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Consolidated Financial Statements

Wasoqopa'q First Nation

March 31, 2025

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Independent Auditor's Report

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**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, 2025, 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, 2025, 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 28 to 37 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.

Doane Grant Thornton LLP

Yarmouth, Canada
August 5, 2025

Chartered Professional Accountants

Wasoqopa'q First Nation

Management's Responsibility for Financial Reporting

March 31, 2025

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, Doane 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

Executive Director

A handwritten signature in blue ink, appearing to read "Chief" above "E. Job". The signature is fluid and cursive.

Wasoqopa'q First Nation Consolidated Statement of Operations

Year Ended March 31

	Budget 2025	Actual 2025	Actual 2024
Revenues			
Federal government operating transfers	\$ 5,810,040	\$ 6,448,230	\$ 6,314,008
Federal government capital transfers	450,000	4,801,866	3,121,642
Provincial government operating transfers	285,000	315,421	276,909
Economic activities	11,165,000	10,904,100	11,709,374
Economic activities – incorporated entities	32,668,108	32,364,754	32,576,389
Other	<u>3,256,500</u>	<u>4,271,231</u>	<u>3,631,144</u>
	<u>53,634,648</u>	<u>59,105,602</u>	<u>57,629,466</u>
Expenses			
Band management and support	14,736,500	13,652,400	13,982,016
Education	1,309,775	1,754,538	1,546,321
Community maintenance	1,890,000	1,771,694	1,803,749
Social services	1,145,000	1,184,794	940,362
Community health	735,040	970,598	940,726
Housing	656,500	1,121,850	692,753
Fisheries	3,667,050	3,856,269	3,775,704
Training	500,000	569,359	540,199
Forestry	92,000	176,771	72,362
Incorporated entities	<u>28,205,370</u>	<u>27,113,036</u>	<u>27,421,114</u>
	<u>52,937,235</u>	<u>52,171,309</u>	<u>51,715,306</u>
Annual surplus	<u>\$ 697,413</u>	<u>\$ 6,934,293</u>	<u>\$ 5,914,161</u>

Federal government transfers (Note 19)

See accompanying notes to the consolidated financial statements.

Wasoqopa'q First Nation Consolidated Statement of Accumulated Surplus Year Ended March 31

Year Ended March 31

2024 2025

2025

2024

See accompanying notes to the consolidated financial statements.

Wasoqopa'q First Nation

Consolidated Statement of Financial Position

March 31

2025

2024

Financial assets

Cash and cash equivalents	\$ 18,646,929	\$ 19,045,929
Receivables (Note 5)	1,969,483	2,049,982
Inventory held for resale (Note 1)	1,178,278	1,261,518
Restricted cash and deposits		
Funds on deposit at ISC (Note 14 a))	13,252	12,821
Funds on deposit at FNFA (Note 14 b))	1,296,173	1,249,046
CMHC reserves (Note 9)	<u>736,872</u>	<u>715,482</u>
	<u>23,840,987</u>	<u>24,334,778</u>

Financial liabilities

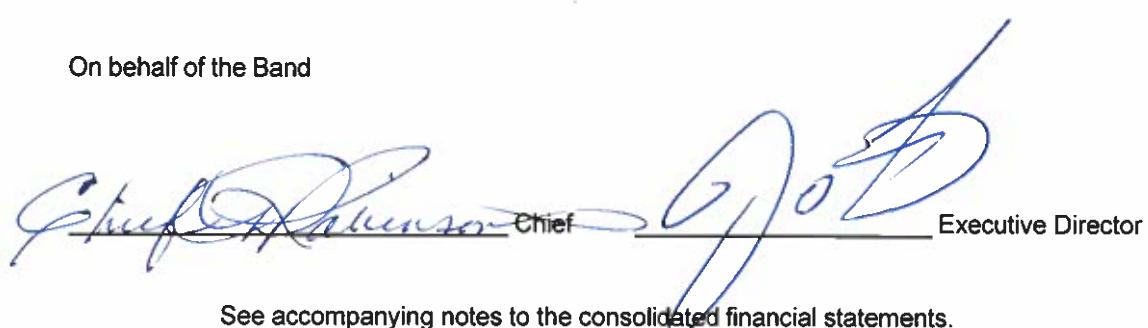
Payables and accruals (Note 8)	1,961,336	1,900,437
Deferred revenue (Note 2)	4,724,093	5,191,162
Assessment of sales tax, penalties and interest (Note 17)	236,438	536,438
Asset retirement obligation (Note 22)	696,099	668,105
Long-term debt (Note 7)	<u>18,533,574</u>	<u>18,665,088</u>
	<u>26,151,540</u>	<u>26,961,230</u>
Net debt	<u>(2,310,553)</u>	<u>(2,626,452)</u>

