GLOOSCAP FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

Glooscap First Nation
Financial Statements
For the year ended March 31, 2023

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GLOOSCAP FIRST NATION

Management's Responsibility for the Consolidated Financial Statements
March 31, 2023

The accompanying consolidated financial statements of Glooscap First Nation are the responsibility of management and have been approved by the Chief and Council.

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The external auditors, BDO Canada LLP, conduct an audit, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to management of Glooscap First Nation and meet when required.

On behalf of Glooscap First Nation:

Chief	Date: July 31, 2023
Councilor	Date: July 31, 2023
Councilor	Date: July 31, 2023
Councilor	Date: July 31, 2023
Management	Date: July 31, 2023

Tel: 902 444 5540
Fax: 902 444 5539
www.bdo.ca

BDO Canada LLP
6940 Mumford Road, Suite 510
Halifax, Nova Scotia B3L 0B7

INDEPENDENT AUDITOR'S REPORT

To the Members of Glooscap First Nation

Opinion
We have audited the consolidated financial statements of Glooscap First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, change in net financial debt and cash flows for the year then ended, and 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 financial position of the First Nation as at March 31, 2023 and its results of operations, changes in its financial debts and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Consolidated Financial Statements* section of our report. We are independent of the First Nation 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 Those Charged with Governance 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 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 First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 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 First Nation'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 First Nation'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 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 First Nation 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 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 First Nation 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 those charged with governance 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.

BDO Canada LLP

Chartered Professional Accountants
Halifax, Nova Scotia
July 31, 2023

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GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash (Note 2)	**$ 5,167,537**	$ 9,566,930
Accounts receivable	**34,982**	227,939
HST recoverable	**145,377**	256,871
Grants receivable (Note 3)	**485,177**	250,098
Inventory	**69,752**	85,087
Investments in business enterprises (Note 4)	**1,821,700**	2,943,293
Due from business enterprises (Note 4)	**540,746**	255,821
	8,265,271	13,586,039
LIABILITIES		
Accounts payable and accrued liabilities	**424,105**	877,912
Grant payable (Note 5)	**794,046**	794,046
Deferred revenue (Note 6)	**2,222,412**	4,308,968
Due to related party (Note 7)	**261,845**	261,586
Long-term debt (Note 8)	**19,172,151**	20,171,287
	22,874,559	26,413,799
NET FINANCIAL DEBT	**(14,609,288)**	(12,827,760)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	**18,568,214**	16,395,411
Intangibles	**348,000**	348,000
Prepaids	**83,093**	6,470
	18,999,307	16,749,881
ACCUMULATED SURPLUS (Note 9)	**$ 4,390,019**	$ 3,922,121

Subsequent events (Note 22)

APPROVED ON BEHALF OF GLOOSCAP FIRST NATION:

Chief

Councillor

Councillor

Councillor

The accompanying notes are an integral part of these financial statements.

GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2023

	Budget (Unaudited) 2023	Actual 2023	Actual 2022
REVENUE			
Indigenous Services Canada (Note 17)	$ 1,550,811	$ 2,463,159	$ 2,049,250
Atlantic Integrated Commercial Fish Initiative (Note 17)	40,000	150,000	52,000
Mi'kmaq Employment Training Secretariat	74,985	64,666	102,274
Mi'kmaw Kina'matnewey	161,354	354,794	160,585
Province of Nova Scotia (Note 17)	85,000	186,113	72,330
Fisheries and Oceans Canada (Note 17)	131,052	88,107	100,353
Canadian Mortgage and Housing Corporation (Note 17)	149,950	2,046,809	302,990
Confederacy of Mainland Mi'kmaq	46,626	48,626	47,268
Glooscap Corner	2,659,021	2,906,629	2,403,964
Commercial Fisheries	1,951,180	1,651,424	2,431,794
Rent (Note 4)	369,920	278,343	87,899
Management fees (Note 4)	40,012	130,704	88,625
Federal government COVID-19 related programs	-	-	47,410
Amounts earned and held in trust by federal government (Note 12)	-	-	397
Income from portfolio investments	-	12,617	172,637
Other revenue	4,484,581	682,244	790,552
	11,744,492	11,064,235	8,910,328
EXPENSES			
Administration	2,628,357	2,722,930	2,686,206
Commercial Fisheries	1,631,217	1,657,890	1,836,424
Community Fisheries	130,816	88,587	80,205
Community Health	436,132	527,896	422,229
Economic Development	861,271	761,081	962,849
Education	198,097	174,701	123,168
Feta Cheese	86,132	111,477	66,521
Gaming	570,276	179,877	158,734
Glooscap Corner	1,784,064	2,119,401	1,883,370
Glooscap Landing operations and maintenance	363,006	275,604	256,797
Operations, Capital & Maintenance	875,396	702,961	622,882
Social Services	315,376	228,249	205,810
	9,880,140	9,550,654	9,305,195
INCOME (LOSS) FROM OPERATIONS	1,864,352	1,513,581	(394,867)
INCOME (LOSS) FROM BUSINESS ENTERPRISES (Note 4)	42,403	(1,045,683)	(298,702)
ANNUAL SURPLUS (DEFICIT)	1,906,755	467,898	(693,569)
ACCUMULATED SURPLUS - beginning of year	3,922,121	3,922,121	4,615,690
ACCUMULATED SURPLUS - end of year (Note 9)	$ 5,828,876	$ 4,390,019	$ 3,922,121

The accompanying notes are an integral part of these financial statements.

GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL DEBT
FOR THE YEAR ENDED MARCH 31, 2023

	Budget (Unaudited) 2023	Actual 2023	Actual 2022
ANNUAL (SURPLUS) DEFICIT	$ 1,906,755	**$ 467,898**	$ (693,569)
Acquisition of tangible capital assets (Note 10)		**(3,064,325)**	(456,940)
Amortization of tangible capital assets (Note 10)		**891,522**	843,593
Consumption (acquisition) of prepaid expense		**(76,623)**	(6,470)
		(2,249,426)	380,183
CHANGE IN NET FINANCIAL ASSETS		**(1,781,528)**	(313,386)
NET FINANCIAL DEBT - beginning of year		**(12,827,760)**	(12,514,374)
NET FINANCIAL DEBT - end of year		**$ (14,609,288)**	$ (12,827,760)

The accompanying notes are an integral part of these financial statements.

GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
CASH FLOWS FROM:		
OPERATING ACTIVITIES		
Annual surplus (deficit)	**$ 467,898**	$ (693,569)
Items in earnings not involving cash		
Amortization of tangible capital assets	**891,523**	843,593
Loss (gain) from business enterprises	**1,045,683**	298,702
	2,405,104	448,726
Net changes in working capital balances		
Accounts receivable	**192,957**	(153,679)
HST recoverable	**111,494**	(11,180)
Grants receivable, net	**(235,079)**	(86,266)
Inventory	**15,334**	1,010
Accounts payable and accrued liabilities	**(453,807)**	181,071
Deferred revenue	**(2,086,556)**	4,293,243
Prepaids	**(76,623)**	(6,470)
	(127,176)	4,666,455
CAPITAL ACTIVITY		
Purchase of tangible capital assets	**(3,064,325)**	(456,940)
	(3,064,325)	(456,940)
INVESTING ACTIVITIES		
Increase in restricted cash	**2,527,633**	(4,779,758)
Dividends received from business enterprises (Note 4)	**75,920**	178,000
Repayments from (advances to) business enterprises	**(284,935)**	156,823
	2,318,618	(4,444,935)
FINANCING ACTIVITIES		
Repayments of long-term debt	**(999,136)**	(939,388)
Advances of long-term debt	**-**	293,550
Advances from related party	**259**	(248)
	(998,877)	(646,086)
INCREASE (DECREASE) IN CASH DURING THE YEAR	**(1,871,760)**	(881,506)
CASH - UNRESTRICTED - beginning of year	**3,610,900**	4,492,406
CASH - UNRESTRICTED - end of year (Note 2)	**$ 1,739,140**	$ 3,610,900

The accompanying notes are an integral part of these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of Operations

Glooscap First Nation (the "First Nation") operates under the authority of the Indian Act.

The mandate of the First Nation is to provide services to band members and the community. These services are grouped into the following key areas: Band Administration, Social Services, Community Health, Education, Operations, Capital & Maintenance, Community Fisheries & Resources, Band Housing, CMHC Housing, Glooscap Corner, Glooscap Landing #1, Gaming Commission, Commercial Fisheries, Economic Development, and Feta Cheese.

The First Nation is exempt from income taxes under the Income Tax Act.

(b) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

(c) Reporting Entity

The reporting entity includes the First Nation and all entities that are controlled by the First Nation.

All controlled entities are fully consolidated in the First Nation's consolidated financial statements except for entities that meet the definition of a business enterprise, which are included in the consolidated financial statements on a modified equity basis. Accounting policies of consolidated entities are conformed to those of the First Nation and inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the First Nation's investment in the entity and the First Nation's portion of the entity's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the entity that are different from those of the First Nation and inter-organizational balances and transactions are not eliminated.

Entities accounted for through consolidation:

- Glooscap Ilia Gourmet Foods Limited Partnership - ceased operations in 2020
- Glooscap Landing #1 Limited Partnership ("Landing #1") - Owns building for the Landing convenience store and gas bar (Note 16)
- Glooscap Economic Development Corporation Limited ("Economic Development") - development of band-owned business opportunities

Entities accounted for on a modified equity basis include:

- Glooscap Landing #2 Limited Partnership ("Landing #2") - operates the Landing convenience store
- Glooscap Energy #1 Limited Partnership ("Glooscap Energy #1") - invests in renewable energy projects
- Glooscap Energy #2 Limited Partnership ("Glooscap Energy #2") - invests in wind energy projects
- Seakist Lobster Limited ("Seakist Lobster") - operates a lobster pound
- Yarmouth Bar Fisheries Limited ("Yarmouth Bar") - seafood processor (52% ownership) (Note 22)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Cash

Cash consists of unrestricted cash including cash on hand and in bank, and externally restricted cash including replacement reserve cash, trust funds, debt reserve fund and fishing operations funds.

(e) Temporary Investments

Temporary investments are recorded at cost, unless the market value of temporary investments has declined below cost, in which case they are written down to market value.

(f) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the assets.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

CMHC Housing	25 years
Band Owned Housing	25 years
Commercial Buildings	25 - 40 years
Computer Equipment	4 years
Land & Improvements	30 years
Land	Not Depreciated
Roads	15 - 40 years
Underground Networks	50 years
Vehicles, equipment and vessels	5 - 10 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

(g) Intangible Assets

Purchased intangible assets are initially recorded at cost.

