GLOOSCAP FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

Glooscap First Nation
Consolidated Financial Statements
For the year ended March 31, 2026

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GLOOSCAP FIRST NATION

Management's Responsibility for the Consolidated Financial Statements
March 31, 2026

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:

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Chief	Date
DocuSigned by: Amanda Francis 8A1CB1B9ED7A4AE...	2026-07-29 | 10:55:17 EDT
Councillor	Date
DocuSigned by: Charlotte Warrington 3BE6611D49EE4D7...	2026-07-28 | 15:30:58 ADT
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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, 2026, 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, 2026 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 29, 2026

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GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

	2026	2025
FINANCIAL ASSETS		
Cash (Note 2)	**$ 5,356,001**	$ 3,633,367
Accounts receivable	**152,177**	205,969
HST recoverable	**250,856**	146,224
Grants receivable (Note 3)	**387,258**	455,929
Inventory	**50,341**	48,083
Investments in business enterprises (Note 4)	**1,331,029**	1,966,214
Investment in Pure Casino Gaming Limited Partnership (Note 5)	**34,100,070**	34,100,070
Investment in Indigenous Gaming Partners Inc.	**80,000**	80,000
Due from business enterprises (Note 4)	**967,122**	849,676
	42,674,854	41,485,532
LIABILITIES		
Operating demand loan (Note 9)	**361,787**	-
Accounts payable and accrued liabilities (Note 6)	**1,962,131**	1,494,468
Grant and loan payable (Note 6)	**1,701,120**	1,701,120
Deferred revenue (Note 7)	**908,228**	1,146,561
Due to related party (Note 8)	**245,340**	245,350
Long-term debt (Note 9)	**54,840,386**	53,539,697
	60,018,992	58,127,196
NET FINANCIAL DEBT	**(17,344,138)**	(16,641,664)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	**27,078,411**	18,824,900
Intangibles	**3,373,000**	2,548,000
Prepaids	**219,461**	325,029
	30,670,872	21,697,929
ACCUMULATED SURPLUS (Note 10)	**$ 13,326,734**	$ 5,056,265

APPROVED ON BEHALF OF GLOOSCAP FIRST NATION:

DocuSigned by: Chief Sidney Peters 3533C10738174C9...
Chief

DocuSigned by: Amanda Francis 8A1CB1B9ED7A4AE...
Councillor

Signed by: Gail Jeepper B34EB7746A214BC...
Councillor

DocuSigned by: Charlotte Warrington 3BE6611D49FE4D7...
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, 2026

	Budget (Unaudited) 2026	Actual 2026	Actual 2025
REVENUE			
Indigenous Services Canada (Note 17)	$ 5,366,868	$ 8,141,896	$ 4,831,121
Mi'kmaq Employment Training Secretariat	102,879	167,203	47,091
Mi'kmaw Kina'matnewey	808,889	1,682,918	488,140
Province of Nova Scotia (Note 17)	-	59,401	94,296
Fisheries and Oceans Canada (Note 17)	-	2,334,477	159,552
Canadian Mortgage and Housing Corporation (Note 17)	280,192	109,570	520,828
Confederacy of Mainland Mi'kmaq	-	69,299	66,521
Other grant revenue	1,163,017	1,063,199	355,548
Glooscap Corner (Note 19)	3,932,000	3,397,341	3,632,737
Commercial Fisheries (Note 19)	2,079,335	2,046,643	2,150,180
Rent (Note 19)	-	376,800	367,480
Management fees (Note 4)	643,500	876,646	436,509
Distributions from Pure Casino Gaming LP (Note 5)	3,362,731	4,332,577	633,911
Other revenue	142,964	429,757	458,262
Contingent gain (Note 6)	-	203,236	-
	17,882,375	25,290,963	14,242,176
EXPENSES			
Administration	3,134,794	2,905,688	3,638,396
Commercial Fisheries	1,840,200	2,010,597	2,260,782
Community Fisheries	107,597	133,939	78,014
Community Health	733,894	1,052,593	879,355
Economic Development	2,172,259	2,342,382	1,882,003
Education	423,514	1,311,604	278,505
Entertainment Enterprises	685,210	1,577,812	503,648
Feta Cheese	-	140,145	159,703
Gaming	417,132	464,305	215,565
Glooscap Corner	3,060,019	2,231,338	2,740,843
Glooscap Landing operations and maintenance	398,509	635,859	484,401
Operations, Capital & Maintenance	802,888	587,748	312,233
Social Services	392,906	991,276	538,210
	14,168,922	16,385,286	13,971,658
INCOME FROM OPERATIONS	3,713,453	8,905,677	270,518
INCOME (LOSS) FROM BUSINESS ENTERPRISES (Note 4)	685,210	(635,208)	(104,421)
ANNUAL SURPLUS	4,398,663	8,270,469	166,097
ACCUMULATED SURPLUS - beginning of year	5,056,265	5,056,265	4,890,168
ACCUMULATED SURPLUS - end of year (Note 10)	$ 9,454,928	$ 13,326,734	$ 5,056,265