Non-financial assets

Portfolio investments (Note 21)	2	2
Tangible capital assets (Note 6)	56,344,297	49,703,553
Asset retirement obligation asset	587,760	610,111
Intangibles (Note 1)	4,437,000	4,437,000
Prepaid expenses	<u>94,135</u>	<u>88,695</u>
	<u>61,463,194</u>	<u>54,839,361</u>
Accumulated surplus	<u>\$ 59,152,641</u>	<u>\$ 52,212,908</u>
Accumulated surplus (Page 5)	<u>\$ 59,152,641</u>	<u>\$ 52,212,908</u>

Contingencies and commitments (Note 16)

On behalf of the Band


 G. D. Johnson, Chief J. D. Executive Director

See accompanying notes to the consolidated financial statements.

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

March 31	Budget	2025	2024
Annual Surplus	\$ 697,413	\$ 6,934,293	\$ 5,914,161
Tangible capital asset additions	(10,955,000)	(9,828,809)	(6,314,352)
Loss on disposal of tangible capital assets	-	167,212	-
Amortization of asset retirement			
obligation asset	-	22,351	22,351
Amortization of tangible capital assets	<u>3,000,000</u>	<u>3,020,853</u>	<u>2,746,752</u>
(Increase) decrease in net debt	<u>\$ (7,257,587)</u>	<u>315,900</u>	<u>2,368,912</u>
Net debt, beginning of year		<u>(2,626,453)</u>	<u>(4,995,368)</u>
Net debt, end of year		<u>\$ (2,310,553)</u>	<u>\$ (2,626,453)</u>

See accompanying notes to the consolidated financial statements .

Wasoqopa'q First Nation
Consolidated Statement of Cash Flows

March 31	2025	2024
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Increase (decrease) in cash and cash equivalents

Operations

Annual surplus	\$ 6,934,293	\$ 5,914,161
Amortization	3,020,853	2,746,752
Accretion expense	27,994	35,643
Loss on disposal of tangible capital assets	167,212	-
Changes in non-cash operating working capital balances (Note 10)	(311,380)	1,178,785
Amortization of asset retirement obligation asset	<u>22,351</u>	<u>22,351</u>
	<u>9,861,323</u>	<u>9,897,692</u>

Financing

Advances of long-term debt, net of repayments	<u>(431,514)</u>	<u>(336,646)</u>
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Capital transactions

Purchase of tangible capital assets	<u>(9,828,809)</u>	<u>(6,314,352)</u>
Decrease (increase) in cash and cash equivalents	<u>(399,000)</u>	3,246,694
Cash and cash equivalents		
Beginning of year	<u>19,045,929</u>	<u>15,799,235</u>
End of year	<u>\$ 18,646,929</u>	<u>\$ 19,045,929</u>

See accompanying notes to the consolidated financial statements.

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2025

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, Fisheries Fund, Forestry Fund, Training Fund, Social Fund, Education Fund, Recreation Fund and Weliankweyasimk Women's Shelter.

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., Kespwick Fisheries Incorporated, AFN Entertainment Centre/Winner's Corner – AFN, Hammonds Plains Entertainment AFN, 3321702 NS Ltd and 4666622 NS Ltd.

