GLOOSCAP FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

Glooscap First Nation
Financial Statements
For the year ended March 31, 2025

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GLOOSCAP FIRST NATION

Management's Responsibility for the Consolidated Financial Statements
March 31, 2025

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:

DocuSigned by:
Sidney Peters
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Chief — August 13, 2025 — Date

Councillor — August 13, 2025 — Date

Councillor — August 13, 2025 — Date

Councillor — Aug 13/25 — Date

Management — Aug 13/25 — Date

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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, 2025, 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, 2025 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
August 14, 2025

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GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash (Note 2)	$ 3,633,367	$ 3,062,606
Accounts receivable	205,969	366,959
HST recoverable	146,224	103,099
Grants receivable (Note 3)	455,929	305,598
Inventory	48,083	69,821
Investments in business enterprises (Note 4)	1,966,214	2,070,725
Investment in Pure Casino Gaming Limited Partnership (Note 5)	34,100,070	-
Investment in Indigenous Gaming Partners Inc.	80,000	-
Due from business enterprises (Note 4)	849,676	510,739
	41,485,532	6,489,547
LIABILITIES		
Accounts payable and accrued liabilities	1,494,468	1,358,717
Grant and loan payable (Note 6)	1,701,120	1,701,120
Deferred revenue (Note 7)	1,146,561	2,176,179
Due to related party (Note 8)	245,350	261,855
Long-term debt (Note 9)	53,539,697	18,291,857
	58,127,196	23,789,728
NET FINANCIAL DEBT	(16,641,664)	(17,300,181)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	18,824,900	19,349,757
Intangibles	2,548,000	2,548,000
Prepaids	325,029	292,592
	21,697,929	22,190,349
ACCUMULATED SURPLUS (Note 10)	$ 5,056,265	$ 4,890,168

APPROVED ON BEHALF OF GLOOSCAP FIRST NATION:

DocuSigned by:
Sidney Peters
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Chief

Gail Tupper
Councillor

C Sewington
Councillor

Amanda Francis
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, 2025

	Budget (Unaudited) 2025	Actual 2025	Actual 2024
REVENUE			
Indigenous Services Canada (Note 17)	$ 1,788,955	$ 4,831,121	$ 3,686,183
Mi'kmaq Employment Training Secretariat	98,174	47,091	102,376
Mi'kmaw Kina'matnewey	286,416	488,140	320,701
Province of Nova Scotia (Note 17)	-	94,296	103,420
Fisheries and Oceans Canada (Note 17)	-	159,552	174,736
Canadian Mortgage and Housing Corporation (Note 17)	280,192	520,828	162,482
Confederacy of Mainland Mi'kmaq	-	66,521	36,019
Other grant revenue	612,159	355,548	240,000
Glooscap Corner (Note 19)	3,909,241	3,632,737	3,317,973
Commercial Fisheries (Note 19)	1,979,480	2,150,180	1,673,087
Rent (Note 4)	-	367,480	378,968
Management fees (Note 4)	-	436,509	170,055
Distributions from Pure Casino Gaming LP (Note 5)	-	633,911	-
Other revenue	1,718,829	458,262	1,089,300
	10,673,446	14,242,176	11,455,300
EXPENSES			
Administration	2,077,212	3,582,274	3,189,990
Commercial Fisheries	1,664,212	2,260,782	1,519,991
Community Fisheries	160,479	78,014	157,975
Community Health	604,228	879,355	545,510
Economic Development	1,306,273	1,882,003	1,271,315
Education	257,585	278,505	161,477
Feta Cheese	95,149	159,703	101,141
Gaming	547,388	215,565	134,742
Glooscap Corner	2,543,816	2,740,843	2,101,456
Glooscap Landing operations and maintenance	292,786	484,401	271,832
Operations, Capital & Maintenance	718,035	872,003	890,909
Social Services	367,260	538,210	257,917
	10,634,423	13,971,658	10,604,255
INCOME FROM OPERATIONS	39,023	270,518	851,045
LOSS FROM BUSINESS ENTERPRISES (Note 4)	-	(104,421)	(350,896)
ANNUAL SURPLUS	39,023	166,097	500,149
ACCUMULATED SURPLUS - beginning of year	4,890,168	4,890,168	4,390,019
ACCUMULATED SURPLUS - end of year (Note 10)	$ 4,929,191	$ 5,056,265	$ 4,890,168

