costs, administrative overheads that do not contribute to bringing the inventories to their present location and condition, and selling costs are specifically excluded from the cost of inventories and are expensed in the period incurred. Inventory consists of tobacco products, gas and general retail products.

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

1. Summary of significant accounting policies (continued)

Investments and portfolio investments

Investments, when held, are made up of treasury accounts with longer term maturities. Investments are recorded at cost with approximated market value. Share capital of the government business enterprises are recorded as long-term investments.

Portfolio investments are recorded at cost.

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.

Use of estimates

In preparing the Band's consolidated 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 and reported amounts of revenue and expenses. Actual amounts could differ from these estimates. Estimates include expected useful lives of assets, accrued liabilities, allowances for doubtful accounts and asset retirement obligations.

Concentrations of credit risk

Concentrations of credit risk exist if a number of customers are engaged in similar economic activities or are located in the same geographic region, and indicate the relative sensitivity of the Band's performance to developments affecting a particular segment of borrowers or geographic region. Geographic credit risk exists for the Band due to most of the fish buyers they are dealing with are all located in South West Nova Scotia. The exposure to credit risk associated with the non-performance of these customers can be directly impacted by a decline in economic conditions which would impair the buyers' ability to satisfy their obligations to the Band.

Net debt

The Band's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Band is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Revenue

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable are recognized when revenue is earned and collection is reasonably expected.

Funding received under the terms of contribution agreements with the provincial or federal government are recognized as revenue when the transfer has been authorized and stipulations or eligibility criteria have been met. Funding is recorded as deferred revenue until all stipulations or eligibility criteria that meet the definition of a liability are met.

Revenue from economic activities and other sources is recognized when goods or services are provided, the exchange amount is measurable and collectability of the amount is reasonably assured.

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

1. Summary of significant accounting policies (continued)

Revenue (continued)

In December 2017, the Band through several of its wholly owned enterprises entered into a new fuel supply agreement with Sobeys Atlantic Fuel Co., operating as Shell. Under the new agreement with Shell, the inventory is now owned by the Band or enterprise, as a result inventory is recognized and revenue is recognized on a gross basis.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver the Band's services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) The past transaction or event giving rise to the liability has occurred;
- c) It is expected that future economic benefit will be given up; and
- d) A reasonable estimate of the amount can be made.

Any liability for the closure or remediation of a tangible capital asset would be recognized based on estimated future expenses.

The liability would be discounted using a present value calculation and adjusted annually for accretion expense. The recognition of any liability would result in an accompanying increase to the respective tangible capital asset. The increase to tangible capital assets would be amortized in accordance with the amortization accounting policies used for any tangible capital assets giving rise to the liability.

Financial instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the relating financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred. Financial instruments consist of receivables, payables and accruals, and long-term debt.

Subsequent measurement

At each reporting date, Wasoqopa'q First Nation measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. Wasoqopa'q First Nation uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are receivables, payables and accruals, and long-term debt.

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

1. Summary of significant accounting policies (continued)

Subsequent measurement (continued)

For financial assets measured at cost or amortized cost, Wasoqopa'q First Nation regularly assesses whether there are any indications of impairment. If there is an indication or impairment, and Wasoqopa'q First Nation determines there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Unless otherwise noted, it is management's opinion that Wasoqopa'q First Nation is not exposed to significant interest or credit risk arising from financial instruments.

2. Adoption of accounting policy

PS 3400 - Revenue

Effective April 1, 2023, the Band adopted new Public Sector Accounting Standards Section PS 3400 *Revenues*. New Section PS 3400 *Revenue* establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exists, such as government transfers, tax revenue or restricted revenues. The Section distinguishes between revenue that arises from transactions that include performance obligations (i.e., exchange transactions) and transactions that do not have performance obligations (i.e., non-exchange transactions). Revenue from transactions with performance obligations will be recognized when (or as) the performance obligation is satisfied by providing the promised goods or services. Revenue from transactions with no performance obligations will be recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset. The adoption of this new standard did not have a significant impact on the financial results of the Band.

In accordance with the provisions of this new standard, the Band had no adjustments.

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

3. Deferred revenue

	<u>Balance</u> <u>March 31, 2023</u>	<u>Funding</u> <u>Received</u>	<u>Funding</u> <u>Recognized</u>	<u>Balance</u> <u>March 31, 2024</u>
Indigenous Services Canada (ISC)				
– Contribution Funding	\$ 2,142,973	\$ 1,913,271	\$ 1,942,990	\$ 2,113,254
– New fiscal Relationships (NFR) grant funding	-	3,312,247	3,312,247	-
– Emergency Shelter	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
	2,142,973	7,225,518	5,255,237	4,113,254
Canada Mortgage and Housing Corporation (CMHC)				
	<u>1,404,480</u>	<u>2,795,070</u>	<u>3,121,642</u>	<u>1,077,908</u>
	<u>\$ 3,547,453</u>	<u>\$10,020,588</u>	<u>\$ 8,376,879</u>	<u>\$ 5,191,162</u>

For the above projects, funding received was deferred as they were not substantially complete by year end. Indigenous Services Canada (ISC) contribution projects will be completed at various dates over the next year(s). The first Rapid Housing Initiative project finished during the year. The second Rapid Housing Initiative project is expected to finish in the fall of 2024.

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

4. Replacement reserve

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited annually with an amount established by CMHC as a charge against earnings plus interest. For projects entered into under the 1997 Section 95 On-Reserve Housing Program (Series 19-042-795) an amount of \$1,000 per unit is charged annually unless otherwise specified by Wasoqopa'q First Nation.

These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC under the pre 1997 Section 95 On-Reserve Program. Under the 1997 Section 95 On-Reserve Program, funds may be withdrawn in accordance with Replacement Reserve Criteria, CMHC 3022. Withdrawals are credited to interest first and then principal.

5. Operating surplus reserve

Under the terms of the agreement with CMHC, excess revenues over expenditures, including the annual allocation to the Replacement Reserve, for projects entered into under the 1997 Sections 95 On-Reserve Program (Series 19-042-795) are to be maintained as an operating reserve fund. The fund is to be credited annually with future surpluses of such projects plus interest. The projects operating reserve fund may only be used for the on-going operating costs of the housing projects and future years' deficits.