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, 2026

	Actual 2026	Actual 2025
ANNUAL SURPLUS	**$ 8,270,469**	$ 166,097
Acquisition of tangible capital assets (Note 11)	**(9,411,842)**	(611,649)
Amortization of tangible capital assets (Note 11)	**1,155,791**	1,139,466
Acquisition of intangible assets	**(825,000)**	-
Disposal of capital assets, net	**2,540**	-
Use (acquisition) of prepaids	**105,568**	(35,397)
	(8,972,943)	492,420
CHANGE IN NET FINANCIAL DEBT	**(702,474)**	658,517
NET FINANCIAL DEBT - beginning of year	**(16,641,664)**	(17,300,181)
NET FINANCIAL DEBT - end of year	**$ (17,344,138)**	$ (16,641,664)

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, 2026

	2026	2025
CASH FLOWS FROM:		
OPERATING ACTIVITIES		
Annual surplus	**$ 8,270,469**	$ 166,097
Items in earnings not involving cash		
Amortization of tangible capital assets	**1,155,791**	1,139,466
Loss (gain) on disposal of capital assets, net of transfers	**(75,149)**	-
Loss from business enterprises	**635,207**	104,421
	9,986,318	1,409,984
Net changes in working capital balances		
Accounts receivable	**53,792**	160,990
HST recoverable	**(104,632)**	(43,125)
Grants receivable	**68,671**	(150,331)
Inventory	**(2,259)**	21,739
Accounts payable and accrued liabilities	**467,663**	135,751
Deferred revenue	**(238,333)**	(1,029,618)
Prepaids	**105,568**	(32,437)
	10,336,788	472,953
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	**(9,411,842)**	(611,649)
Proceeds on disposal of tangible capital assets	**77,690**	-
Purchase of intangible assets	**(825,000)**	-
	(10,159,152)	(611,649)
INVESTING ACTIVITIES		
Acquisition of investments and advances of share capital	**(22)**	(34,180,070)
Advances to business enterprises	**(117,446)**	(338,857)
	(117,468)	(34,518,927)
FINANCING ACTIVITIES		
Repayments of long-term debt	**(5,934,970)**	(749,824)
Increase in bank indebtedness	**361,787**	-
Advances of long-term debt	**7,235,659**	35,994,703
Advances from (repayments to) related party	**(10)**	(16,495)
	1,662,466	35,228,384
INCREASE (DECREASE) IN CASH DURING THE YEAR	**1,722,634**	570,761
CASH - beginning of year	**3,633,367**	3,062,606
CASH - end of year (Note 2)	**$ 5,356,001**	$ 3,633,367

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, Feta Cheese, and Glooscap Entertainment Enterprises.

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, as well as the Market (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 ("Energy #1") - invests in renewable energy projects.
- Glooscap Energy #2 Limited Partnership ("Energy #2") - invests in wind energy projects.
- Yarmouth Bar Fisheries Limited ("Yarmouth Bar") - seafood processor.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

- Kluskap Health & Safety Limited Partnership ("Health & Safety") - provides health and safety services.
- Kluskap Suliewei Group Limited Partnership ("Suliewei") - acts as a holding company for various portfolio investments in the defence industry and other service industry, including the Kluskap-Lindsay Partnership.
- Kluskap Security Services Limited Partnership ("Security") - used to secure and carry out contracts in the security services sector.
- The Market @ Glooscap Landing Limited Partnership ("Market") - a market selling seafood, produce, and artisanal products; operations have not yet commenced.