Intangible assets with an indefinite life, which includes the First Nation's fishing licenses, are not amortized. They are tested for impairment when events or circumstances indicate that the value of future economic benefits associated with the intangible assets are less than their carrying value. When an impairment exists, an impairment loss is recognized in net income.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Inventory

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value using the first-in first-out costing method.

(i) Revenue Recognition

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service is performed.

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the purpose specified.

Revenue on goods held for sale is recognized when the significant risks and rewards of ownership are transferred to the customer, which generally coincides with the time of purchase, collectability is reasonably assured, persuasive evidence of an arrangement exists and the sales price is fixed and determinable.

Rent from tenant leases is recognized at the beginning of each month.

(j) Financial Instruments

Cash and cash equivalents are measured at fair value. Accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

(k) Non-Financial Assets

Non-financial assets are used to provide the First Nation's services in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold. The First Nation's non-financial assets include tangible capital assets, intangibles and prepaids.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Pension Plan

The First Nation provides a defined contribution plan for its employees. The pension costs are charged to operations as incurred. Contributions are a defined amount based on a set percentage of salary.

(m) Portfolio investments

The First Nation holds a partnership interest in several business partnerships, jointly with the other members of the Association of Nova Scotia Mi'kmaq Chiefs, at nominal costs of $1.

During the year, Glooscap Energy #2 LP, SWEB Development LP, and WEB Weavers Mountain Wind GP Inc. formed a limited partnership WEB Weavers Mountain Wind LP ("WEB Weavers") for a proposed wind energy generation facility known as Weavers Mountain Wind Energy Project.

During the year, the First Nation recognized $60,007 (2022 - $172,637) of revenue from E'sukutimkewey Limited Partnership (often referred to as the Surf Clam partnership).

2. CASH

	2023	2022
Unrestricted		
Operating	**$ 1,739,140**	$ 3,610,900
Externally Restricted		
CMHC Replacement Reserve (a)	**118,088**	118,088
Trust funds held by Federal Government (b)	**21,036**	21,036
First Nation Finance Authority: Debt Reserve Fund (c)	**1,066,861**	1,036,688
Fishing operations	**-**	471,250
Deferred revenue (Note 6)	**2,222,412**	4,308,968
	3,428,397	5,956,030
Total cash	**$ 5,167,537**	$ 9,566,930

(a) Under the terms of an agreement with Canada Mortgage and Housing Corporation ("CMHC"), the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by CMHC with any interest earned to be credited as revenue to the CMHC Replacement Reserve.

(b) The First Nation is required to have funds held in trust in the Consolidated Revenue Fund of the Government of Canada. These funds increase annually by the interest earned and can be withdrawn for their intended purposes if requested (Note 12).

(c) The First Nation Finance Authority holds back 5% on loans advanced in a debt reserve fund to cover any default payments.

3. GRANTS RECEIVABLE

	2023	2022
Indigenous Services Canada	**$ 235,000**	$ 70,305
Province of Nova Scotia - casino profit share	**66,208**	42,185
Mi'kmaq Employment Training Secretariat	**-**	10,334
Mi'kmaw Kina'matnewey	**43,600**	36,295
Minister of Employment and Social Development	**68,773**	-
Atlantic Integrated Commercial Fisheries Initiative	**-**	46,000
Canadian Mortgage and Housing Corporation	**-**	7,592
Fisheries and Oceans Canada	**-**	9,500
Kwilmu'kw Maw-klusuaqn Negotiation Office	**64,800**	-
Other	**6,796**	27,887
	$ 485,177	$ 250,098

4. INVESTMENTS IN BUSINESS ENTERPRISES

	2023	2022
Landing #2	(316,407)	(79,944)
Glooscap Energy	203,401	209,979
Yarmouth Bar	1,220,804	2,061,643
Seakist Lobster	714,013	751,615
	$ 1,821,811	2,943,293

During the year, an impairment loss of $533,276 was recognized in relation to the First Nation's investment in Yarmouth Bar. This impairment is the result of losses incurred by Yarmouth Bar since it was acquired by the First Nation and management's assessment of its future operations.

Transactions

During the year, the following transactions occurred between the business enterprises and the First Nation. These transactions are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties:

- The First Nation earned $49,500 (2022 - $70,194) in pizza sales from Landing #2.
- The First Nation earned $161,300 (2022 - $60,546) in rent from Landing #2.
- The First Nation earned $130,704 (2022 - $88,625) in management fees from Landing #2 and Glooscap Energy.
- The First Nation earned $139,234 (2022 - $nil) in grants from Landing #2.
- The First Nation paid $nil (2022 - $51,486) in grants to Glooscap Energy.
- The First Nation earned $1,575,560 (2022 - $1,872,821) in revenue from the sale of fish to Yarmouth Bar.
- The First Nation received $75,920 (2022 - $178,000) in dividends from Yarmouth Bar.

The following presents important notes for the business enterprises:

Yarmouth Bar

Two prior period restatements were identified during the year. An aggregate adjustment to opening retained earning of $626,211 was made and has no impact to the investment in Yarmouth Bar .

Seakist Lobster Limited

A prior period restatement was identified during the year. An aggregate adjustment to opening retained earning of $445,310 was made and has no impact to the investment in Seakist Lobster.

Seakist Lobster has suffered recurring losses for the last fice years and is no longer able to obtain additional financing through its financial institution without security and guarantees provided by Yarmouth Bar. Seakist Lobster's operations are supported by its line of credit. These issues do not cast immediate doubt about its ability to continue as a going concern; however, these matters may have an affect on future operations.