The retail enterprises operate a combination of video lottery terminals, bingo hall, convenience stores and gas bars. Kespwick 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 11, 2024 and by Chief and Council on March 12, 2024.

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, \$96,650 (2024 - \$95,587) was recorded as rental revenue in the Housing Fund and as rental expense in the Social Services Fund and \$235,910 (2024 – \$267,427) 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, 2025

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, 2025

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, 2025

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. In February 2025, Hammonds Plains Entertainment opened a Mobile gas bar. This fuel is purchased as sold.

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, 2025

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 of 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. Deferred revenue

	<u>Balance March 31, 2024</u>	<u>Funding Received</u>	<u>Funding Recognized</u>	<u>Balance March 31, 2025</u>
Indigenous Services Canada (ISC)				
- Contribution Funding	\$ 2,113,254	\$ 2,798,982	\$ 1,810,995	\$ 3,101,241
- New fiscal Relationships (NFR) grant funding	-	3,450,779	3,450,779	-
Emergency Shelter	<u>2,000,000</u>	<u>-</u>	<u>627,148</u>	<u>1,372,852</u>
	4,113,254	6,249,761	5,888,922	4,474,093
Canada Mortgage and Housing Corporation (CMHC) - Shelter	<u>1,077,908</u>	<u>3,096,810</u>	<u>4,174,718</u>	<u>-</u>
Ulnooweg	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
	<u>\$ 5,191,162</u>	<u>\$ 9,596,571</u>	<u>\$ 10,063,640</u>	<u>\$ 4,724,093</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).

Wasoqopa'q First Nation Notes to the Consolidated Financial Statements

Year Ended March 31, 2025

3. 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.

4. 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.

5. Receivables	2025	2024
Mi'kmaq Kina'matnewey	\$ 107,560	\$ 16,144
Province of Nova Scotia	245,421	276,909
Indigenous Services Canada	666,766	472,352
Environment Climate Change Canada	-	200,000
Mi'kmaq Employment/Training Secretariat	35,911	166,839
Other	389,171	525,860
Nova Scotia Power	124,654	280,878
Atlantic Canada Opportunity Agency	-	53,971
Confederacy of Mainland Mi'kmaq	-	57,029
CMHC reserve funding	<u>400,000</u>	-
	<u>\$ 1,969,483</u>	<u>\$ 2,049,982</u>