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, 2025

	Actual 2025	Actual 2024
ANNUAL SURPLUS	**$ 166,097**	$ 500,149
Acquisition of tangible capital assets (Note 11)	**(611,649)**	(1,694,758)
Amortization of tangible capital assets (Note 11)	**1,139,466**	913,215
Acquisition of intangible assets	**-**	(2,200,000)
Acquisition of prepaids	**(35,397)**	(209,499)
	492,420	(3,191,042)
CHANGE IN NET FINANCIAL DEBT	**658,517**	(2,690,893)
NET FINANCIAL DEBT - beginning of year	**(17,300,181)**	(14,609,288)
NET FINANCIAL DEBT - end of year	**$ (16,641,664)**	$ (17,300,181)

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, 2025

	2025	2024
CASH FLOWS FROM:		
OPERATING ACTIVITIES		
Annual surplus	**$ 166,097**	$ 500,149
Items in earnings not involving cash		
Amortization of tangible capital assets	**1,139,466**	913,215
Loss from business enterprises	**104,421**	350,896
	1,409,984	1,764,260
Net changes in working capital balances		
Accounts receivable	**160,990**	(331,977)
HST recoverable	**(43,125)**	42,278
Grants receivable	**(150,331)**	179,579
Inventory	**21,739**	(69)
Accounts payable and accrued liabilities	**135,751**	934,612
Deferred revenue	**(1,029,618)**	(46,233)
Prepaids	**(32,437)**	(209,499)
	472,953	2,332,951
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	**(611,649)**	(1,694,758)
Purchase of intangible assets	**-**	(2,200,000)
	(611,649)	(3,894,758)
INVESTING ACTIVITIES		
Acquisition of investments	**(34,180,070)**	(600,000)
Repayment from (advances to) business enterprises	**(338,857)**	30,007
	(34,518,927)	(569,993)
FINANCING ACTIVITIES		
Repayments of long-term debt	**(749,824)**	(618,806)
Advances of long-term debt	**35,994,703**	645,665
Advances from related party	**(16,495)**	10
	35,228,384	26,869
INCREASE (DECREASE) IN CASH DURING THE YEAR	**570,761**	(2,104,931)
CASH - beginning of year	**3,062,606**	5,167,537
CASH - end of year (Note 2)	**$ 3,633,367**	$ 3,062,606

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 15).
- Glooscap Economic Development Corporation Limited ("Economic Development") - development of band-owned business opportunities.
- Glooscap Entertainment Holdings Limited Partnership - holds a 20% investment in Pure Casino Entertainment Limited Partnership.

Entities accounted for on a modified equity basis include:

- Glooscap Landing #2 Limited Partnership ("Landing #2") - operates the Landing convenience store, Sweetgrass.
- 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.
- Yarmouth Bar Fisheries Limited ("Yarmouth Bar") - seafood processor (Note 4).

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 and debt reserve fund with the First Nation Finance Authority.

(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.

Management fees charged to related parties accounted for on a modified equity basis are recognized each month as earned.

(j) Financial Instruments

Cash is 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. This includes, Beaubassin Mi'Kmaq wind management Ltd., FN off shore clam resource sharing, and ANSMC Cannabis GP.

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. The First Nation does not control WEB Weavers and this is considered a portfolio investment.

The First Nation holds a partnership interest in Indigenous Gaming Partners Inc. ("IGP"), jointly with four other First Nation Investors (together the "First Nation Investors"). The First Nation Investors have shared control over IGP, however, as a general partnership, IGP is not expected to have income or hold assets or liabilities. Therefore, although a government business partnership, it has been recorded as cost.

2. CASH

	2025	2024
CMHC Replacement Reserve (a)	**122,294**	118,088
First Nation Finance Authority: Debt Reserve Fund (b)	**2,953,871**	1,098,133
Operating	**557,202**	1,846,385
	3,633,367	3,062,606

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

3. GRANTS RECEIVABLE

	2025	2024
Indigenous Services Canada	**$ 385,242**	$ 235,000
Province of Nova Scotia - casino profit share	**66,000**	66,000
Canadian Mortgage and Housing Corporation	**4,687**	4,598
	$ 455,929	$ 305,598

4. INVESTMENTS IN BUSINESS ENTERPRISES

	2025	2024
Landing #2	$ (345,407)	$ (400,064)
Glooscap Energy	451,128	410,732
Yarmouth Bar (a)	1,860,493	1,312,885
Seakist Lobster	-	747,172
	$ 1,966,214	$ 2,070,725

(a) On April 1, 2024, Seakist Lobster was amalgamated with Yarmouth Bar and the opening investment balance has been included within the investment in Yarmouth Bar as of March 31, 2025.