(d) Cash

Cash consists of unrestricted cash including cash on hand and in bank, and externally restricted cash including replacement reserve cash, debt reserve fund with the First Nation Finance Authority, and cash held in trust.

(e) 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
Construction in progress	none

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.

(f) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(g) 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.

(h) 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.

(i) Financial Instruments

Cash is measured at fair value. Accounts receivable, HST recoverable, grants receivable, accounts payable, grants and loans payable, due to related parties, 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.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

year. There are no financial instruments subsequently measured at fair value and therefore there is no statement of remeasurement gains and losses.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

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.

(j) 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.

(k) 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.

(l) 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.

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

	2026	2025
CMHC Replacement Reserve (a)	**$ 399**	$ 118,088
First Nation Finance Authority: Debt Reserve Fund (b)	**3,274,442**	2,953,871
Funds held in trust (c)	**600,000**	-
Operating	**1,481,160**	561,408
	$ 5,356,001	$ 3,633,367

(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 (Note 12).

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

(c) Funds held in trust represent cash held by the First Nation's legal counsel, the Designated Administrator of the trust are restricted for purchases made under the Community-Based Access Acquisition Contribution Agreement.

3. GRANTS RECEIVABLE

	2026	2025
Indigenous Services Canada	**$ 265,357**	$ 385,242
Province of Nova Scotia - casino profit share accrual	**66,000**	66,000
Canadian Mortgage and Housing Corporation	**55,901**	4,687
	$ 387,258	$ 455,929

4. INVESTMENTS IN BUSINESS ENTERPRISES

	2026	2025
Landing #2	**$ (383,558)**	$ (345,407)
Energy #1	**807,381**	451,128
Yarmouth Bar	**1,229,299**	1,860,493
Health & Safety	**(39,697)**	-
Energy #2	**(229,971)**	-
Suliewei	**3,897**	-
Security	**(49,426)**	-
Market	**(6,896)**	-
	$ 1,331,029	$ 1,966,214

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 $83,313 (2025 - $16,552) in pizza sales from Landing #2.
- The First Nation earned $203,200 (2025 - $175,800) in rent from Landing #2.
- The First Nation earned $876,646 (2025 - $436,509) in management fees and grants from Landing #2, Energy #1, Yarmouth Bar, Health & Safety, and Suliewei.
- The First Nation earned $2,013,454 (2025 - $2,108,035) in revenue from the sale of fish to Yarmouth Bar.

The amounts due (to) from business enterprises are:

	2026	2025
Landing #2	**$ 727,603**	$ 495,465
Energy #1	**361,013**	812,428
Yarmouth Bar	**(67,387)**	(458,217)
Health & Safety	**107,887**	-
Suliewei	**(307,381)**	-
Security	**43,948**	-
Market	**101,439**	-
	$ 967,122	$ 849,676

These amounts are unsecured, interest-free, with no set terms of repayment. Included in amounts owing to Suliewei is an amount owing to Kluskap-Lindsay Partnership in the amount of $580,662 (2025 - $nil).