This reserve is to be comprised of monies deposited 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 Canada Mortgage and Housing Corporation from time to time.

6. Receivables

	<u>2024</u>	<u>2023</u>
Mi'kmaw Kina'matnewey	\$ 16,144	\$ 10,862
Province of Nova Scotia	276,909	228,099
Indigenous Services Canada	472,352	452,500
Environment Climate Change Canada	200,000	-
Mi'kmaq Employment/Training Secretariat	166,839	72,313
Other	525,860	310,571
Nova Scotia Power	280,878	280,878
Atlantic Canada Opportunity Agency	53,971	116,367
Confederacy of Mainland Mi'kmaq	57,029	-
	<u>\$ 2,049,982</u>	<u>\$ 1,471,590</u>

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

7. Tangible capital assets

	<u>Infrastructure</u>	<u>Land</u>	<u>Community Buildings</u>	<u>Commercial Buildings</u>	<u>Furniture & Equipment</u>	<u>Paving & Roads</u>	<u>Forestry Equipment</u>	<u>Housing</u>	<u>Balance Forward</u>
Cost									
Balance, beginning of the year	\$ 4,733,769	\$ 2,155,505	\$14,412,609	\$ 28,451,146	\$ 293,992	\$1,183,853	\$ 147,648	\$10,240,487	\$ 61,619,008
Additions	12,233	164,702	4,153,994	-	-	-	-	709,782	5,040,711
Disposals	-	-	-	-	-	-	-	(91,346)	(91,346)
Balance, end of the year	<u>4,746,002</u>	<u>2,320,207</u>	<u>18,566,603</u>	<u>28,451,146</u>	<u>293,992</u>	<u>1,183,853</u>	<u>147,648</u>	<u>10,858,923</u>	<u>66,568,373</u>
Accumulated depreciation									
Balance, beginning of the year	274,129	-	7,216,388	4,608,944	248,639	492,412	105,212	5,389,402	18,335,128
Depreciation during the year	189,351	-	492,632	1,130,603	9,183	39,462	6,181	357,698	2,225,109
Disposals	-	-	-	-	-	-	-	(91,346)	(91,346)
Balance, end of the year	<u>463,480</u>	<u>-</u>	<u>7,709,020</u>	<u>5,739,547</u>	<u>257,822</u>	<u>531,874</u>	<u>111,393</u>	<u>5,655,754</u>	<u>20,468,890</u>
Net Book Value	<u>\$ 4,282,522</u>	<u>\$ 2,320,207</u>	<u>\$10,857,583</u>	<u>\$ 22,711,599</u>	<u>\$ 36,170</u>	<u>\$ 651,979</u>	<u>\$ 36,255</u>	<u>\$ 5,203,169</u>	<u>\$ 46,099,483</u>
	<u>Balance Forward</u>	<u>Recreation</u>	<u>Motor vehicles</u>	<u>Fishing vessels & equipment</u>	<u>Retail Operations</u>	<u>Gas Pumps</u>	<u>Computers</u>	<u>2024 Total</u>	<u>2023 Total</u>
Cost									
Balance, beginning of the year	\$ 61,619,008	\$ 261,499	\$ 670,357	\$ 3,727,385	\$ 869,733	\$ 777,567	\$ 170,482	\$68,096,031	\$ 63,558,243
Additions	5,040,711	389,087	52,695	643,417	188,440	-	-	6,314,350	6,333,476
Disposals	(91,346)	-	-	-	-	-	-	(91,346)	(1,795,686)
Balance, end of the year	<u>66,568,373</u>	<u>650,586</u>	<u>723,052</u>	<u>4,370,802</u>	<u>1,058,173</u>	<u>777,567</u>	<u>170,482</u>	<u>74,319,035</u>	<u>68,096,031</u>
Accumulated depreciation									
Balance, beginning of the year	18,335,128	105,734	437,696	1,879,750	663,294	415,473	123,001	21,960,075	21,181,946
Depreciation during the year	2,225,109	15,916	64,556	349,979	46,780	25,919	18,492	2,746,752	2,573,817
Disposals	(91,346)	-	-	-	-	-	-	(91,346)	(1,795,686)
Balance, end of the year	<u>20,468,890</u>	<u>121,650</u>	<u>502,252</u>	<u>2,229,729</u>	<u>710,074</u>	<u>441,392</u>	<u>141,493</u>	<u>24,615,482</u>	<u>21,960,075</u>
Net Book Value	<u>\$ 46,099,483</u>	<u>\$ 528,936</u>	<u>\$ 220,800</u>	<u>\$ 2,141,073</u>	<u>\$ 348,099</u>	<u>\$ 336,175</u>	<u>\$ 28,989</u>	<u>\$49,703,553</u>	<u>\$ 46,135,956</u>

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

8. Long-term debt	<u>2024</u>	<u>2023</u>
2.06% mortgage, maturing November 1, 2039, payable in monthly instalments of \$351, including principal and interest.	\$ 56,672	\$ 59,687
1.57% mortgage, maturing December 1, 2041, payable in monthly instalments of \$553, including principal and interest.	102,772	107,753
0.74% mortgage, maturing February 1, 2041, payable in monthly instalments of \$390, including principal and interest.	74,410	78,523
2.06% mortgage, maturing September 1, 2039, payable in monthly instalments of \$1,018, including principal and interest.	162,031	170,814
3.52% mortgage, maturing November 1, 2042, payable in monthly instalments of \$521, including principal and interest.	85,661	88,797
1.89% mortgage, maturing November 1, 2044, payable in monthly instalments of \$1,509, including principal and interest.	309,708	321,841
2.06% mortgage, maturing October 1, 2033, payable in monthly instalments of \$652, including principal and interest.	68,006	74,359
0.71% mortgage, maturing in November 1, 2035, payable in monthly instalments of \$1,426, including principal and interest	191,585	207,278
5.37% mortgage, maturing April 1, 2034, payable in monthly instalments of \$1,183, including principal and interest.	110,760	120,654
3.52% mortgage, maturing May 1, 2038, payable in monthly instalments of \$961, including principal and interest.	128,777	-
3.96% mortgage, maturing July 1, 2038, payable in monthly instalments of \$1,253, including principal and interest.	164,638	-
4.02% mortgage, maturing March 1, 2039, payable in monthly instalments of \$1,325, including principal and interest.	<u>179,291</u>	<u>-</u>
Total carried forward	<u>\$ 1,634,311</u>	<u>\$1,229,706</u>