Wasoqopa'q First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2025

6. Tangible capital assets		Infrastructure	Land	Community Buildings	Commercial Buildings	Furniture & Equipment	Paving & Roads	Forestry Equipment	Housing	Balance Forward
Cost										
Balance, beginning of the year	\$ 4,746,002	\$ 2,320,207	\$ 18,566,603	\$ 28,451,146	\$ 293,992	\$ 1,183,853	\$ 147,648	\$ 10,858,923	\$ 66,568,373	
Additions	-	373,746	6,048,637	1,510,507	-	96,524	-	515,224	8,544,638	
Disposals	-	-	-	-	-	-	-	(255,587)	(255,587)	
Balance, end of the year	<u>\$ 4,746,002</u>	<u>2,693,953</u>	<u>24,615,240</u>	<u>29,961,653</u>	<u>293,992</u>	<u>1,280,377</u>	<u>147,648</u>	<u>11,118,560</u>	<u>74,857,424</u>	
Accumulated depreciation										
Balance, beginning of the year	463,480	-	7,709,020	5,739,547	257,822	531,874	111,393	5,655,754	20,468,890	
Depreciation during the year	189,840	-	650,050	1,129,293	9,183	39,462	6,181	382,161	2,406,171	
Disposals	-	-	-	-	-	-	-	(88,375)	(88,375)	
Balance, end of the year	<u>653,320</u>	<u>-</u>	<u>8,359,070</u>	<u>6,868,840</u>	<u>267,005</u>	<u>571,336</u>	<u>117,574</u>	<u>5,949,540</u>	<u>22,786,686</u>	
Net Book Value	<u>\$ 4,092,682</u>	<u>\$ 2,693,953</u>	<u>\$ 16,256,170</u>	<u>\$ 23,092,813</u>	<u>\$ 26,987</u>	<u>\$ 709,041</u>	<u>\$ 30,074</u>	<u>\$ 5,169,020</u>	<u>\$ 52,070,738</u>	
Cost										
Balance, beginning of the year	\$ 66,568,373	\$ 650,586	\$ 723,052	\$ 4,370,802	\$ 1,058,173	\$ 777,567	\$ 170,482	\$ 74,319,035	\$ 68,096,031	
Additions	8,544,638	114,571	159,137	578,042	63,576	360,000	8,845	9,828,809	6,314,350	
Disposals	(255,587)	-	-	-	-	-	-	(255,587)	(91,346)	
Balance, end of the year	<u>74,857,424</u>	<u>-</u>	<u>765,157</u>	<u>882,189</u>	<u>4,948,844</u>	<u>1,121,749</u>	<u>1,137,567</u>	<u>179,327</u>	<u>83,892,257</u>	<u>74,319,035</u>
Accumulated depreciation										
Balance, beginning of the year	20,468,890	121,650	502,252	2,229,729	710,074	441,392	141,493	24,615,482	21,960,076	
Depreciation during the year	2,406,171	54,825	71,094	380,637	63,593	25,919	18,618	3,020,853	2,746,752	
Disposals	(88,375)	-	-	-	-	-	-	(88,375)	(91,346)	
Balance, end of the year	<u>22,786,686</u>	<u>176,475</u>	<u>573,346</u>	<u>2,610,366</u>	<u>773,667</u>	<u>467,311</u>	<u>160,111</u>	<u>27,547,960</u>	<u>24,615,481</u>	
Net Book Value	<u>\$ 52,070,738</u>	<u>\$ 588,682</u>	<u>\$ 308,843</u>	<u>\$ 2,338,478</u>	<u>\$ 348,082</u>	<u>\$ 670,256</u>	<u>\$ 19,216</u>	<u>\$ 56,344,297</u>	<u>\$ 49,703,553</u>	

Wasoqopa'q First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2025

7. Long-term debt	<u>2025</u>	<u>2024</u>
3.37% mortgage, maturing November 1, 2039, payable in monthly instalments of \$384, including principal and interest.	\$ 53,636	\$ 56,672
1.57% mortgage, maturing December 1, 2041, payable in monthly instalments of \$553, including principal and interest.	97,705	102,772
0.74% mortgage, maturing February 1, 2041, payable in monthly instalments of \$390, including principal and interest.	70,264	74,410
3.37% mortgage, maturing September 1, 2039, payable in monthly instalments of \$1,113, including principal and interest.	153,184	162,031
3.52% mortgage, maturing November 1, 2042, payable in monthly instalments of \$521, including principal and interest.	82,342	85,661
3.21% mortgage, maturing November 1, 2044, payable in monthly instalments of \$1,701, including principal and interest.	297,837	309,708
3.37% mortgage, maturing October 1, 2033, payable in monthly instalments of \$689, including principal and interest.	61,571	68,006
0.71% mortgage, maturing in November 1, 2035, payable in monthly instalments of \$1,426, including principal and interest.	175,773	191,585
3.02% mortgage, maturing April 1, 2034, payable in monthly instalments of \$1,067, including principal and interest.	101,662	110,760
3.52% mortgage, maturing May 1, 2038, payable in monthly instalments of \$961, including principal and interest.	121,617	128,777
3.96% mortgage, maturing July 1, 2038, payable in monthly instalments of \$1,253, including principal and interest.	155,897	164,638
4.02% mortgage, maturing March 1, 2039, payable in monthly instalments of \$1,325, including principal and interest.	<u>170,362</u>	<u>179,291</u>
Total carried forward	<u>\$ 1,541,850</u>	<u>\$ 1,634,311</u>