4. INVESTMENTS IN BUSINESS ENTERPRISES (continued)

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

	Landing #2	Energy #1	Yarmouth Bar	Health & Safety	Energy #2	Suliewei	Security	Market	2026 Total	2025 Total
Financial Position										
Cash	425,983	41,967	165,730	3,213	-	16,247	15,732	94,554	**763,426**	303,953
Receivables	-	21,467	827,916	39,416	-	-	18,612	-	**907,411**	1,685,519
Due from related parties	-	-	102,179	-	-	-	-	-	**102,179**	-
HST & taxes recoverable	42,524	-	-	46	-	10,973	4,622	-	**58,165**	13,205
Prepaids	-	3,246	44,990	-	-	-	-	-	**48,236**	505,008
Inventory	132,262	-	314,431	-	-	-	-	-	**446,693**	296,599
Investment tax credits	-	-	30,392	-	-	-	-	-	**30,392**	67,350
Future income taxes	-	-	132,622	-	-	-	-	-	**132,622**	15,800
Property, plant and equipment	23,256	2,419,362	1,646,647	-	-	-	-	-	**4,089,265**	4,501,951
Investment in WEB Weaver Mountain Wind Limited Partnership	-	-	-	-	20,008,790	-	-	-	**20,008,790**	-
Investment in WEB Sugar Maple Wind Limited Partnership	-	-	-	-	1,259,700	-	-	-	**1,259,700**	-
Investment in Kluskap-Lindsay Partnership	-	-	-	-	-	265,148	-	-	**265,148**	-
Total assets	624,025	2,486,042	3,264,907	42,675	21,268,490	292,368	38,966	94,554	**28,112,027**	7,389,385
Bank indebtedness	-	-	2,268,201	-	-	-	-	-	**2,268,201**	-
Accounts payable	225,748	8,800	97,754	8,752	166,618	8,493	19,129	-	**535,294**	344,759
HST & taxes payable	-	9,667	393	-	-	-	-	-	**10,060**	12,941
Deferred revenue	-	624,314	-	-	-	-	-	-	**624,314**	864,337
Long-term debt	-	622,277	431,847	-	21,331,843	-	-	-	**22,385,967**	3,720,275
Preferred shares	-	-	1,033,483	-	-	-	-	-	**1,033,483**	1,033,483
Due to related parties	794,890	413,594	-	73,620	-	279,978	69,263	101,450	**1,732,795**	1,405,838
Obligations under capital leases	-	-	63,520	-	-	-	-	-	**63,520**	-
Total liabilities	1,020,638	1,678,652	3,895,198	82,372	21,498,461	288,471	88,392	101,450	**28,653,634**	7,381,633
Capital	19,570	10	110	1	-	1	10	10	**19,712**	19,690
Surplus (deficit)	(416,183)	807,380	(630,401)	(39,698)	(229,971)	3,896	(49,436)	(6,906)	**(561,319)**	(11,938)
Total liabilities and equity	624,025	2,486,042	3,264,907	42,675	21,268,490	292,368	38,966	94,554	**28,112,027**	7,389,385
Results of Operations										
Revenue	2,382,244	747,005	9,173,878	200,593	-	265,148	132,501	-	**12,901,369**	18,198,621
Expenses	(2,218,395)	(223,252)	(9,552,856)	(45,145)	(229,971)	(141,252)	(181,937)	(6,906)	**(12,599,714)**	(17,803,513)
Management fees paid to the First Nation	(202,000)	(167,500)	(192,000)	(195,146)	-	(120,000)	-	-	**(876,646)**	(436,509)
Amortization of purchase price	-	-	(60,216)	-	-	-	-	-	**(60,216)**	(63,020)
Net income (loss)	(38,151)	356,253	(631,194)	(39,698)	(229,971)	3,896	(49,436)	(6,906)	**(635,207)**	(104,421)

4. INVESTMENTS IN BUSINESS ENTERPRISES (continued)

The following presents important notes for the business enterprises:

Investments

Energy #2
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 investment in WEB Weaver Mountain Wind LP and WEB Sugar Maple Wind as at March 31, 2026 are $20,008,790 and $1,259,700 respectively.

Bank indebtedness

Yarmouth Bar
The Company has a $4,000,000 demand operating facility available, bearing interest at the prime rate plus 0.75%, repayable on demand. Interest is calculated in arrears and payable monthly on the last day of the month. As at year end, $2,268,201 (2025 - $3,244,208) was drawn. The credit facility is secured by a general security agreement and requires the Company to maintain a debt coverage ratio of greater than or equal to 1.10:1. The Company was in breach of the covenant as of year end.

Long-term debt

Energy #1
Energy #1 has a 30 year loan with Ulnooweg Development Group Inc., repayable in monthly payments of $43,782 bearing interest at annual rate of 4%. This loan is for a 5 year term maturing June 2030 and amortized to 2056. The outstanding balance as of March 31, 2026 was $622,277 (2025 - $nil).