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

8. Long-term debt (continued)	<u>2024</u>	<u>2023</u>
Balance carried forward	\$ 1,634,311	\$ 1,229,706
1.86% mortgage, maturing April 1, 2024, payable in monthly instalments of \$301, including principal and interest.	300	3,860
2.14% mortgage, payable in monthly instalments of \$354, including principal and interest, repaid during the year.	-	2,811
0.76% mortgage, maturing August 1, 2025, payable in monthly instalments of \$301, including principal and interest.	5,091	8,652
1.57% mortgage, maturing October 1, 2026, payable in monthly instalments of \$293, including principal and interest.	8,904	12,256
3.04% mortgage, maturing May 1, 2027, payable in monthly instalments of \$308, including principal and interest.	11,136	14,437
3.70% mortgage, maturing December 1, 2027, payable in monthly instalments of \$311, including principle and interest.	13,069	16,260
1.13% mortgage, maturing July 1, 2036, payable in monthly instalments of \$1,414, including principle and interest.	195,207	209,872
3.81% mortgage, maturing March 1, 2043, payable in monthly instalments of \$4,267, including principle and interest.	693,371	717,797
1.90% First Nation Finance Authority (FNFA) debenture, maturing June 2028, payable in annual instalments of \$944,898 including principle and interest	<u>14,541,630</u>	<u>15,086,011</u>
Total carried forward	<u>\$ 17,103,020</u>	<u>\$17,301,662</u>

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

8. Long-term debt (continued)	<u>2024</u>	<u>2023</u>
Balance carried forward	\$ 17,103,020	\$ 17,301,662
2.06% mortgage, maturing August 1, 2028, payable in monthly instalments of \$297, including principal and interest.	15,011	18,225
5.37% mortgage, maturing January 1, 2029, payable in monthly instalments of \$322, including principal and interest.	16,443	19,664
1.88% mortgage, maturing July 1, 2031, payable in monthly instalments of \$426, including principal and interest.	35,002	39,412
1.01% mortgage, maturing February 1, 2031, payable in monthly instalments of \$883, including principal and interest.	70,763	80,590
0.70% mortgage, maturing July 1, 2030 payable in monthly instalments of \$569, including principal and interest.	42,321	48,833
3.04% mortgage, maturing April 1, 2032 payable in monthly instalments of \$1,416, including principal and interest.	121,721	134,810
1.57% mortgage, maturing December 1, 2031 payable in monthly instalments of \$641, including principal and interest.	56,128	62,885
3.45% mortgage, maturing February 1, 2032 payable in monthly instalments of \$2,221, including principal and interest.	184,566	204,506
1.83% mortgage, maturing November 1, 2034 payable in monthly instalments of \$2,053, including principal and interest.	238,598	258,670
0.79% mortgage, maturing June 1, 2035 payable in monthly instalments of \$937, including principal and interest.	<u>120,941</u>	<u>131,179</u>
Total carried forward	<u>\$ 18,004,514</u>	<u>\$ 18,300,436</u>

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

8. Long-term debt (continued)	<u>2024</u>	<u>2023</u>
Balance carried forward	\$ 18,004,514	\$ 18,300,436
1.01% mortgage, maturing January 1, 2036, payable in monthly instalments of \$468, including principle and interest.	62,669	67,629
3.81% mortgage, maturing September 1, 2037, payable in monthly instalments of \$1,710, including principle and interest.	216,761	228,820
3.04% mortgage, maturing June 1, 2037, payable in monthly instalments of \$1,068, including principle and interest.	139,764	148,205
3.29% mortgage, maturing March 1, 2042, payable in monthly instalments of \$997, including principle and interest.	162,675	169,197
4.00% Ulnoweg loan, maturing October 31, 2031, payable in monthly instalments of \$1,007, including principle and interest.	<u>78,705</u>	<u>87,444</u>
	<u>\$ 18,665,088</u>	<u>\$ 19,001,734</u>

The Minister of Indigenous Services Canada has provided guarantees for all Canada Mortgage and Housing Corporation mortgages.

The First Nation Finance Authority (FNFA) debenture is secured by Provincial Gaming Revenues.

The Band has a credit facility in the form of an operating loan with a credit limit of \$750,000 which bears interest at prime plus 0.75%. As at March 31, 2024 the amount drawn was \$nil (2023 - \$nil).

Principal instalments required in the next five years are as follows:

2025	\$ 795,095
2026	\$ 800,076
2027	\$ 804,746
2028	\$ 806,463
2029	\$ 808,226

9. Payables and accruals

	<u>2024</u>	<u>2023</u>
Vendors	\$ 763,473	\$ 458,103
Accruals	741,774	880,623
Harmonized sales tax	(74,308)	(99,743)
Government remittances	101,568	74,968
Other	<u>367,930</u>	<u>248,767</u>
	<u>\$ 1,900,437</u>	<u>\$ 1,562,718</u>

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

10. Funded reserves

The Wasoqopa'q First Nation operates thirty-three (33) CMHC subsidized housing projects. Replacement reserves for the Pre 1997 projects are funded through a joint Replacement Reserve bank account and replacement reserves for Post 1997 projects are to be funded through a second joint replacement reserve bank account.

As at March 31, 2024, the Wasoqopa'q First Nation has provided for funding of Reserves as follows:

(Pre 1997) Projects 1 to 11 Amount of reserve	(1997 Agreement) Projects 12 + Amount of reserve	Amount funded
<u>\$ -</u>	<u>\$715,482</u>	<u>\$ 715,482</u>

At March 31, 2024, an amount of \$99,436 has been underfunded (2023 - \$96,301).