Wasoqopa'q First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2025

7. Long-term debt (continued)	<u>2025</u>	<u>2024</u>
Balance carried forward	\$ 1,541,850	\$ 1,634,311
1.86% mortgage, maturing April 1, 2024, repaid during the year.	-	300
0.76% mortgage, maturing August 1, 2025, payable in monthly instalments of \$301, including principal and interest.	1,503	5,091
1.57% mortgage, maturing October 1, 2026, payable in monthly instalments of \$293, including principal and interest.	5,500	8,904
3.04% mortgage, maturing May 1, 2027, payable in monthly instalments of \$308, including principal and interest.	7,733	11,136
3.70% mortgage, maturing December 1, 2027, payable in monthly instalments of \$311, including principal and interest.	9,757	13,069
1.13% mortgage, maturing July 1, 2036, payable in monthly instalments of \$1,414, including principal and interest.	180,366	195,207
3.81% mortgage, maturing March 1, 2043, payable in monthly instalments of \$4,267, including principal and interest.	667,885	693,371
1.90% and 2.72% First Nation Finance Authority (FNFA) debenture, maturing June 2028, payable in annual instalments of \$944,898 including principal and interest.	13,983,639	14,541,630
4.08% mortgage, maturing May 1, 2039, payable in monthly instalments of \$1,408, including principal and interest.	181,944	-
3.23% mortgage, maturing February 1, 2040 payable in monthly instalments of \$2,781, including principal and interest.	395,107	-
Total carried forward	<u>\$ 16,975,284</u>	<u>\$17,103,019</u>

Wasoqopa'q First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2025

7. Long-term debt (continued)	<u>2025</u>	<u>2024</u>
Balance carried forward	\$ 16,975,284	\$ 17,103,019
3.32% mortgage, maturing August 1, 2028, payable in monthly instalments of \$303, including principal and interest.	11,740	15,011
3.08% mortgage, maturing January 1, 2029, payable in monthly instalments of \$307, including principal and interest.	13,299	16,443
1.88% mortgage, maturing July 1, 2031, payable in monthly instalments of \$426, including principal and interest.	30,505	35,002
1.01% mortgage, maturing February 1, 2031, payable in monthly instalments of \$883, including principal and interest.	60,833	70,763
0.70% mortgage, maturing July 1, 2030 payable in monthly instalments of \$569, including principal and interest.	35,762	42,321
3.04% mortgage, maturing April 1, 2032 payable in monthly instalments of \$1,416, including principal and interest.	108,216	121,721
1.57% mortgage, maturing December 1, 2031 payable in monthly instalments of \$641, including principal and interest.	49,260	56,128
3.45% mortgage, maturing February 1, 2032 payable in monthly instalments of \$2,221, including principal and interest.	163,904	184,566
3.51% mortgage, maturing November 1, 2034 payable in monthly instalments of \$2,222, including principal and interest.	218,538	238,598
0.79% mortgage, maturing June 1, 2035 payable in monthly instalments of \$937, including principal and interest.	110,618	120,941
Ulnoweg loan, partially disbursed	<u>137,510</u>	-
Total carried forward	<u>\$ 17,915,469</u>	<u>\$ 18,004,514</u>

Wasoqopa'q First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2025

7. Long-term debt (continued)	<u>2025</u>	<u>2024</u>
Balance carried forward	\$ 17,915,469	\$ 18,004,514
1.01% mortgage, maturing January 1, 2036, payable in monthly instalments of \$468, including principal and interest.	57,656	62,669
3.81% mortgage, maturing September 1, 2037, payable in monthly instalments of \$1,710, including principal and interest.	204,198	216,761
3.04% mortgage, maturing June 1, 2037, payable in monthly instalments of \$1,068, including principal and interest.	131,045	139,764
3.29% mortgage, maturing March 1, 2042, payable in monthly instalments of \$997, including principal and interest.	155,912	162,675
4.00% Ulnooweg loan, maturing October 31, 2031, payable in monthly instalments of \$1,007, including principal and interest.	69,295	78,705
	<u>\$ 18,533,574</u>	<u>\$ 18,665,088</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, 2025 the amount drawn was \$nil (2024 - \$nil).