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 $16,552 (2024 - $50,669) in pizza sales from Landing #2.
- The First Nation earned $175,800 (2024 - $206,978) in rent from Landing #2.
- The First Nation earned $436,509 (2024 - $170,055) in management fees and grants from Landing #2, Glooscap Energy, and Yarmouth Bar.
- The First Nation earned $2,108,035 (2024 - $1,516,082) in revenue from the sale of fish to Yarmouth Bar.

The amounts due from business enterprises are:

	2025	2024
Landing #2	$ 495,465	$ 701,790
Glooscap Energy #1	812,428	159,512
Yarmouth Bar	(458,217)	(350,563)
	$ 849,676	$ 510,739

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	2025 Total	2024 Total
Financial Position					
Cash	196,721	45,469	61,763	303,953	1,122,841
Receivables	298,693	10,174	1,376,652	1,685,519	1,801,932
HST & taxes recoverable	9,909	-	3,296	13,205	62,428
Prepaids	-	-	505,008	505,008	954,990
Inventory	140,038	-	156,561	296,599	288,578
Investment tax credits	36,958	-	30,392	67,350	30,392
Future income taxes	-	-	15,800	15,800	28,894
Property, plant and equipment	36,684	1,594,106	2,871,161	4,501,951	2,986,191
Total assets	719,003	1,649,749	5,020,633	7,389,385	7,276,246
Bank indebtedness	-	-	-	-	2,265,921
Accounts payable	167,570	52,158	125,031	344,759	390,582
HST & taxes payable	-	12,941	-	12,941	10,752
Deferred revenue	-	624,313	240,024	864,337	624,313
Long-term debt	-	-	3,720,275	3,720,275	733,796
Preferred shares	-	-	1,033,483	1,033,483	1,033,483
Due to related parties	896,639	509,199	-	1,405,838	2,053,956
Total liabilities	1,064,209	1,198,611	5,118,813	7,381,633	7,112,803
Capital	19,570	10	110	19,690	19,690
Surplus (deficit)	(364,776)	451,128	(98,290)	(11,938)	143,753
Total liabilities and equity	719,003	1,649,749	5,020,633	7,389,385	7,276,246
Results of Operations					
Revenue	3,447,236	187,074	14,564,311	18,198,621	16,545,124
Expenses	(3,227,062)	(74,570)	(14,501,881)	(17,803,513)	(16,141,356)
Management fees paid to the First Nation	(165,201)	(72,108)	(199,200)	(436,509)	(170,055)
Amortization of purchase price	-	-	(63,020)	(63,020)	(110,029)
Impairment	-	-	-	-	(474,580)
Net income (loss)	54,973	40,396	(199,790)	(104,421)	(350,896)

5. INVESTMENT IN PURE CASINO GAMING LIMITED PARTNERSHIP

On October 17, 2024, the First Nation became the limited partner in Glooscap Entertainment Holdings Limited Partnership ("GEHLP"), with Glooscap Entertainment Holdings GP Inc. ("GEHGP"), a wholly-owned government entity of the First Nation, as the general partner.

The First Nation accounts for its investments in GEHLP and GEHGP as government organizations on a fully consolidated basis.

In November 2024, the First Nation issued a promissory note to the First Nation Finance Authority ("FNFA") for $35,894,800, that financed the First Nation's capital contribution in GEHLP. The partnership used the capital contribution to fund its acquisition of 20% of the limited partnership units in Pure Casino Limited Partnership ("Pure"), a portfolio investment to GEHLP. The promissory note has an interest rate of 5.00% per anum and the principal and accrued interest must be repaid the earlier of (a) five years from the first principal drawdown, (b) the date of completion of the purpose of the borrowing, and (c) the date upon which FNFA issues debt securities to replace the interim long-term financing provided to the First Nation.

In January 2025, a debenture with a principal amount of $31,684,200 was issued to replace a portion of the promissory note, with an interest rate of 4.30% per annum and a maturity of January 1, 2035. As a result, the remaining balance on the promissory note became due on demand. Refer to Note 9 for more information on the debenture.