11. Changes in non-cash operating working capital balances	<u>2024</u>	<u>2023</u>
Receivables	\$ (578,392)	\$ 161,787
Restricted cash and deposits	22,980	(653,531)
Inventory held for resale	52,766	(109,642)
Payables and accruals	337,722	161,704
Deferred revenue	1,643,709	(3,105,298)
Asset retirement obligation	-	632,462
Assessment of sales tax, penalties and interest	<u>(300,000)</u>	<u>(300,000)</u>
	<u>\$ 1,178,785</u>	<u>\$ (3,212,518)</u>

12. Economic dependence

The Band receives a portion of its revenues pursuant to a funding arrangement with the Department of Indigenous Services Canada and other federal departments.

13. Federal assistance payments

The housing projects have received assistance through CMHC pursuant to Section 56.1 of the National Housing Act to reduce mortgage interest expense to enable the project to provide housing to low-income individuals. The amount of assistance received in the year ended March 31, 2024 was \$239,658 (2023 - \$210,863).

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

14. Non compliance

The Band does not apply the rent-to-income scale with respect to Section 95 housing units.

15. Funds on deposit

a) At Department of Indigenous Services Canada (ISC)

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 Section 63 to 69 of the Indian Act.

The changes in net assets of the Funds on deposit during the year are as follows:

	<u>2024</u>	<u>2023</u>
Net assets, beginning of year	\$ 12,399	\$ 12,027
Interest earned	<u>422</u>	<u>372</u>
	<u>\$ 12,821</u>	<u>\$ 12,399</u>
Represented by		
Restricted for capital projects	\$ 4,362	\$ 4,362
Unrestricted	<u>8,459</u>	<u>8,037</u>
	<u>\$ 12,821</u>	<u>\$ 12,399</u>

b) At First Nation Finance Authority (FNFA)

During prior years, Wasoqopa'q First Nation participated in the issuance of debentures from FNFA. The Band borrowed \$16,527,000 to be used to finance the construction of the Tru Hotel by Hilton in Yarmouth and the Hammonds Plains retail store/office. Part of the obligation in this borrowing agreement was the creation of a 5% reserve, or \$934,448 (including interest of \$108,098), to be held by FNFA. This reserve is interest bearing and will be returned to the Band at the end of the agreement. The debt reserve fund was created by FNFA to assist in the event of payment difficulties or default by a borrower. As well Wasoqopa'q First Nation has prepaid principal and interest of \$314,598 (2023 - \$300,254) to the FNFA at March 31, 2024.

16. Related party transactions

The Band had the following transactions with related parties:

	<u>2024</u>	<u>2023</u>
Building rental charged to related companies	\$ 695,256	\$ 695,256
Royalties received from the gaming companies	3,664,604	3,708,152
Wasoqopa'q Commodity Taxes charged	1,015,710	939,255
Agency fee charged from Kespuwick Resources	45,000	45,000

The rental charges, royalties and agency fees are charged on the basis of contractual agreement. The Wasoqopa'q Commodity Tax is charged on the basis of the legal authority of the Band. These amounts have been eliminated on consolidation.

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

17. Contingencies and commitments

Canada Revenue Agency

In prior years, a long-standing matter, arising between 1997 and 2002, with respect to the payment by the Band of HST on certain of its activities was confirmed. Wasoqopa'q First Nation is a self-governing authority that has implemented an aboriginal taxation system which, it proposes, has dominance over the HST on the basis of the aboriginal right of self-government. Canada Revenue Agency ("CRA") disputed this belief.

As a result of the dispute, taxes including penalties and interest were assessed in the amount of \$8,392,939. Of this amount, taxes total approximately \$4,565,504 and the remaining \$3,827,435 is represented by the interest and penalties.

A wholly owned subsidiary, Your Winners World – AFN, was assessed by CRA under the same conditions as above. As the result, taxes including penalties and interest have been assessed in the amount of \$678,431. Of this amount, taxes total approximately \$190,852 and the remaining \$487,579 is represented by the interest and penalties.

During 2010, the Band filed an appeal under the provisions of the Fairness Legislation to seek administrative relief from some or all of the penalties and interest. CRA authorized relief for penalties and interest in written correspondence dated April 22, 2010 for both Your Winners World – AFN and the Wasoqopa'q First Nation. Penalty and interest relief can only be granted back for 10 years, as this liability was initiated in 1999, the first year of penalties and interest will be included in the necessary repayment. As well, they have agreed to accept payments of \$25,000 per month until the original HST liability has been fulfilled. Each year that the payments are made in full, CRA waives the interest and penalties for the earliest year applicable.

The authorization of CRA was recognized in prior years' financial statements as a Government Transfer, reversing \$3,749,161 in penalties and interest in Wasoqopa'q First Nation and \$372,431 in the wholly owned subsidiary.

With respect to the HST liability, if the Band fails to make their monthly payments, the penalties and interest that were waived will become payable. Management believes that all future payments will be made on time and that no future repayment of penalties and interest will be required.

The HST liability in the subsidiary has been fully repaid and all required payments have been made by the Band to date. During the current year, the Band made all 12 payments as required by CRA.

Contracts

In relation to the purchase of land, the Band had entered a purchase and sale agreement to acquire property near the Yarmouth community for \$1,500,000. A payment was made of \$164,702 (2023 - \$761,193) with the remainder to be paid over the next 3 years.

Wasoqopa'q First Nation was awarded one of 12 new shelters under the National On-Reserve Shelter Enhancement Program with Canada Mortgage and Housing Corporation (CMHC). The new shelter, Weliankweyasimk Women's Shelter, will be constructed in 2023-2024 in Hammonds Plains. A contract with CMHC was signed for \$4,129,080 with operational costs for the next 10 years covered substantially by Indigenous Services Canada. A second agreement for \$2,000,000 was signed with ISC subsequent to year end to reflect the significant rise in construction costs since the signing of the initial agreement. Construction is expected to finish in the fall of 2024.

During the year construction was started on this shelter under a contract with Avondale Construction Limited for \$6,354,323. By March 31, 2024, \$1,852,080 has been billed. This project is expected to be completed by Fall 2024.