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

2026	\$ 830,659
2027	\$ 836,388
2028	\$ 839,234
2029	\$ 842,092
2030	\$ 846,533

8. Payables and accruals

	<u>2025</u>	<u>2024</u>
Vendors	\$ 748,650	\$ 763,473
Accruals	849,965	741,774
Harmonized sales tax	(93,963)	(74,308)
Government remittances	98,841	101,568
Other	<u>357,843</u>	<u>367,930</u>
	<u>\$ 1,961,336</u>	<u>\$ 1,900,437</u>

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2025

9. 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, 2025, the Wasoqopa'q First Nation has provided for funding of Reserves of \$913,171 (2024 - \$715,482).

At March 31, 2025, an amount of \$176,299 has been underfunded (2024 - \$99,436).

10. Changes in non-cash operating working capital balances	2025	2024
Receivables	\$ 80,499	\$ (578,392)
Restricted cash and deposits	(68,948)	22,980
Inventory held for resale	83,240	52,766
Payables and accruals	60,898	337,722
Deferred revenue	(467,069)	1,643,709
Assessment of sales tax, penalties and interest	<u>(300,000)</u>	<u>(300,000)</u>
	<u>\$ (611,380)</u>	<u>\$ 1,178,785</u>

11. 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.

12. 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, 2025 was \$274,029 (2024 - \$239,658).

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2025

13. Non compliance

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

14. 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>2025</u>	<u>2024</u>
Net assets, beginning of year	\$ 12,821	\$ 12,399
Interest earned	<u>431</u>	<u>422</u>
	<u>\$ 13,252</u>	<u>\$ 12,821</u>
Represented by		
Restricted for capital projects	\$ 4,362	\$ 4,362
Unrestricted	<u>8,890</u>	<u>8,459</u>
	<u>\$ 13,252</u>	<u>\$ 12,821</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 \$968,522 (including interest of \$142,172), 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 \$327,651 (2024 - \$314,598) to the FNFA at March 31, 2025.

15. Related party transactions

The Band had the following transactions with related parties:

	<u>2025</u>	<u>2024</u>
Building rental charged to related companies	\$ 866,236	\$ 695,256
Royalties received from the gaming companies	3,543,495	3,664,604
Acadia Commodity Taxes charged	998,826	1,015,710
Agency fee charged from Kespwick Resources	45,000	45,000

The rental charges, royalties and agency fees are charged on the basis of contractual agreement. The Acadia 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, 2025

16. Contingencies, commitments and subsequent events

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 (2024 - \$164,702) with the remainder to be paid over the next 2 years.

In 2022 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, Welankweyasimk Women's Shelter, will be opening in the Fall of 2025 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 during the 2023-2024 year end to reflect the significant rise in construction costs since the signing of the initial agreement. Construction is expected to finish in the Summer of 2025.

During the year construction continued on this shelter under a contract with Avondale Construction Limited for \$6,354,323. By March 31, 2025, \$5,193,227 (2024 - \$1,852,080) has been billed. This project is expected to be completed during the Summer of 2025.

Wasoqopa'q First Nation **Notes to the Consolidated Financial Statements**

Year Ended March 31, 2025

16. Contingencies, commitments and subsequent events (continued)

Contracts (continued)

In 2024, 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. The homes were constructed by T&C Homes under a contract signed July 18, 2023, for a value of \$2,396,000. All homes have been delivered and are occupied.

Subsequent events

Subsequent to year end, Wasoqopa'q First Nation acquired substantially all the assets of MacPherson's retail operation in Liverpool, NS, at a cost of \$5,500,000. \$5,790,000 was financed through FNFA at a rate of 4.5% with monthly payments of \$56,250 over 10 years. Additionally, the inventory held for sale was also acquired at cost for a purchase price of \$1,071,142 financed through BMO.