Distributions of $633,911 were received from Pure during the year and recognized as income in GEHLP. Subsequent to year end, a further $270,000 was distributed to GEHLP.

6. GRANT AND LOAN PAYABLE

In fiscal 2019, 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 accepted $205,954 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 at March 31, 2025.

Glooscap First Nation also received a demand loan from Atlantic Canada Opportunities Agency ("ACOA") for Glooscap Ilia Gourmet Foods GP Ltd. The loan matured January 2020 but has not been repaid as of March 31, 2025. The loan bears interest at the Bank of Canada rate plus 3%. Interest accrued on this loan as of March 31, 2025 was $308,290 (2024 - $218,580) and has been included within accounts payable and accrued liabilities.

The litigation proceedings in relation to the operations of Ilia and the amounts loaned and granted to Ilia have concluded. On February 24, 2025, the Supreme Court of Nova Scotia awarded, in favour of the First Nation, amounts of $907,074, plus interest, representing the demand loan owing to ACOA , and a further $1,383,120. As of the audit report date, no amounts have been received or recorded within the consolidated financial statements for this settlement.

7. DEFERRED REVENUE

The First Nation received $5,336,700 in grants from Indigenous Services Canada to support the following projects: community infrastructure, community health, income assistance, and renovation and upgrades. Of this funding, $4,831,121 of expenses have been incurred as of year end. The remaining funding has been deferred until the associated costs have been incurred.

In a previous year, the First Nation signed a 11-year lease agreement with Yarmouth Sea Products Limited for two of the First Nation's lobster licenses. The First Nation received an advance of $140,000 for the final year of the agreement, which will continue to be deferred until revenue recognition is met.

Additional amounts received from non-government and government sources that were unspent at year-end were $500,982 (2024 - $347,084).

8. DUE TO RELATED PARTY

	2025	2024
Ilia Gourmet Canada Inc. *(minority partner of Glooscap Ilia Gourmet Foods Limited Partnership)*	**$ 245,350**	$ 261,855

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

9. LONG-TERM DEBT

	2025	2024
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.	**17,369**	20,692
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.	**98,950**	112,048
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.	**48,646**	51,912
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.	**49,245**	52,273

9. LONG-TERM DEBT (continued)

	2025	2024
3.58% 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 2029 and amortized to 2038. Repayable in blended monthly payments of $625.	**81,724**	85,499
2.87% 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 2030 and amortized to 2039. Repayable in blended monthly payments of $365.	**52,304**	55,534
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.	**70,783**	74,600
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.	**185,505**	191,607
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.	**152,189**	158,922
3.23% 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 2030 and amortized to 2035. Repayable in blended monthly payments of $1,279.	**130,549**	141,863
2.88% mortgage payable to Bank of Nova Scotia, repaid during the year.	**-**	215,293
5.28% mortgage payable to Bank of Montreal, secured by two housing units. This mortgage is for a 5 year term maturing August 2029 and amortized to 2044. Repayable in monthly payments of $1,610.	197,576	-
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.	**10,528,384**	10,840,897

9. LONG-TERM DEBT (continued)

	2025	2024
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.	**1,752,704**	1,759,285
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.	**1,871,606**	1,919,575
First Nations Finance Authority loan due on demand, bearing interest at the Prime Lending Rate, currently 3.00%.	**1,705,318**	1,786,359
4.16% term loan payable to Bank of Montreal, maturing March 2028, repayable in blended monthly payments of $3,826.	**133,916**	179,833
Promissory note due to the sellers of Yarmouth Bar Fisheries, interest-free, unsecured, due March 31, 2026.	**200,000**	200,000
6.00% term loan payable to Nova Scotia Fisheries and Aquaculture Loan Board, repayable in blended semi-annual payments of $17,474, maturing July 15, 2033.	**229,918**	250,156
BMO non-revolving loan facility, bearing interest at the prime lending rate + 1%, repayable on demand.	**168,562**	195,509
First Nations Finance Authority promissory note, bearing interest at the First Nation Finance Authority's prime lending rate and due on demand.	**4,210,600**	-
First Nation Finance Authority 25 year loan, repayable in annual payments of $1,267,387 bearing interest at annual rate of 4.30%. This loan is for a 10 year term maturing January 2035 and amortized to 2050.	**31,553,947**	-
Ford Credit Canada loan, repayable in 72 consecutive monthly payments of $1,451 bearing interest at annual rate of 1.49%.	**99,902**	-
	$ 53,539,697	$ 18,291,857

9. LONG-TERM DEBT (continued)

Principal payments for the next 5 years are as follows:

2025	3,429,483
2026	2,529,120
2027	2,332,145
2028	2,331,588
2029	2,210,685

Included in the principal repayments for 2026 is the Atlantic Canada Opportunities Agency demand loan in the amount of $907,074, which was due January 31, 2020 but not yet repaid (Note 6).