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

17. Contingencies and commitments (continued)

Contracts (continued)

Wasoqopa'q First Nation was successful in receiving a Rapid Housing Initiative project with CMHC for \$4,468,145 during the prior fiscal year. This project is for 14 modular homes to be constructed and delivered to the communities over the next two fiscal years. The project was to be constructed by T&C Homes under a contract signed December 8, 2021, for a value of \$4,028,422. The project was completed by December 2023.

Wasoqopa'q First Nation was successful in receiving a second Rapid Housing Initiative project with CMHC for \$1,762,800. This project is for 8 additional modular homes to be constructed and delivered to the communities over the next two fiscal years. The homes are to be constructed by T&C Homes under a contract signed July 18, 2023, for a value of \$2,396,000. All homes have been delivered subsequent to year-end.

18. Comparative figures

Certain of the 2023 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2024. Certain balances within the consolidated financial statements may also be affected by rounding.

19. Post-employment benefits

The Band has a defined contribution pension plan for its employees, the Band's obligation is limited to matching up to a maximum of 3% (2023 – 3%) of the contributions made by employees. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the statement of operations during which the services are rendered by the employees. During the year, the Band made contributions in the amount of \$74,272 (2023 - \$48,906) to the defined contribution pension plan. After year-end, matching of contributions increased to a maximum of 4%.

20. Federal government transfers

<u>Operating transfers</u>	<u>2024</u>	<u>2023</u>
Indigenous Services Canada/First Nations and Inuit Health Branch	\$ 5,255,237	\$ 4,588,186
Canada Mortgage and Housing Corporation	239,658	210,862
Department of Fisheries and Oceans	86,244	43,850
Service Canada (Mi'kmaw Employment Training Secretariat)	<u>732,869</u>	<u>494,920</u>
	<u>\$ 6,314,008</u>	<u>\$ 5,337,818</u>
<u>Capital transfers</u>		
CMHC Rapid Housing / Emergency Shelter	\$ 3,121,642	\$ 2,660,823
Indigenous Services Canada/First Nations and Inuit Health Branch	<u>-</u>	<u>1,013,772</u>
	<u>\$ 3,121,642</u>	<u>\$ 3,674,595</u>

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

21. Segmented information

Wasoqopa'q First Nation provides a wide range of services to its members, including training, education, social, health care and housing. For management reporting purposes Wasoqopa'q First Nation's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording activities to comply with specific regulations and requirements.

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

Band Support – all other activities not described in another fund. Mainly centralized and shared activities.

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

Community Maintenance – repairs and maintenance carried out during the year to Wasoqopa'q First Nation's fixed assets except CMHC Section 95 mortgage properties. This includes garbage and snow removal.

Social Services – social assistance provided to qualifying members.

Community Health Representative – activity of the two Health Centre's which provide a variety of health care programs and support.

Housing Fund – CMHC Section 95 housing and related expenditures.

Fisheries Fund – encompasses the fisheries activities of Wasoqopa'q First Nation.

Training Fund – activities related to job training and skills.

Forestry Fund – logging and mill activities of Wasoqopa'q First Nation.

Economic Activities – purchase and sale of band tobacco.

Retail Operations – operation of facilities with VLTs, store and gas stations.

See financial data on Page 26 and 27.

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31

21. Segmented information (continued)

	Band M&S		Education		Maintenance		Social		CHR	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues										
Federal government operating transfers	\$ 1,248,060	\$ 1,232,023	\$ -	\$ -	\$ 1,238,167	\$ 1,044,090	\$ 1,877,831	\$ 1,495,296	\$ 891,179	\$ 816,777
Federal government capital transfers	3,121,642	3,674,595	-	-	-	-	-	-	-	-
Provincial government operating transfers	276,909	263,099	-	-	-	-	-	-	-	-
Provincial government Economic activities	6,179,156	6,571,323	-	-	-	-	-	-	-	-
Income retail operations	32,576,389	31,155,080	-	-	-	-	-	-	-	-
Other	1,730,231	2,093,636	1,537,899	1,313,610	-	-	-	-	-	-
	<u>45,132,387</u>	<u>44,989,756</u>	<u>1,537,899</u>	<u>1,313,610</u>	<u>1,238,167</u>	<u>1,044,090</u>	<u>1,877,831</u>	<u>1,495,296</u>	<u>891,179</u>	<u>816,777</u>
Expenses										
Salaries	2,089,281	1,937,843	-	-	988,267	1,015,425	105,425	76,270	-	-
Amortization	2,364,624	2,228,849	-	-	-	-	-	-	-	-
Interest	428,145	438,734	-	-	-	-	-	-	-	-
Economic activities	5,024,602	5,348,590	-	-	-	-	-	-	-	-
Expense retail operations	27,421,114	26,332,227	-	-	-	-	-	-	-	-
Other	4,075,363	3,320,149	1,546,321	1,323,230	815,482	591,233	834,937	832,132	940,726	645,127
	<u>41,403,129</u>	<u>39,606,393</u>	<u>1,546,321</u>	<u>1,323,230</u>	<u>1,803,749</u>	<u>1,606,658</u>	<u>940,362</u>	<u>908,402</u>	<u>940,726</u>	<u>645,127</u>
Surplus (deficit) for the year	3,729,258	5,383,363	(8,422)	(9,619)	(565,582)	(562,568)	937,469	586,894	(49,547)	171,650
Eliminated interfund charges	217,427	208,839	-	-	-	-	120,587	146,156	-	-
Surplus (deficit)	\$ 3,946,685	\$ 5,592,202	\$ (8,422)	\$ (9,619)	\$ (565,582)	\$ (562,568)	\$ 1,058,056	\$ 733,050	\$ (49,547)	\$ 171,650