Yarmouth Bar
The Company has a loan with Ford Credit Canada Company, secured by a vehicle with a net book value of $78,125, bearing interest at 8.12% and repayable in monthly instalments of $1,987, maturing in October 2028. The outstanding balance was $56,891 as at March 31, 2026 (2025 - $73,806).

The Company also has a non-interest-bearing loan with the Atlantic Canada Opportunities Agency ("ACOA"). The loan is unsecured and repayable through monthly principal payments of $5,000 until November 2034, followed by a final payment of $50,000. The outstanding balance was $500,000 as at March 31, 2026 (2025 - $500,000).

As the ACOA loan is non-interest-bearing, it was initially recorded at its fair value, resulting in a deemed discount that is being amortized over the term of the loan. The unamortized discount amounted to $125,044 as at March 31, 2026 (2025 - $184,417).

Under the terms of the ACOA loan agreement, the Company is required to maintain a minimum equity balance of $500,000. This covenant was not met as at March 31, 2026.

4. INVESTMENTS IN BUSINESS ENTERPRISES (continued)

Energy #2

The balance is comprised of two loans in the wind partnerships disclosed in the investments section above:

WEB Sugar Maple Wind Limited Partnership loan, repayable in monthly payments of $4,271 and bearing interest at an annual rate of 4%, secured by a pledge of the First Nation's funded shares in the partnership. The loan matures on the earlier of the expiry of the partnership agreement or the date on which all outstanding principal becomes due and payable. The outstanding balance as at March 31, 2026 was $1,260,210 (2025 - $nil).

WEB Weaver Mountain Wind Limited Partnership loan, repayable in monthly payments of $16,674 and bearing interest at an annual rate of 1%, secured by a pledge of the First Nation's funded shares in the partnership. The loan matures on the earlier of the expiry of the partnership agreement or the date on which all outstanding principal becomes due and payable. The outstanding balance as at March 31, 2026 was $20,009,299 (2025 - $nil).

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 promissory note is comprised of $34,100,070 representing the investment and $1,794,730 representing the initial required debt reserve fund held with FNFA. 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 annum and the principal and accrued interest must be repaid the earlier of (a) five years from the first principal draw down, (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 $4,332,577 (2025 - $633,911) were received from Pure during the year and recognized as income in GEHLP. Of the distributions received, $2,332,577 was applied toward servicing the related long-term debt, and $2,000,000 was received in cash by the First Nation.

5. INVESTMENT IN PURE CASINO GAMING LIMITED PARTNERSHIP (continued)

Subsequent to year end, on June 24, 2026, the First Nation, through its participation in Indigenous Gaming Partners, completed the acquisition of Gamehost Inc, an Alberta-based gaming and hospitality company, through its 20% investment in Pure Casino, held by GEHLP. The total purchase consideration was $282,300,000, with GEHLP's 20% investment being $56,700,000. No amounts have been recognized in the consolidated financial statements as a result of this transaction as it occurred subsequent to year end.

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, 2026.

Glooscap First Nation also received a demand loan from Atlantic Canada Opportunities Agency ("ACOA") in the amount of $907,074 for Glooscap Ilia Gourmet Foods GP Ltd. The loan matured January 2020 but has not been repaid as of March 31, 2026. The loan bears interest at the Bank of Canada rate plus 3%. Interest accrued on this loan as of March 31, 2026 was $405,149 (2025 - $308,290) 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, $203,236 (2025 - $nil) have been received and recorded within the consolidated financial statements for this settlement.