	2025	2024
Interest expense on long-term debt	**$ 1,222,269**	$ 619,653

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, 2025, $nil (2024 - $nil) was drawn.

Subsequent to year end, on July 30, 2025, the First Nation entered into a further borrowing arrangement with the First Nation Finance Authority to borrow up to $2,843,000 for purposes of development of the Glooscap market building.

10. ACCUMULATED SURPLUS

	2025	2024
CMHC Replacement Reserve (Note 12)	**$ 180,267**	$ 164,134
Unrestricted Surplus	**4,875,998**	4,204,849
	$ 5,056,265	$ 4,368,983

11. 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	2025	2024
CMHC Housing	$ 2,010,867	$ -	$ -	$ -	$ 2,010,867	$ 670,448	$ 80,435	$ -	$ 750,883	$ 1,259,984	$ 1,340,418
Band Owned Housing	4,415,625	-	-	-	4,415,625	1,284,625	174,495	-	1,459,120	2,956,505	3,131,000
Commercial Buildings	9,126,888	425,867	-	-	9,552,755	2,388,945	362,003	-	2,750,948	6,801,807	6,737,943
Computer Equipment	259,243	9,139	-	-	268,382	226,465	16,163	-	242,628	25,754	29,817
Land Improvements	3,503,385	35,260	-	-	3,538,645	880,030	115,470	-	995,500	2,543,145	2,623,355
Land	522,897	-	-	-	522,897	-	-	-	-	522,897	522,897
Roads	1,219,510	-	-	-	1,219,510	640,114	35,132	-	675,246	544,264	579,397
Underground Networks	3,456,457	-	-	-	3,456,457	1,212,728	70,538	-	1,283,266	2,173,191	2,243,730
Vehicles & Equipment	4,525,562	141,383	-	-	4,666,945	2,384,362	285,230	-	2,669,592	1,997,353	2,141,200
	27,029,567	611,649	-	-	27,641,216	9,017,269	1,059,031	-	10,076,300	17,564,916	18,009,339
Total	$29,040,434	$ 611,649	$ -	$ -	$ 29,652,083	$ 9,687,717	$ 1,139,466	$ -	$ 10,827,183	$ 18,824,900	$ 19,349,757

12. CMHC REPLACEMENT RESERVE

	2025	2024
Balance - beginning of year	**$ 164,134**	$ 150,153
Current year allocation	**16,133**	16,481
Repairs funded from Reserve	**-**	(2,500)
Balance - end of year	**$ 180,267**	$ 164,134

The First Nation operates 10 (2024 - 10) CMHC subsidized housing projects as at March 31, 2025. 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, 2025, the First Nation has provided funding of reserves as follows:

	2025	2024
CMHC Replacement Reserve	**$ 180,267**	$ 164,134
Amount funded (Note 2)	**122,294**	118,088
Unfunded	**(57,973)**	(46,046)

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 $119,809 (2023 - $140,912) 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

	2025				2024			
	Operating	**Capital**	**Deferred**	**Total**	Operating	Capital	Deferred	Total
Indigenous Services Canada	**4,615,700**	**721,000**	**(505,579)**	**4,831,121**	3,522,411	997,055	(833,283)	3,686,183
Canada Mortgage and Housing Corporation	**55,367**	**465,461**	**-**	**520,828**	135,847	107,793	(81,158)	162,482
Fisheries and Oceans Canada	**159,552**	**-**	**-**	**159,552**	174,736	-	-	174,736
Minister of Employment and Social Development	**-**	**-**	**-**	**-**	-	68,773	(68,773)	-
	4,830,619	**1,186,461**	**(505,579)**	**5,511,501**	3,832,994	1,173,621	(983,214)	4,023,401
Province of Nova Scotia	**94,296**	**-**	**-**	**94,296**	116,370	-	(12,950)	103,420
Total	**4,924,915**	**1,186,461**	**(505,579)**	**5,605,797**	3,949,364	1,173,621	(996,164)	4,126,821