Scheduled repayments on long-term debt are as follows:

2024	$53,328
2025	$53,328
2026	$53,328
2027	$53,328
2028	$53,328

Certain covenants must be met in order to maintain its financing with their lender. The service - coverage ratio and debt-to-tangible net worth ratio were in breach at year-end for both Yarmouth Bar and Seakist Lobster.

4. INVESTMENTS IN BUSINESS ENTERPRISES (continued)

The amounts due from business enterprises are:

	2023	2022
Landing #2	$ 456,405	$ 154,435
Glooscap Energy #1	84,097	76,548
Yarmouth Bar	19,828	24,838
	$ 560,330	255,821

These amounts are unsecured, interest-free, with no set terms of repayment.

4. INVESTMENTS IN BUSINESS ENTERPRISES (continued)

The following table presents the condensed financial information for the investments in business enterprises:

	Landing #2	Glooscap Energy	Yarmouth Bar	Seakest Lobster	2023 Total	2022 Total
Financial Position						
Cash	79,202	6,492	30,855	-	116,549	174,946
Receivables	3,865	10,212	1,411,044	-	1,425,121	1,904,668
HST & taxes recoverable	-	-	55,837	10,868	66,705	2,334
Prepaids	1,958	-	34,102	2,657	38,717	73,556
Inventory	110,642	-	214,552	-	325,194	263,375
Investment tax credits	-	-	-	30,392	30,392	19,371
Future income taxes	-	-	6,386	22,508	28,894	24,260
Property, plant and equipment	57,773	280,382	285,232	1,240,896	1,864,283	1,821,271
Total assets	253,440	297,086	2,038,008	1,307,321	3,895,855	4,283,781
Bank indebtedness	-	-	801,237	273,546	1,074,783	764,651
Accounts payable	70,554	1,072	601,843	37,708	711,177	957,550
HST & taxes payable	3,008	8,506	14,258	-	25,772	10,441
Deferred revenue	-	-	-	-	-	40,500
Long-term debt	40,000	-	-	458,056	498,056	565,972
Preferred shares	-	-	588,173	445,310	1,033,483	-
Due to related parties	456,405	84,097	19,828	62,340	622,670	268,842
Total liabilities	569,967	93,675	2,025,339	1,276,960	3,965,941	2,607,956
Capital	19,570	10	10	100	19,690	19,901
Surplus (deficit)	(336,097)	203,401	12,659	30,261	(89,776)	1,655,924
Total liabilities and equity	253,440	297,086	2,038,008	1,307,321	3,895,855	4,283,781
Results of Operations						
Revenue	2,617,937	78,119	13,733,570	207,233	16,636,859	20,457,893
Expenses	(2,854,519)	(84,697)	(13,993,915)	(232,116)	(17,165,247)	(19,965,695)
Amortization of purchase price	-	-	(96,265)	(12,719)	(108,984)	(132,483)
Impairment (page 13)	-	-	(533,276)	-	(533,276)	(385,157)
Prior period adjustment (page 13)	-	-	-	-	-	(174,199)
Net loss attributed to minority shareholders	-	-	124,965	-	124,965	(99,061)
Net income (loss)	(236,582)	(6,578)	(764,921)	(37,602)	(1,045,683)	(298,702)

(1) The condensed financial information of Yarmouth Bar includes 100% of the assets, liabilities, equity and results of operations for this business enterprise. The net income not attributable to the First Nation is included as a separate line within the results of operations for Yarmouth Bar.

5. GRANT PAYABLE

In fiscal 2018/19, Economic Development received a grant of $1,000,000 from Indigenous Services Canada (ISC) for Glooscap Ilia Gourmet Foods GP Ltd., (Ilia) to enable Ilia to purchase feta cheese production equipment. The grant agreement required the equipment to be delivered by March 31, 2020. Only $432,095 of equipment was delivered to Ilia and the remaining equipment is the subject of litigation proceedings. ISC has applied $205,398 as eligible expenditures under this grant, leaving a balance of $794,046 that was required to be repaid by March 31, 2021. There have been no repayments made as of March 31, 2023.

6. DEFERRED REVENUE

During the year, the First Nation received $2,535,057 in grants from Indigenous Services Canada to support the following projects: community infrastructure, community health, income assistance, and renovation and upgrades. Of this funding, $1,877,860 of expenses have been incurred as of year end. The remaining funding has been deferred until the associated costs have been incurred.

In the prior year, the First Nation received $500,000 from Indigenous Services Canada to assist with the construction of the entertainment centre. In the current year, $98,000 was spent and the remaining funding has been deferred until the associated costs have been incurred.

In the prior year, the First Nation received $1,000,000 from Indigenous Services Canada to assist with the purchase of five Lobster Fishing Area 34 licenses ("Licenses"). As at March 31, 2023, the purchase has not been finalized and the grant has been deferred.

In the prior year, the First Nation received funding of $2,187,096 and $50,000 from Canada Mortgage and Housing Corporation for the Rapid Housing Initiative to build five new Band-owned homes and preservation funding, respectively. Of this funding, $2,155,939 in expenses have been incurred as of year end. The remaining funding has been deferred until the associated costs have been incurred.

Additional amounts received from non-government and government sources that were unspent at year-end were $334 and $81,723, respectively.

7. DUE TO RELATED PARTY

	2023	2022
Ilia Gourmet Canada Inc. *(minority partner of Glooscap Ilia Gourmet Foods Limited Partnership)*	**$ 261,845**	$ 261,586

The amounts are unsecured, interest-free, with no set terms of repayment.