7. DEFERRED REVENUE

	2026	2025
Indigenous Services Canada	**$ 168,228**	$ 1,006,561
Fisheries and Oceans Canada	**600,000**	-
Yarmouth Sea Products Limited	**140,000**	140,000
	$ 908,228	$ 1,146,561

8. DUE TO RELATED PARTY

	2026	2025
Ilia Gourmet Canada Inc. *(minority partner of Glooscap Ilia Gourmet Foods Limited Partnership)*	**$ 245,340**	$ 245,350

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

9. LONG-TERM DEBT

	2026	2025
2.82% first mortgage payable to CMHC, secured by one housing unit constructed in 2004/05 and by Ministerial guarantee to lending institution. The mortgage is for a 5-year term, maturing October 2030 and amortized to 2030. Repayable in blended monthly payments of $304.	**14,084**	17,369
1.88% first mortgage payable to CMHC, secured by two 2-unit housing units acquired in 2006/07 and by Ministerial guarantee to lending institution. The mortgage is for a 5-year term, maturing February 2027 and amortized to 2037. Repayable in blended monthly payments of $1,295.	**85,246**	98,950
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.	**45,104**	48,646
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.	**45,848**	49,245
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.	**77,030**	81,724
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.	**49,412**	52,304
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.	**66,704**	70,783
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.	**177,951**	185,505

9. LONG-TERM DEBT (continued)

	2026	2025
2.99% first mortgage payable to CMHC, secured by one housing unit acquired 2021/22 and by Ministerial guarantee to lending institution. The mortgage is for a 5-year term, maturing May 2030 and amortized to 2045. Repayable in blended monthly payments of $835.	**146,632**	152,189
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.	**119,182**	130,549
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.	**175,145**	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.	**10,129,774**	10,528,384
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.	**1,717,927**	1,752,704
2.15% First Nations Finance Authority 30 year loan, repaid during the year with proceeds from demand loan (below).	**-**	1,871,606
First Nations Finance Authority loan due on demand, bearing interest at the Prime Lending Rate, currently 3.00%.	**3,459,896**	1,705,318
4.16% term loan payable to Bank of Montreal, maturing March 2028, repayable in blended monthly payments of $3,826.	**88,002**	133,916
Promissory note due to the sellers of Yarmouth Bar Fisheries, repaid during the year.	**-**	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.	**208,454**	229,918
BMO non-revolving loan facility, bearing interest at the prime lending rate + 1%, repayable on demand.	**154,802**	168,562

9. LONG-TERM DEBT (continued)

	2026	2025
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.	**30,764,176**	31,553,947
Ford Credit Canada loan, repayable in 72 consecutive monthly payments of $1,451 bearing interest at annual rate of 1.49%.	**79,358**	99,902
First Nation Finance Authority 25 year loan, repayable in semi-annual payments of $123,269 bearing interest at annual rate of 3.08%. This loan is for a 5 year term maturing June 2030 and amortized to 2051.	**4,163,833**	4,210,600
First Nation Finance Authority 30 year loan, repayable in semi-annual payments of $43,782 bearing interest at annual rate of 3.08%. This loan is for a 5 year term maturing June 2030 and amortized to 2056.	**2,811,423**	-
Ford Credit Canada loan, repayable in 60 consecutive monthly payments of $5,246 bearing interest at annual rate of 2.99%.	**58,966**	-
Kubota Canada loan, repayable in 60 consecutive monthly interest-free payments of $3,058.	**159,064**	-
Scotiabank financing loan, secured by equipment with a net book value of $48,260, bearing interest at 7.49% per annum, repayable in 72 monthly payments of $837, maturing in April 2031.	**42,373**	-
	$ 54,840,386	$ 53,539,697

Principal payments for the next 5 years are as follows:

2026	3,535,829
2027	2,065,576
2028	2,108,596
2029	2,066,307
2030	2,207,746

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).

	2026	2025
Interest expense on long-term debt	**$ 2,320,417**	$ 1,222,269

9. LONG-TERM DEBT (continued)

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, 2026, $361,787 (2025 - $nil) was drawn.

Subsequent to year end, on June 3, 2026, the First Nation amended the terms of the operating demand loan to borrow up to $750,000.