Wasoqopa'q First Nation also entered into an agreement to purchase a scallop licence and quota for a purchase price of \$2,200,000. The deal was completed April 10, 2025. This was funded by \$1,350,000 in capital grants, \$650,000 with matured GICs, and the remaining \$200,000 was financed through a BMO non-revolving demand loan at a rate of 6.70% annually.

Wasoqopa'q First Nation acquired land in Milton, NS, on July 30, 2025, for a purchase price of \$182,000 funded with cash on hand from operations.

17. Comparative figures

Certain of the 2024 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2025. Certain balances within the consolidated financial statements may also be affected by rounding.

18. 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 4% (2024 – 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 \$88,956 (2024 - \$74,272) to the defined contribution pension plan. After year-end, matching of contributions increased to a maximum of 5%.

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2025

19. Federal government transfers

<u>Operating transfers</u>	<u>2025</u>	<u>2024</u>
Indigenous Services Canada/First Nations and Inuit Health Branch	\$ 5,261,773	\$ 5,255,237
Canada Mortgage and Housing Corporation	674,029	239,658
Department of Fisheries and Oceans	-	86,244
Service Canada (Mi'kmaw Employment Training Secretariat)	<u>512,428</u>	<u>732,869</u>
	<u>\$ 6,448,230</u>	<u>\$ 6,314,008</u>
<u>Capital transfers</u>		
CMHC Rapid Housing / Emergency Shelter	4,174,718	3,121,642
Indigenous Services Canada/First Nations and Inuit Health Branch	<u>627,148</u>	<u>-</u>
	<u>\$ 4,801,866</u>	<u>\$ 3,121,642</u>

20. 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.

See financial data on Page 25 and 26.

Wasoqopa'q First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31

20. Segmented information (continued)

	Band M&S	2025	2024	2025	2024	Education	2025	2024	Maintenance	2025	2024	Social	2025	2024	CHR	2024
Revenues																
Federal government operating transfers	\$ 1,731,905	\$ 1,248,060	\$ -	\$ -	\$ -	\$ 1,194,380	\$ 1,238,167	\$ 1,623,683	\$ 1,877,831	\$ 1,338,953	\$ 891,179	-	-	-	-	-
Federal government capital transfers	4,174,718	3,121,642	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial government operating transfers	315,421	276,909	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial government	5,296,349	6,179,156	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activities	32,364,754	32,576,389	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income retail operations	1,975,040	1,730,231	1,942,239	1,537,899	1,942,239	1,537,899	1,942,239	1,537,899	1,942,239	1,537,899	1,942,239	1,537,899	1,942,239	1,537,899	1,942,239	1,537,899
Other	45,858,187	45,132,387	45,132,387	45,132,387	45,132,387	45,132,387	45,132,387	45,132,387	45,132,387	45,132,387	45,132,387	45,132,387	45,132,387	45,132,387	45,132,387	45,132,387
Expenses																
Salaries	7,487,937	6,925,348	-	-	-	1,088,292	988,267	114,443	105,425	-	-	-	-	-	-	-
Amortization	2,625,323	2,364,624	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	421,882	428,145	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activities	4,698,657	5,024,602	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expense retail operations	22,194,598	22,585,047	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	3,337,039	4,075,363	1,754,539	1,546,321	1,754,539	1,546,321	1,754,539	1,546,321	1,754,539	1,546,321	1,754,539	1,546,321	1,754,539	1,546,321	1,754,539	1,546,321
40,765,436	41,403,129	41,403,129	41,403,129	41,403,129	41,403,129	41,403,129	41,403,129	41,403,129	41,403,129	41,403,129	41,403,129	41,403,129	41,403,129	41,403,129	41,403,129	41,403,129
Surplus (deficit) for the year																
5,092,751	3,729,258	187,700	(8,422)	(577,314)	(565,582)	438,889	937,469	368,356	(49,547)	-	-	-	-	-	-	-
Eliminated interfund charges	185,911	217,427	-	-	-	-	-	-	-	121,650	120,587	-	-	-	-	-
Surplus (deficit)	\$ 5,278,662	\$ 3,946,685	\$ 187,700	\$ (8,422)	\$ (577,314)	\$ (565,582)	\$ 560,539	\$ 1,058,056	\$ 368,356	\$ (49,547)	-	-	-	-	-	-