8. LONG-TERM DEBT

	2023	2022
1.30% first mortgage payable to CMHC, repaid during the year.	**$ -**	$ 815
2.39% first mortgage payable to CMHC, repaid during the year.	**-**	3,750
0.68% first mortgage payable to CMHC, secured by a single family housing unit constructed in 2004/2005 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing October 2025 and amortized to 2030. Repayable in blended monthly payments of $290.	**24,026**	27,326
1.88% first mortgage payable to CMHC, secured by two - 2 unit housing units acquired in 2006/2007 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing February 2027 and amortized to 2032. Repayable in blended monthly payments of $1,285.	**125,401**	138,336
2.27% first mortgage payable to CMHC, secured by one housing unit acquired in 2010/2011 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing April 2027 and amortized to 2037. Repayable in blended monthly payments of $383.	**55,387**	58,710
3.06% first mortgage payable to CMHC, secured by one housing unit acquired in 2011/2012 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing May 2027 and amortized to 2037. Repayable in blended monthly payments of $403.	**55,593**	58,760
2.22% first mortgage payable to CMHC, secured by one duplex acquired in 2013/2014 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing January 2024 and amortized to 2038. Repayable in blended monthly payments of $569.	**90,793**	95,561
0.98% first mortgage payable to CMHC, secured by one housing unit acquired in 2014/2015 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing April 2025 and amortized to 2039. Repayable in blended monthly payments of $321.	**58,864**	62,118

8. LONG-TERM DEBT (continued)

	2023	2022
1.22% first mortgage payable to CMHC, secured by one duplex acquired in 2015/2016 and by Ministerial guarantee to lending institution. This mortgage is for a 4 year term maturing July 2026 and amortized to 2041. Repayable in blended monthly payments of $409.	**78,711**	82,640
3.70% first mortgage payable to CMHC, secured by two housing units acquired in 2017/18 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing December 2027 and amortized to 2042. Repayable in blended monthly payments of $1,183.	**199,187**	207,017
0.80% first mortgage payable to CMHC, secured by one housing unit acquired in 2020/21 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing May 2025 and amortized to 2045. Repayable in blended monthly payments of $680.	**165,872**	172,684
1.73% first mortgage payable to CMHC, secured by one housing unit acquired in 2019/20 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing February 2025 and amortized to 2035. Repayable in blended monthly payments of $1,191.	**153,793**	165,321
2.88% mortgage payable to Bank of Nova Scotia, secured by two housing units. This mortgage is for a 5 year term maturing August 2024 and amortized to 2037. Repayable in monthly payments of $1,610.	**228,248**	240,926
Atlantic Canada Opportunities Agency demand loan matured January 2020 but has not been repaid as of March 31, 2023, bearing interest at an annual rate Bank of Canada rate plus 3%.	**907,074**	907,074
First Nations Finance Authority 30 year loan, repayable in blended annual payments of $688,991, bearing interest at an annual rate of 3.41%. This loan is for a 5 year term maturing June 2028 and amortized to 2047.	**11,142,925**	11,438,740
First Nations Finance Authority 30 year loan, repayable in blended annual payments of $115,039 bearing interest at an annual rate of 3.65%. This loan is for a 5 year term maturing June 2028 and amortized to 2048.	**1,807,111**	1,853,542

8. LONG-TERM DEBT (continued)

	2023	2022
First Nations Finance Authority 30 year loan, repayable in annual payments of $93,249 bearing interest at an annual rate of 2.15%. This loan is for a 10 year term maturing June 2030 and amortized to 2050.	**1,970,968**	2,021,107
First Nations Finance Authority loan due on demand, bearing interest at the Prime Lending Rate, currently 3.00%.	**1,791,910**	2,263,160
3.67% non-revolving term loan payable to Bank of Montreal, maturing March 2024, repayable in blended monthly payments of $958.	**10,542**	22,042
4.16% term loan payable to Bank of Montreal, maturing March 2028, repayable in blended monthly payments of $3,826.	**225,746**	271,658
Canada Emergency Business Accounts ("CEBA") for Corner and Economic Development, interest free until December 31, 2023 and bearing interest at 5% per annum thereafter. The loans have a forgiveness option of 25% if 75% is repaid by December 2023, maturing December 2025.	**80,000**	80,000
	$ 19,172,151	$ 20,171,287

8. LONG-TERM DEBT (continued)

Principal payments for the next 5 years are as follows:

2024	$ 3,726,345
2025	$ 973,165
2026	$ 974,617
2027	$ 976,101
2028	$ 977,618

Included in the principal repayments for 2024 is the Atlantic Canada Opportunities Agency demand loan in the amount of $907,074, which was due January 31, 2020 but not yet repaid. Accrued interest on this loan is $135,492 (2022 - $76,270) as of March 31, 2023.

Also included in the approximate principal repayments for 2024 is the First Nations Finance Authority interim financing loan in the amount of $1,791,910, which is due on demand.

	2023	2022
Interest expense on long-term debt	**$ 613,770**	$ 603,596

In addition to the above noted long-term debt, the First Nation has access to an operating demand loan in the amount of $400,000, bearing interest at BMO Prime Rate plus 0.75%. As of March 31, 2023, nil (2022 - nil) was drawn.