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31

21. Segmented information (continued)

	Housing		Fisheries		Training		Forestry		Total	Total
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues										
Federal government operating transfers	\$ 239,658	\$ 210,862	\$ 86,244	\$ 43,850	\$ 732,869	\$ 494,920	\$ -	\$ -	\$ 6,314,008	\$ 5,337,818
Federal government capital transfers	-	-	-	-	-	-	-	-	3,121,642	3,674,595
Provincial government operating transfers	-	-	-	-	-	-	-	-	276,909	263,099
Economic activities	-	-	5,520,134	4,449,929	-	-	10,084	22,350	11,709,374	11,043,602
Income – retail operations	-	-	-	-	-	-	-	-	32,576,389	31,155,080
Other	363,014	379,995	-	-	-	-	-	-	3,631,144	3,787,241
	<u>602,672</u>	<u>590,857</u>	<u>5,606,378</u>	<u>4,493,779</u>	<u>732,869</u>	<u>494,920</u>	<u>10,084</u>	<u>22,350</u>	<u>57,629,466</u>	<u>55,261,435</u>
Expenses										
Salaries	-	-	441,313	395,932	271,218	283,243	54,350	93,094	3,949,854	3,801,808
Amortization	357,698	344,968	-	-	-	-	-	-	2,722,322	2,573,817
Interest	98,155	76,055	-	-	-	-	-	-	526,300	514,789
Economic activities	-	-	3,334,391	2,903,869	-	-	18,012	19,210	8,377,005	8,271,670
Expense retail operations	-	-	-	-	-	-	-	-	27,421,114	26,332,227
Other	236,900	251,269	-	-	268,981	209,420	-	-	8,718,709	7,172,559
	<u>692,753</u>	<u>672,292</u>	<u>3,775,704</u>	<u>3,299,802</u>	<u>540,199</u>	<u>492,663</u>	<u>72,362</u>	<u>112,304</u>	<u>51,715,305</u>	<u>48,666,870</u>
Surplus (deficit) for the year	(90,081)	(81,435)	1,830,674	1,193,977	192,670	2,257	(62,278)	(89,954)	5,914,161	6,594,565
Eliminated interfund charges	(338,014)	(354,995)	-	-	-	-	-	-	-	-
Surplus (deficit)	\$ (428,095)	\$ (436,430)	\$ 1,830,674	\$ 1,193,977	\$ 192,670	\$ 2,257	\$ (62,278)	\$ (89,954)	\$ 5,914,161	\$ 6,594,564

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2024

22. Investments

The First Nation, together with 12 other First Nation entities in the Province of Nova Scotia, have entered into the following limited partnerships. No First Nation within the group controls the Partnerships, as such the investments are accounted for as portfolio investments and are carried at cost in these financial statements. Revenue is recorded only to the extent that distributions are received or receivable. During the year, the First Nation received \$105,122 (2023 -\$110,747) from Mi'kmaq Resource Development Partnership which has been included in other revenue.

	<u>2024</u>	<u>2023</u>
E'sukitimkewey Limited partnership	\$ 1	\$ 1
Mi'Kmaq Resource Development Partnership	<u>1</u>	<u>1</u>
	<u>\$ 2</u>	<u>\$ 2</u>

23. Asset retirement obligation

On April 1, 2022, Wasoqopa'q First Nation adopted Public Sector Accounting Standards PS 3280 – Asset retirement obligations ("PS 3280"). The standard was adopted on the prospective basis at the date of adoption, as the event giving rise to the obligation arose prior to April 1, 2022, and the obligation had not been previously recognized. Under the prospective basis of adoption, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The liability represents the required closure and remediation of fuel tanks and water wells owned by Wasoqopa'q First Nation. These assets have expected useful lives ranging from 30-50 years. As of the date of adoption of the standard the relevant discount rates on tangible assets was 4.19% per annum.

In accordance with the provisions of this new standard, Wasoqopa'q First Nation has reflected the following adjustments as at April 2, 2022:

- a) An asset retirement obligation in the amount of \$632,462, representing the original \$2,533,250 obligation discounted to the present value using discount rate of 4.19% per annum.
- b) An increase to tangible capital assets, representing the original estimate of the obligation as at the date of transition.

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 632,462	-
Liability recognized on adoption of PS328	-	632,462
Settlement	-	-
Accretion Expense	<u>35,643</u>	<u>-</u>
Ending balance	<u>\$ 668,105</u>	<u>\$ 632,462</u>

Wasoqopa'qFirst Nation

Schedule of Revenue and Expenditures

Band Management and Support

Year Ended March 31	Budget	2024	2023
Revenue			
Department of Indigenous Services Canada			
NFR Grant and membership	\$ 750,000	\$ 646,080	\$ 566,135
Contribution	<u>1,250,000</u>	<u>601,980</u>	<u>1,679,660</u>
	2,000,000	1,248,060	2,245,795
CMHC Rapid Housing Initiative			
/ Emergency Shelter	-	3,121,642	2,660,823
Interest income	-	528,647	336,428
Economic Activities – Incorporated Entities	30,454,817	32,576,389	31,155,080
Economic Activities – Band tobacco	7,250,000	6,179,156	6,571,323
Other	2,000,000	1,194,656	1,760,932
Restricted reserves, net	-	6,928	(3,724)
Province of Nova Scotia	<u>150,000</u>	<u>276,909</u>	<u>263,099</u>
	41,854,817	45,132,387	44,989,756
Expenditures			
Allocation to band members	1,150,000	1,154,100	1,109,000
Allocation to housing	268,550	267,427	258,839
Amortization	2,420,000	2,364,624	2,167,304
Band member requests	50,000	73,261	59,776
Bank charges and interest	450,000	428,145	438,734
Changes in prepaid expenses	-	14,178	11,103
Community expenses	250,000	489,174	207,948
Community Economic Development/Projects	150,000	18,731	55,562
Donations	20,000	9,056	17,907
Heat and lights	100,000	107,388	114,904
Elders and disabled	625,000	655,100	518,600
Insurance	125,000	167,313	99,683
Loss on disposal of tangible capital assets	-	-	-
Office and postage	110,000	111,889	157,894
Other	50,000	46,054	68,989
Pandemic/Emergencies	-	152,093	-
Professional fees	275,000	194,391	233,967
Economic Activities – Band tobacco	6,250,000	5,024,602	5,348,590
Economic Activities – Incorporated Entities	26,024,643	27,421,114	26,393,772
Salaries, benefits and honorarium	2,650,000	2,089,281	1,937,843
Property taxes	22,000	29,331	27,246
Telephone	75,000	107,094	78,566
Travel, conferences and meetings	275,000	477,736	291,610
Vehicle operating	<u>40,000</u>	<u>1,045</u>	<u>8,556</u>
	41,380,193	41,403,129	39,606,393
	\$ 474,624	\$ 3,729,258	\$ 5,383,363
Transfer within block funding	-	322,340	-
Surplus	<u>\$ 474,642</u>	<u>\$ 4,051,598</u>	<u>\$ 5,383,363</u>