10. ACCUMULATED SURPLUS

	2026	2025
CMHC Replacement Reserve (Note 12)	**$ 252,881**	$ 185,665
Unrestricted Surplus	**13,073,853**	4,870,600
	$ 13,326,734	$ 5,056,265

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	2026	2025
CMHC Housing	$ 2,010,867	$ -	$ -	$ -	$ 2,010,867	$ 750,883	$ 80,435	$ -	$ 831,318	$ 1,179,549	$ 1,259,984
Band Owned Housing	4,415,625	-	-	-	4,415,625	1,459,120	174,495	-	1,633,615	2,782,010	2,956,505
Commercial Buildings	9,552,755	263,295	-	-	9,816,050	2,750,948	309,537	-	3,060,485	6,755,565	6,801,807
Computer Equipment	268,382	79,420	(2,540)	-	345,262	242,628	19,096	-	261,724	83,538	25,754
Land Improvements	3,538,645	-	-	-	3,538,645	995,500	182,677	-	1,178,177	2,360,468	2,543,145
Land	522,897	10,675	-	-	533,572	-	-	-	-	533,572	522,897
Roads	1,219,510	-	-	-	1,219,510	675,246	34,759	-	710,005	509,505	544,264
Underground Networks	3,456,457	-	-	-	3,456,457	1,283,266	70,538	-	1,353,804	2,102,653	2,173,191
Vehicles & Equipment	4,666,945	1,819,238	(48,828)	-	6,437,355	2,669,592	284,254	(48,828)	2,905,018	3,532,337	1,997,353
Construction in Progress	-	7,239,214	-	-	7,239,214	-	-	-	-	7,239,214	-
	27,641,216	9,411,842	(51,368)	-	37,001,690	10,076,300	1,075,356	(48,828)	11,102,828	25,898,862	17,564,916
Total	$29,652,083	$ 9,411,842	$ (51,368)	$ -	$ 39,012,557	$ 10,827,183	$ 1,155,791	$ (48,828)	$ 11,934,146	$ 27,078,411	$ 18,824,900

12. CMHC REPLACEMENT RESERVE

	2026	2025
Balance - beginning of year	**$ 185,665**	$ 164,134
Current year allocation	**67,216**	21,531
Balance - end of year	**$ 252,881**	$ 185,665

The First Nation operates 10 (2025 - 10) CMHC subsidized housing projects as at March 31, 2026. 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, 2026, the First Nation has provided funding of reserves as follows:

	2026	2025
CMHC Replacement Reserve	**$ 252,881**	$ 185,665
Amount funded (Note 2)	**399**	118,088
Unfunded	**$ (252,482)**	$ (67,577)

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 $140,548 (2025 - $119,809) 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

	2026				2025			
	Operating	**Capital**	**Deferred**	**Total**	Operating	Capital	Deferred	Total
Indigenous Services Canada	**$ 3,744,765**	**$ 4,565,359**	**$ (168,228)**	**$ 8,141,896**	$ 4,615,700	$ 721,000	$ (505,579)	$ 4,831,121
Canada Mortgage and Housing Corporation	**109,570**	**-**	**-**	**109,570**	55,367	465,461	-	520,828
Fisheries and Oceans Canada	**234,477**	**2,700,000**	**(600,000)**	**2,334,477**	159,552	-	-	159,552
	4,088,812	**7,265,359**	**(768,228)**	**10,585,943**	4,830,619	1,186,461	(505,579)	5,511,501
Province of Nova Scotia	**59,401**	**-**	**-**	**59,401**	94,296	-	-	94,296
Total	**$ 4,148,213**	**$ 7,265,359**	**$ (768,228)**	**$10,645,344**	$ 4,924,915	$ 1,186,461	$ (505,579)	$ 5,605,797

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 band 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 four 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 a prior year.

Glooscap Entertainment Enterprises
Glooscap Entertainment Enterprises holds the First Nation's investment in casino operations and received distributions related to these investments.