9. ACCUMULATED SURPLUS

	2023	2022
CMHC Replacement Reserve (Note 11)	**$ 164,134**	$ 150,153
Unrestricted Surplus	**4,204,849**	3,750,932
Trust funds held by Federal Government (Note 12)	**21,036**	21,036
	$ 4,390,019	$ 3,922,121

10. TANGIBLE CAPITAL ASSETS

	Cost					Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Opening Balance	Amortization	Disposals, Write Offs & Other Adjustments	Closing Balance	2023	2022
CMHC Housing	$ 2,189,526	$ -	$ (178,659)	$ -	$ 2,010,867	$ 627,020	$ 80,435	$ (117,442)	$ 590,013	$ 1,420,854	$ 1,562,505
Band Owned Housing	1,986,337	2,250,629	178,659	-	4,415,625	945,481	110,851	117,442	1,173,774	3,241,851	1,040,856
Commercial Buildings	8,320,640	255,466	-	-	8,576,106	1,909,503	242,029	-	2,151,532	6,424,574	6,411,137
Computer Equipment	238,372	15,309	-	-	253,681	192,710	17,330	-	210,040	43,641	45,663
Land Improvements	3,177,110	144,630	-	-	3,321,740	678,647	98,963	-	777,610	2,544,130	2,498,463
Land	522,897	-	-	-	522,897	-	-	-	-	522,897	522,897
Roads	1,219,510	-	-	-	1,219,510	569,848	35,133	-	604,981	614,529	649,661
Underground Networks	3,386,021	70,436	-	-	3,456,457	1,074,469	69,129	-	1,143,598	2,312,859	2,311,552
Vehicles & Equipment	3,237,978	327,855	-	-	3,565,833	1,885,301	237,652	-	2,122,953	1,442,880	1,352,677
	22,088,865	3,064,325	178,659	-	25,331,849	7,255,959	811,087	117,442	8,184,488	17,147,361	14,832,906
Total	$24,278,391	$ 3,064,325	$ -	$ -	$ 27,342,716	$ 7,882,979	$ 891,522	$ -	$ 8,774,501	$ 18,568,215	$ 16,395,411

11. CMHC REPLACEMENT RESERVE

	2023	2022
Balance - beginning of year	**$ 150,153**	$ 133,725
Current year allocation	**16,481**	17,663
Maturing units adjustments	**-**	-
Repairs funded from Reserve	**(2,500)**	(1,471)
Interest earned	**-**	236
Balance - end of year	**$ 164,134**	$ 150,153

The First Nation operates 10 (2022 - 12) CMHC subsidized housing projects as at March 31, 2023. Each mortgage agreement requires the First Nation to fund a set amount in a replacement reserve each year. These funds, plus accumulated interest, must be held in a separate bank account and used for future repairs or other expenditures only as approved by CMHC.

As at March 31, 2023, the First Nation has provided funding of reserves as follows:

	2023	2022
CMHC Replacement Reserve	**$ 164,134**	$ 150,153
Amount funded	**$ 118,088**	$ 118,088
Unfunded	**$ 46,046**	$ 32,065

12. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	March 31, 2022	Additions 2023	Withdrawals 2023	March 31, 2023
Revenue	$ 20,532	**$ -**	**$ -**	**$ 20,532**
Capital	504	-	-	**504**
Total	$ 21,036	**$ -**	**$ -**	**$ 21,036**

The trust funds arise 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. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

13. PENSION PLAN

The First Nation offers a defined contribution pension plan to certain employees. An expense is recorded in the period when the First Nation is obligated to make contributions for services rendered by participating employees. During the year, the First Nation contributed $140,912 (2022 - $151,930 for retirement benefits.

The First Nation does not have any other obligations with regards to the pension plan.

14. CONTINGENT LIABILITIES

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

15. FUNDING - ECONOMIC DEPENDENCE

The First Nation receives its principal source of funding under a funding arrangement with Indigenous Services Canada. The present agreement is for a ten year term ending March 31, 2029.

16. COMMITMENTS

On February 15, 2022, the Minister of Indigenous Services approved the Additions to Reserve ("ATR"), by Ministerial Order, for three parcels of land owned by Landing #1. On the same day, the First Nation entered into a 98-year head lease agreement with the Government of Canada to lease the land, for purposes of maintaining the operating building on the land, for $90,820 annually for an initial period of five years. This cost will be subsidized by funding from the Government of Canada.

17. GOVERNMENT TRANSFERS

	2023				2022			
	Operating	**Capital**	**Deferred (Note 6)**	**Total**	Operating	Capital	Deferred (Note 6)	Total
Indigenous Services Canada	**2,556,906**	**1,965,450**	**(2,059,197)**	**2,463,159**	2,058,979	781,025	(790,754)	2,049,250
Canada Mortgage and Housing Corporation	**104,573**	**2,023,393**	**(81,157)**	**2,046,809**	160,787	2,187,096	(2,044,893)	302,990
Department of Fisheries and Oceans	**88,107**	**-**	**-**	**88,107**	100,353	-	-	100,353
Atlantic Integrated Commercial Fisheries Initiative	**-**	**150,000**	**-**	**150,000**	52,000	-	-	52,000
Minister of Employment and Social Development	**-**	**68,773**	**(68,773)**	**-**	52,000	-	-	52,000
	2,749,586	**4,207,616**	**(2,209,127)**	**4,748,075**	2,424,119	2,968,121	(2,835,647)	2,556,593
Province of Nova Scotia	**199,063**	**-**	**(12,950)**	**186,113**	134,042	-	(61,712)	72,330
Total	**2,948,649**	**4,207,616**	**(2,222,077)**	**4,934,188**	2,558,161	2,968,121	(2,897,359)	2,628,923

18. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with current year presentation.