Wasoqopa'q First Nation

Schedule of Revenue and Expenditures

Education

Year Ended March 31	Budget	2024	2023
Revenue			
Mi'kmaw Kina'matnewey			
Elementary/Secondary			
Paraprofessional / K-12	\$ 108,571	\$ 202,696	\$ 172,490
Supplies	9,856	10,691	9,856
Student transportation	69,094	74,945	69,094
Financial assistance	3,438	3,729	3,438
Guidance and counselling	17,387	18,859	17,387
Advice and assistance	1,011	1,097	1,011
Post secondary			
Tuition and allowances	562,137	613,392	634,557
Government support	17,536	19,021	17,536
Governance	41,105	43,766	41,105
Language	39,493	144,028	123,947
Special education	106,737	115,776	106,737
New paths	11,403	12,369	11,403
Other	-	277,530	105,048
	<u>987,768</u>	<u>1,537,899</u>	<u>1,313,610</u>
Expenditures			
Elementary/Secondary			
Elementary/Secondary	108,571	240,834	187,432
Student transportation	69,094	75,018	69,094
Financial assistance	3,438	3,729	3,438
Guidance and counselling	17,387	18,859	17,387
Advice and assistance	1,011	1,097	1,011
Books and Supplies	9,856	10,691	9,856
Post secondary			
Tuition and allowances	562,137	825,235	747,208
Government support	17,536	19,021	17,536
Governance	41,105	43,766	41,105
Language	39,493	170,077	138,457
Other	-	52,731	51,848
Special education	106,737	72,894	27,456
New paths	11,403	12,369	11,403
	<u>987,768</u>	<u>1,546,321</u>	<u>1,323,230</u>
Surplus (deficit)	\$ -	\$ (8,422)	\$ (9,619)

Wasoqopa'q First Nation

Schedule of Revenue and Expenditures

Community Maintenance

Year Ended March 31	Budget	2024	2023
Revenue			
Department of Indigenous Services			
Canada			
Contribution items	\$ -	\$ 596,853	\$ 456,203
NFR Grant	350,000	641,314	587,887
CMHC	-	-	-
	<u>350,000</u>	<u>1,238,167</u>	<u>1,044,090</u>
Expenditures			
Fire protection	20,000	34,106	8,100
Garbage collection	40,000	39,769	33,586
Repairs	678,200	521,932	405,409
Salaries and crew costs	770,000	988,267	1,015,425
Snow removal	80,000	109,773	87,819
Water and sewer	75,000	109,902	56,319
	<u>1,663,200</u>	<u>1,803,749</u>	<u>1,606,658</u>
Excess of expenditures over revenue	(1,313,200)	(565,582)	(562,568)
Transfer within block funding	<u>253,950</u>	<u>565,582</u>	<u>586,894</u>
(Deficit) surplus	<u>\$ (1,059,250)</u>	<u>\$ -</u>	<u>\$ 24,326</u>

Wasoqopa'q First Nation

Schedule of Revenue and Expenditures

Social Services

Year Ended March 31	Budget	2024	2023
Revenue			
Department of Indigenous Services			
Canada			
Contribution items	\$ -	\$ 326,739	\$ -
Income assistance	1,175,000	1,474,332	1,421,297
Assisted living	<u>75,000</u>	<u>76,760</u>	<u>73,999</u>
	<u>1,250,000</u>	<u>1,877,831</u>	<u>1,495,296</u>
Expenditures			
Administrative	25,050	9,745	25,000
Adult care	65,000	96,766	69,142
Basic needs	600,000	490,538	570,295
Salaries and benefits	110,000	105,425	76,270
Special needs	120,000	217,561	167,695
Special projects	75,000	20,228	-
Travel	<u>1,000</u>	<u>99</u>	<u>-</u>
	<u>996,050</u>	<u>940,362</u>	<u>908,402</u>
Excess of revenue over expenditures	253,950	937,469	586,894
Transfer within block funding	<u>(253,950)</u>	<u>(937,469)</u>	<u>(586,894)</u>
Surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Wasoqopa'q First Nation

Schedule of Revenue and Expenditures

Community Health Representatives

Year Ended March 31	Budget	2024	2023
Revenue			
Health Canada			
Tobacco	\$ 10,600	\$ 10,600	\$ 10,600
Comm. disease	-	5,806	5,597
Public Health, NS	-	75,405	-
Health planning	68,375	74,853	72,161
FN Rep services	-	52,562	32,025
Other	5,487	5,534	38,276
Oral health	7,848	8,513	8,206
Vent	-	5,520	14,480
Facilities operation and management	47,300	51,783	49,920
Mental health	93,476	93,080	135,032
Home and community	131,852	144,338	139,146
Aboriginal diabetes initiative	13,788	-	13,788
Health living	122,389	133,974	129,155
Environmental	15,627	17,107	16,492
Head start	150,000	174,718	115,858
Healthy child	34,385	37,386	36,041
	<u>701,127</u>	<u>891,179</u>	<u>816,777</u>
Expenditures			
FN Rep services	-	52,562	32,025
Public Health, NS	-	75,405	-
Home and community care	131,852	144,338	125,965
Mental health	93,476	93,080	15,000
Aboriginal diabetes	13,788	-	13,788
Healthy living	122,389	133,974	117,288
Environmental	15,627	17,107	16,492
Oral care	7,848	8,513	8,206
Ventilation	-	5,520	14,480
Other	5,487	5,534	41,189
Disease control	-	5,806	5,597
Head start	150,000	174,718	115,858
Facilities operation and management renovations	47,300	101,330	76,650
Health planning	68,375	74,853	29,872
Healthy child	34,385	37,386	22,116
Tobacco	10,600	10,600	10,600
	<u>701,127</u>	<u>940,726</u>	<u>645,126</u>
(Deficit) surplus	-	(49,547)	171,650
Transfer within NFR grant funding	\$ -	\$ 49,547	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,650</u>