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, 2025

	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	Glooscap Entertainment	Feta Cheese	Total
Revenue																
ISC	$ 537,241	$ 941,958	$ 1,133,851	$ 132,183	$ 1,371,929	$ -	$ 301,142	$ -	$ -	$ -	$ -	$ 221,937	$ 190,880	$ -	-	$ 4,831,121
CMM	-	-	-	17,055	-	-	-	-	-	-	-	-	49,466	-	-	66,521
CMHC	-	-	-	-	-	-	395,148	125,680	-	-	-	-	-	-	-	520,828
DFO	-	-	-	-	-	159,552	-	-	-	-	-	-	-	-	-	159,552
PNS	81,346	-	-	-	12,950	-	-	-	-	-	-	-	-	-	-	94,296
MET	-	-	-	47,091	-	-	-	-	-	-	-	-	-	-	-	47,091
KMK	-	925	25,225	386,990	75,000	-	-	-	-	-	-	-	-	-	-	488,140
Other Funders	221,928	133,620	-	-	-	-	-	-	-	-	-	-	-	-	-	355,548
Corner	-	-	-	-	-	-	-	-	3,632,737	-	-	-	-	-	-	3,632,737
Fisheries	-	-	-	-	-	-	-	-	-	-	-	2,150,180	-	-	-	2,150,180
Rent	77,180	-	-	-	-	-	-	112,000	-	175,800	-	-	2,500	-	-	367,480
Management Fees	376,509	-	-	-	-	-	-	-	-	-	-	-	60,000	-	-	436,509
Distribution from Pure Casino	-	-	-	-	-	-	-	-	-	-	-	-	-	633,911	-	633,911
Other	296,293	-	742	789	1,180	954	-	-	-	-	66,933	-	91,370	-	-	458,261
	1,590,497	1,076,503	1,159,818	584,108	1,461,060	160,506	696,290	237,680	3,632,737	175,800	66,933	2,372,117	394,215	633,911	-	14,242,176
Expenditure																
Administration	77,276	-	19,621	1,204	16,518	-	-	-	13,095	111,412	-	5,047	126,469	-	-	370,642
Bad Debts	-	-	-	-	-	-	-	-	749	-	-	-	85,396	-	-	86,145
Advertising	27,702	-	-	-	-	-	-	-	2,185	2,629	-	-	10,546	-	-	43,062
Amortization	575,677	-	-	-	-	-	-	80,435	52,468	154,203	-	269,056	7,627	-	-	1,139,466
Bank charges	41,349	-	25	-	278	-	-	3,294	23,056	16	549	18,280	19,104	-	32	105,984
Employee Benefits	31,657	1,722	8,052	4,410	8,117	1,687	3,721	3,998	32,146	-	-	20,826	52,568	-	-	168,903
Honorarium	385,276	-	-	-	-	-	-	-	-	-	-	-	-	-	-	385,276
Insurance	57,403	-	13,591	-	36,587	-	-	29,262	5,272	18,181	2,616	42,231	4,470	-	-	209,613
Interest on Long term Debt	230,397	-	-	-	-	-	-	23,417	66,996	90,169	-	156,879	4,675	506,658	143,079	1,222,269
Professional fees	458,151	-	-	-	568	-	-	9,460	12,894	29,480	6,250	14,455	425,482	-	16,591	973,330
R & M	14,436	2,238	42,419	-	477,354	-	71,916	131,352	33,105	58,605	-	82,064	13,746	-	-	927,235
Salaries	530,249	16,711	307,546	166,682	289,488	47,796	-	100,286	660,472	-	-	978,369	905,329	-	-	4,002,928
Supplies	48,459	508,952	478,875	104,381	1,879	23,075	29,050	1,000	1,786,485	(10)	206,149	664,992	106,214	-	-	3,959,501
Telephone	28,200	895	2,653	572	120	-	-	-	10,398	-	-	-	16,009	-	-	58,846
Training, Travel and Meetings	69,005	7,650	6,572	1,256	4,275	5,457	511	-	1,387	16,896	-	8,584	85,683	-	-	207,275
Utilities	7,553	42	-	-	36,820	-	5,126	-	40,137	2,820	-	-	18,686	-	-	111,183
	2,582,791	538,210	879,354	278,505	872,003	78,014	110,323	382,502	2,740,843	484,401	215,565	2,260,782	1,882,003	506,658	159,703	13,971,658
Total	$ (992,293)	$ 538,293	$ 280,464	$ 305,603	$ 589,057	$ 82,492	$ 585,967	$ (144,822)	$ 891,894	$ (308,601)	$ (148,632)	$ 111,335	$ (1,487,787)	$ 127,253	(159,703)	$ 270,518