19. SEGMENT DISCLOSURE

The First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes the First Nation's operations and activities are organized and reported by program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

Band Administration
The administration department oversees the delivery of all government services and the day-to-day operations of the First Nation.

Social Services
The social services department is responsible for administering assistance payments as well as providing social services to board members.

Community Health
The community health department provides medical services to band members.

Education
The education department provides education serviced to band members including primary and secondary schooling, and sponsorship to attend post secondary institutions.

Operations, Capital and Maintenance
The operations and maintenance department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water and sanitation, fire protection, electrical and community buildings.

19. SEGMENT DISCLOSURE (continued)

Community Fisheries and Resources
The community fisheries and resources department provides fishing opportunities to band members for non-commercial purposes.

Capital (Band Housing & CMHC Housing)
This department is responsible for all capital asset activities occurring in the First Nation during the year, including housing construction and renovations.

Glooscap Corner
The Glooscap Corner operates a convenience store, gaming facility and gas bar on the First Nation.

Glooscap Landing #1
Glooscap Landing #1 owns the assets which facilitates the operation of Exit 8A Landing fuel gas bar and Sweetgrass convenience store (Note 16).

Gaming Commission
The Gaming Commission was set up to enter into an agreement with Atlantic Lottery Corporation for the operation of video lottery terminals on the First Nation.

Commercial Fisheries
The Commercial Fisheries operates three lobster fishing boats and receive occasional funding from the Aboriginal Fisheries Strategy Agreement with the Department of Fisheries and Oceans.

Economic Development
Economic Development is a corporation aimed to enhance the quality of life of the community through the development of band-owned business opportunities and provide assistance to individuals interested in creating opportunities for themselves through business activities.

Feta Cheese
The First Nation invested in a partnership to process and sell feta cheese. This operation ceased in prior year.

19. SEGMENT DISCLOSURE (continued)

For the year ended March 31, 2023

	Band Administration	Social Services	Community Health	Education	Operations, Capital & Maintenance	Community Fisheries & Resources	Band Housing	CMHC Housing	Glooscap Corner	Glooscap Landing #1	Gaming Commission	Commercial Fisheries	Economic Development	Feta Cheese	Total
Revenue															
ISC	$ 819,291	$ 477,996	$ 540,468	$ -	$ 496,544	$ -	$ -	$ -	$ -	$ 98,000	$ -	$ -	$ 30,860	$ -	$ 2,463,159
CMM	2,000	-	-	-	-	-	-	-	-	-	-	-	46,626	-	48,626
AICFI	-	-	-	-	-	150,000	-	-	-	-	-	-	-	-	150,000
CMHC	-	-	-	-	-	-	1,992,236	54,573	-	-	-	-	-	-	2,046,809
DFO	-	-	-	-	-	-	-	-	-	-	-	88,107	-	-	88,107
PNS	71,947	-	37,958	10,000	-	-	-	-	-	-	66,208	-	-	-	186,113
MET	-	64,666	-	-	-	-	-	-	-	-	-	-	-	-	64,666
KMK	-	-	-	354,794	-	-	-	-	-	-	-	-	-	-	354,794
Corner	-	-	-	-	-	-	-	-	2,906,629	-	-	-	-	-	2,906,629
Fisheries	-	-	-	-	-	1,651,424	-	-	-	-	-	-	-	-	1,651,424
Rent	51,444	-	36,799	-	-	-	-	-	-	190,100	-	-	-	-	278,343
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	130,704	-	130,704
Other	552,323	-	735	-	-	-	-	2,500	-	-	-	65,087	74,216	-	694,861
	1,497,005	542,662	615,960	364,794	496,544	1,801,424	1,992,236	57,073	2,906,629	288,100	66,208	153,194	282,406	-	11,064,235
Expenditure															
Amortization	497,813	-	-	-	-	174,415	-	80,435	60,542	75,332	-	-	2,985	-	891,522
Bank charges	96,670	-	-	-	-	10,420	-	19,805	14	20	-	-	9,516	59,222	195,667
Professional fees	55,693	-	-	-	9,541	19,391	-	23,958	3,939	15,180	-	5,000	97,026	50,821	280,549
R & M	39,129	-	-	-	3,551	32,226	40,628	7,259	7,167	13,459	-	-	9,964	-	153,383
Salaries	1,131,132	45,829	252,262	34,853	176,481	1,042,986	-	-	527,228	-	-	57,840	490,687	-	3,759,298
Supplies	555,038	2,613	267,924	9,750	419,966	332,374	-	18,036	1,507,851	79,427	-	19,892	82,890	725	3,296,486
Other	155,576	179,807	7,710	130,098	93,422	46,078	-	1,758	12,660	92,186	179,877	5,855	68,013	709	973,749
	2,531,051	228,249	527,896	174,701	702,961	1,657,890	40,628	151,251	2,119,401	275,604	179,877	88,587	761,081	111,477	9,550,654
Total	$ (1,034,046)	$ 314,413	$ 88,064	$ 190,093	$ (206,417)	$ 143,534	$ 1,951,608	$ (94,178)	$ 787,228	$ 12,496	$ (113,669)	$ 64,607	$ (478,675)	$ (111,477)	$ 1,513,581