Wasoqopa'q First Nation
Schedule of Revenue and Expenditures
Housing Fund

Year Ended March 31	Budget	2024	2023
Revenue			
Rent	\$ 140,000	\$ 95,587	\$ 121,156
CMHC -annual	260,000	239,658	210,862
Allocation from Band	<u>268,550</u>	<u>267,427</u>	<u>258,839</u>
	<u>668,550</u>	<u>602,672</u>	<u>590,857</u>
Expenditures			
Administration	25,050	25,000	25,000
Amortization	330,000	357,698	344,968
Mortgage interest	75,000	98,155	76,055
Maintenance	80,000	65,681	91,266
Replacement reserve current year charge	70,000	60,500	58,417
Accounting and audit	8,500	8,500	8,500
Insurance	30,000	36,646	25,333
Utilities	<u>50,000</u>	<u>40,573</u>	<u>42,753</u>
	<u>668,550</u>	<u>692,753</u>	<u>672,292</u>
Deficit	<u>\$ -</u>	<u>\$ (90,081)</u>	<u>\$ (81,435)</u>

Wasoqopa'q First Nation

Schedule of Revenue and Expenditures

Fisheries Fund

Year Ended March 31	Budget	2024	2023
Revenue			
Fishing settlements	\$ 4,000,000	\$ 4,392,435	\$ 3,366,643
Leased quota and licenses	900,000	901,936	994,303
Interest income / other income	-	225,763	88,983
Department of Fisheries & Oceans grant	<u>65,000</u>	<u>86,244</u>	<u>43,850</u>
	<u>4,965,000</u>	<u>5,606,378</u>	<u>4,493,779</u>
Expenditures			
Bait	150,000	260,498	227,082
Bank charges	50	-	-
Crew share	2,000,000	2,259,297	1,779,105
Dockside monitoring	5,000	2,508	4,468
Dues and fees	25,000	39,095	25,388
Fuel	175,000	173,291	202,675
Gear	75,000	86,629	128,721
Insurance	35,000	45,960	36,339
License expense/Quota	10,000	42,507	5,000
Miscellaneous	7,500	4,709	16,040
Office supplies	1,500	-	2,418
Professional fees	8,000	29,445	17,761
Repairs and maintenance	250,000	199,719	277,461
Salaries and benefits	363,000	441,313	395,932
Telephone	2,500	(952)	1,053
Training	20,000	18,359	18,918
Travel	10,000	14,672	14,318
Vehicle operations	2,500	8,162	14,988
Wharfage	30,000	30,864	36,918
Workers' Compensation insurance	<u>95,000</u>	<u>119,628</u>	<u>95,216</u>
	<u>3,265,050</u>	<u>3,775,704</u>	<u>3,299,802</u>
Surplus	<u>\$ 1,699,950</u>	<u>\$ 1,830,674</u>	<u>\$ 1,193,977</u>

Wasoqopa'q First Nation
Schedule of Revenue and Expenditures
Training Fund

Year Ended March 31	Budget	2024	2023
Revenue			
Mi'kmaq Employment/Training Secretariat	<u>\$ 475,000</u>	<u>\$ 732,869</u>	<u>\$ 494,920</u>
Expenditure			
Job creation	20,000	9,664	8,968
Office	7,500	9,930	6,666
Programs	50,000	59,293	36,665
Salaries and benefits	275,000	271,218	283,243
Skills Development	60,000	102,233	80,212
Target Wages	20,000	63,702	26,221
Youth	35,000	12,015	40,787
Travel	<u>7,500</u>	<u>12,144</u>	<u>9,901</u>
	<u>475,000</u>	<u>540,199</u>	<u>492,663</u>
Surplus	<u>\$ -</u>	<u>\$ 192,670</u>	<u>\$ 2,257</u>

Wasoqopa'q First Nation
Schedule of Revenue and Expenditures
Forestry Fund

Year Ended March 31	Budget	2024	2023
Revenue			
Sales	<u>\$ 15,000</u>	<u>\$ 10,084</u>	<u>\$ 22,350</u>
Expenditures			
Fuel	5,000	3,076	3,604
Office	2,000	1,982	1,865
Repairs and maintenance	5,000	9,058	9,867
Salaries and benefits	50,000	54,350	93,094
Supplies	<u>2,500</u>	<u>3,896</u>	<u>3,874</u>
	<u>64,500</u>	<u>72,362</u>	<u>112,304</u>
Deficit	<u>\$ (49,500)</u>	<u>\$ (62,278)</u>	<u>\$ (89,954)</u>

Wasoqopa'q First Nation Schedule of Honoraria, Travel Expenses and Other Remuneration paid to Chief and Council

Year Ended March 31, 2024

Name of Individual Chief/Council Member	Months	Honoraria	Travel Expenses	Other	2024 Total	2023 Total
Chief Deborah Robinson	12	\$ 149,660	\$ 5,505	\$ -	\$ 155,165	\$ 142,727
Charmaine Stevens	12	96,210	7,438	-	103,648	96,716
Michael Paul	12	96,210	5,204	-	101,414	92,434
Thomas Pictou	12	96,210	9,858	4,592	110,660	96,990
Andrew Francis	12	96,210	1,616	-	97,826	90,437
Avis Johnson	12	96,210	2,374	-	98,584	90,520
Rachel Falls	12	96,210	1,743	2,774	100,727	90,263
Jeff Purdy	12	96,210	8,487	4,654	109,351	99,050
Natteal Battiste	12	96,210	2,270	2,654	101,134	94,716
		<u>\$ 919,340</u>	<u>\$ 44,495</u>	<u>\$ 14,675</u>	<u>\$ 978,509</u>	<u>\$ 893,853</u>

Other represents payments made by the Band on behalf of the individual for a medical or pension contribution.