19. SEGMENT DISCLOSURE (continued)

For the year ended March 31, 2024

	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	$ 689,699	$ 495,708	$ 693,919	$ -	$ 188,050	$ -	$ -	$ -	$ -	$ 402,000	$ -	$ 1,000,000	$ 216,807	$ -	$ 3,686,183
CMM	36,019	-	-	-	-	-	-	-	-	-	-	-	-	-	36,019
CMHC	-	-	-	-	-	-	107,793	54,689	-	-	-	-	-	-	162,482
DFO	-	-	-	-	-	174,736	-	-	-	-	-	-	-	-	174,736
PNS	-	-	37,420	-	-	-	-	-	-	-	66,000	-	-	-	103,420
MET	-	102,376	-	-	-	-	-	-	-	-	-	-	-	-	102,376
KMK	-	-	-	320,701	-	-	-	-	-	-	-	-	-	-	320,701
Corner	-	-	-	-	-	-	-	-	3,317,973	-	-	-	-	-	3,317,973
Fisheries	-	-	-	-	-	-	-	-	-	-	-	1,673,087	-	-	1,673,087
Rent	200,790	-	-	-	-	-	-	-	-	178,178	-	-	-	-	378,968
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	170,055	-	170,055
Other	451,405	-	82,000	-	126,647	75,300	-	10,736	-	32,546	-	240,000	310,666	-	1,329,300
	1,377,913	598,084	813,339	320,701	314,697	250,036	107,793	65,425	3,317,973	612,724	66,000	2,913,087	697,528	-	11,455,300
Expenditure															
Amortization	496,560	-	-	-	-	-	-	80,434	53,708	71,941	-	207,158	3,314	-	913,115
Bank charges	120,519	-	-	-	-	-	-	23,036	-	537	-	87,282	28,557	83,088	343,019
Professional fees	196,987	-	-	-	-	4,000	-	11,035	394	2,183	-	11,763	121,254	17,066	364,682
R & M	39,129	-	-	-	16,084	-	189,902	32,517	6,964	9,113	-	131,801	20,516	-	446,026
Salaries	1,068,484	46,663	274,596	37,309	128,913	68,292	-	-	582,101	-	-	741,873	854,416	-	3,802,647
Supplies	861,975	-	257,418	15,275	349,500	43,452	-	29,407	1,408,777	78,728	-	294,681	126,997	-	3,466,210
Other	406,336	211,254	13,496	108,893	13,947	42,231	-	16,134	49,512	109,330	134,742	45,433	116,261	987	1,268,556
	3,189,990	257,917	545,510	161,477	508,444	157,975	189,902	192,563	2,101,456	271,832	134,742	1,519,991	1,271,315	101,141	10,604,255
Total	$ (1,812,077)	$ 340,167	$ 267,829	$ 159,224	$ (193,747)	$ 92,061	$ (82,109)	$ (127,138)	$ 1,216,517	$ 340,892	$ (68,742)	$ 1,393,096	$ (573,787)	$ (101,141)	$ 851,045

20. EXPENSES BY OBJECT

The following is a summary of expenses by object.

	2025	2024
Administration	**$ 370,642**	$ 414,347
Advertising	**43,062**	17,528
Amortization of tangible capital assets	**1,139,466**	913,214
Bank charges and interest	**105,984**	50,244
Bad debts	**86,145**	75,818
Employee benefits	**168,903**	201,212
Honorariums	**385,276**	406,539
Insurance	**209,613**	153,398
Interest on long-term debt	**1,222,269**	619,653
Professional fees	**973,330**	352,148
Repairs and maintenance	**927,235**	851,539
Salaries and wages	**4,002,928**	3,451,578
Supplies and services	**3,959,500**	2,794,503
Telephone	**58,846**	70,312
Training, travel and meetings	**207,275**	186,994
Utilities	**111,183**	45,228
	$ 13,971,658	$ 10,604,255

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.

There have not been any changes in the risk from the prior year.

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.

The risk has increased from prior year as a result of increased accounts payable and a decrease in cash available at year-end.

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.

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.

The risk have increased from prior year as a result of increased debt.