**Wasoqopa'q First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31**

20. Segmented information (continued)

	Housing <u>2025</u>	<u>2024</u>	Fisheries <u>2025</u>	<u>2024</u>	Training <u>2025</u>	<u>2024</u>	Forestry <u>2025</u>	<u>2024</u>	Total <u>2025</u>	Total <u>2024</u>
Revenues										
Federal government operating transfers	\$ 674,029	\$ 239,658	\$ 86,244	\$ 512,428	\$ 732,869	\$ 3	\$ -	\$ 7,075,378	\$ 6,314,008	
Federal government capital transfers	-	-	-	-	-	-	-	-	4,174,718	3,121,642
Provincial government operating transfers	-	-	5,571,057	5,520,134	-	-	36,694	10,084	315,421	276,909
Economic activities	-	-	-	-	-	-	-	-	10,904,100	11,709,374
Income – retail operations	353,951	363,014	-	-	-	-	-	-	32,364,754	32,576,389
Other	<u>1,027,980</u>	<u>602,672</u>	<u>5,571,057</u>	<u>5,606,378</u>	<u>512,428</u>	<u>732,869</u>	<u>36,694</u>	<u>10,084</u>	<u>59,105,602</u>	<u>57,629,466</u>
Expenses										
Salaries	-	2,709,640	2,700,610	167,404	271,218	154,096	54,350	11,721,812	11,045,218	
Amortization	382,161	357,698	-	-	-	-	-	-	3,007,484	2,722,322
Interest	114,154	98,155	-	-	-	-	-	-	536,037	526,300
Economic activities	-	-	1,146,628	1,075,094	-	-	22,675	18,012	5,867,960	6,117,708
Expense retail operations	625,535	236,900	-	-	401,956	268,981	-	-	22,194,598	22,585,047
Other	<u>1,121,850</u>	<u>692,753</u>	<u>3,856,269</u>	<u>3,775,704</u>	<u>569,360</u>	<u>540,199</u>	<u>176,771</u>	<u>72,362</u>	<u>8,843,418</u>	<u>8,718,709</u>
Surplus (deficit) for the year	(93,870)	(90,081)	1,714,788	1,830,674	(56,932)	192,670	(140,077)	(62,278)	6,934,293	5,914,162
Eliminated interfund charges	(307,560)	(338,014)	-	-	-	-	-	-	-	-
Surplus (deficit)	<u>\$ (401,430)</u>	<u>\$ (428,095)</u>	<u>\$1,714,788</u>	<u>\$ 1,830,674</u>	<u>\$ (56,932)</u>	<u>\$ 192,670</u>	<u>\$ (140,077)</u>	<u>\$ (62,278)</u>	<u>\$ 6,934,293</u>	<u>\$ 5,914,161</u>

Wasoqopa'q First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2025

21. 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 \$109,152 (2024 -\$105,122) from Mi'kmaq Resource Development Partnership which has been included in other revenue.

	<u>2025</u>	<u>2024</u>
E'sukitimkewey Limited partnership	\$ 1	\$ 1
Mi'kmaq Resource Development Partnership	<u>1</u>	<u>1</u>
	<u><u>\$ 2</u></u>	<u><u>\$ 2</u></u>

22. 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>2025</u>	<u>2024</u>
Opening balance	\$ 668,105	\$ 632,462
Liability recognized on adoption of PS328	-	-
Settlement	-	-
Accretion Expense	<u>27,994</u>	<u>35,643</u>
Ending balance	<u><u>\$ 696,099</u></u>	<u><u>\$ 668,105</u></u>