19. SEGMENT DISCLOSURE (continued)

For the year ended March 31, 2022

	Band Administration	Social Services	Community Health	Education	Operations, Capital & Maintenance	Community Fisheries & Resources	Band Housing	CMHC Housing	Glooscap Corner	Glooscap Landing	Gaming Commission	Commercial Fisheries	Economic Development	Feta Cheese	Total
Revenue															
ISC	$ 872,094	$ 462,891	$ 486,825	$ -	$ 213,448	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,992	$ -	$ 2,049,250
CMM	2,000	-	-	-	-	-	-	-	-	-	-	-	45,268	-	47,268
AICFI	-	-	-	-	-	-	-	-	-	-	-	52,000	-	-	52,000
CMHC	-	-	-	-	-	-	192,203	110,787	-	-	-	-	-	-	302,990
DFO	-	-	-	-	-	100,353	-	-	-	-	-	-	-	-	100,353
PNS	12,500	-	-	3,405	-	-	-	-	10,000	-	42,185	-	4,240	-	72,330
MET	-	102,274	-	-	-	-	-	-	-	-	-	-	-	-	102,274
KMK	-	-	-	160,585	-	-	-	-	-	-	-	-	-	-	160,585
Corner	-	-	-	-	-	-	-	-	2,403,964	-	-	-	-	-	2,403,964
Fisheries	-	-	-	-	-	-	-	-	-	-	-	2,604,431	-	-	2,604,431
Rent	27,353	-	-	-	-	-	-	-	-	60,546	-	-	-	-	87,899
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	88,625	-	88,625
Gov't COVID Grants	-	-	-	-	-	-	-	-	7,500	-	-	-	39,910	-	47,410
Trust	397	-	-	-	-	-	-	-	-	-	-	-	-	-	397
Other	279,304	-	13,200	-	-	65,300	-	1,770	-	2,000	-	-	428,953	25	790,552
	1,193,648	565,165	500,025	163,990	213,448	165,653	192,203	112,557	2,421,464	62,546	42,185	2,656,431	620,988	25	8,910,328
Expenditure															
Amortization	402,296	-	-	-	-	-	-	95,518	65,114	127,571	-	151,274	1,820	-	843,593
Bank charges	545,433	-	-	-	-	-	-	16,454	15,508	461	(245)	18,412	2,234	34,246	632,503
Professional fees	194,662	-	-	-	-	3,000	-	57,803	423	3,513	-	27,222	65,552	31,614	383,789
R & M	4,812	-	-	-	4,899	-	21,596	17,226	15,795	31,502	-	11,242	10,943	-	118,015
Salaries	1,198,818	20,596	109,201	41,257	112,748	39,330	-	-	463,509	-	-	1,246,091	505,776	-	3,737,326
Supplies	206,052	-	290,183	39,884	260,148	37,875	-	26,629	1,322,049	81,897	528	340,232	135,640	661	2,741,778
Other	126,329	185,214	22,845	42,027	-	-	-	17,665	973	11,853	158,452	41,950	240,883	-	848,191
	2,678,402	205,810	422,229	123,168	377,795	80,205	21,596	231,295	1,883,371	256,797	158,735	1,836,423	962,848	66,521	9,305,195
Total	$ (1,484,754)	$ 359,355	$ 77,796	$ 40,822	$ (164,347)	$ 85,448	$ 170,607	$ (118,738	$ 538,093	$ (194,251)	$ (116,550)	$ 820,008	$ (341,860)	$ (66,496)	$ (394,867)

20. EXPENSES BY OBJECT

The following is a summary of expenses by object.

	2023	2022
Administration	**$ 235,854**	$ 179,607
Advertising	**33,352**	16,850
Amortization of tangible capital assets	**891,522**	843,593
Bank charges and interest	**31,352**	44,392
Bad debts	**-**	6,853
Employee benefits	**199,391**	249,772
Fees	**-**	-
Honorariums	**411,143**	389,649
Insurance	**134,296**	97,318
Interest on long-term debt	**613,770**	603,596
Loss on contract	**-**	25,444
Professional fees	**274,816**	304,996
Repairs and maintenance	**676,866**	564,606
Salaries and wages	**3,148,369**	3,257,788
Supplies and services	**2,739,704**	2,569,955
Telephone	**45,725**	53,421
Training, travel and meetings	**65,391**	55,836
Utilities	**49,103**	41,519
	$ 9,550,654	$ 9,305,195

21. FINANCIAL INSTRUMENTS

The First Nation is exposed to credit risk, liquidity risk, interest rate risk and other price risk from its financial instruments. This note describes the First Nation's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The First Nation is exposed to credit risk through its cash balances. The First Nation manages its credit risk by only holding cash at provincially and federally regulated chartered banks. Accounts receivable are held with government agencies and therefore do not pose a significant risk.

Liquidity risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation is exposed to liquidity risk through its accounts payable, grant payable and long-term debt. The First Nation manages its liquidity risk through continuous monitoring of cash activities and expected outflows through budgeting.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The First Nation is mainly exposed to interest rate risk.

The First Nation's risk management strategies are described below.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The First Nation is exposed to interest rate risk through its long-term debt. The First Nation manages its credit risk by obtaining low fixed interest terms on the majority of their debt instruments.

22. SUBSEQUENT EVENT

On May 15, 2023, the First Nation purchased the issued and outstanding shares of Yarmouth Bar which were held by a minority shareholder for $600,000. The First Nation holds 100% of the issued and outstanding shares of Yarmouth Bar.