19. SEGMENT DISCLOSURE (continued)

For the year ended March 31, 2026

	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	Entertainment Enterprises	Total
Revenue																
ISC	$ 435,831	$ 988,834	$ 764,211	$ 8,239	$ 3,643,665	$ -	$ 1,273,430	$ -	$ -	$ 698,176	$ -	$ -	$ 329,510	$ -	$ -	$ 8,141,896
CMM	-	22,132	8,955	-	-	-	-	-	-	-	-	-	38,212	-	-	69,299
CMHC	-	-	-	-	-	-	51,000	58,570	-	-	-	-	-	-	-	109,570
DFO	-	-	-	-	-	234,477	-	-	-	-	-	2,100,000	-	-	-	2,334,477
PNS	10,000	-	49,401	-	-	-	-	-	-	-	-	-	-	-	-	59,401
MET	-	167,203	-	-	-	-	-	-	-	-	-	-	-	-	-	167,203
KMK	-	20,343	4,150	1,658,425	-	-	-	-	-	-	-	-	-	-	-	1,682,918
Rent	250	-	-	-	-	-	-	-	-	362,300	-	-	14,250	-	-	376,800
Management fees	227,500	-	-	-	-	-	-	-	-	-	-	-	649,146	-	-	876,646
Other grants	576,983	26,943	82,000	-	69,273	-	-	-	-	250,000	-	-	58,000	-	-	1,063,199
Other revenue	363,018	-	-	-	-	-	-	31,123	13,648	-	1,000	1,495	19,473	-	-	429,757
Own source revenue	-	-	-	-	-	-	-	-	3,397,341	-	-	2,046,643	-	-	-	5,443,984
Contingent gain	-	-	-	-	-	-	-	-	-	-	-	-	203,236	-	-	203,236
GEHLP distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,332,577	4,332,577
	1,613,582	1,225,455	908,717	1,666,664	3,712,938	234,477	1,324,430	89,693	3,410,989	1,310,476	1,000	4,148,138	1,311,827	-	4,332,577	25,290,963
Expenditure																
Administration	124,773	38,006	17,159	-	15,535	-	-	1,255	38,136	52,037	22,400	4,846	172,576	1	-	486,724
Amortization	605,927	-	-	-	-	-	-	80,435	53,453	119,199	-	281,221	15,556	-	-	1,155,791
Band support	4,896	824,120	469,738	366,441	29,557	62,472	2,872	2,099	1,407	-	431,789	-	2,864	-	-	2,198,255
Cost of goods sold	-	-	-	-	-	-	-	-	1,152,568	-	-	584,020	-	-	-	1,736,588
Insurance	109,755	-	-	-	-	-	-	29,262	10,349	18,181	2,616	44,757	14,556	-	-	229,476
Interest and bank charges	226,292	188	524	-	-	-	982	22,543	68,269	145,044	-	126,024	24,875	128,670	1,577,006	2,320,417
Other	(59,075)	-	154	-	640	-	-	-	7,802	27,521	-	(1,494)	(23,894)	-	-	(48,346)
Professional fees	533,569	1,452	-	-	-	-	-	33,191	22,994	35,804	7,500	23,062	542,099	11,474	806	1,211,951
Rent	-	-	-	-	-	-	-	-	60,000	90,820	-	-	100,542	-	-	251,362
R & M	18,999	53,344	9,582	-	306,831	-	91,567	122,045	46,768	132,958	-	14,480	18,560	-	-	815,134
Salaries and benefits	559,120	68,646	554,301	944,011	140,540	50,142	80,311	81,250	738,814	-	-	933,681	1,340,494	-	-	5,491,310
Supplies and utilities	-	1,649	-	-	94,644	-	500	-	29,817	14,295	-	-	12,186	-	-	153,091
Travel & entertainment	232,193	3,871	1,135	1,152	-	21,325	928	-	961	-	-	-	121,968	-	-	383,533
	2,356,449	991,276	1,052,593	1,311,604	587,747	133,939	177,160	372,080	2,231,338	635,859	464,305	2,010,597	2,342,382	140,145	1,577,812	16,385,286
Total	$ (742,867)	$ 234,179	$ (143,876)	$ 355,060	$ 3,125,191	$ 100,538	$ 1,147,270	$ (282,387)	$ 1,179,651	$ 674,617	$ (463,305)	$ 2,137,541	$ (1,030,555)	$ (140,145)	$ 2,754,765	$ 8,905,677

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	Entertainment Enterprises	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 grants	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	1,181	954	-	-	-	-	66,933	-	91,370	-	-	458,262
	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	394,216	633,911	-	14,242,176
Expenditure																
Administration	63,205	53,638	23,504	2,249	20,913	3,375	511	-	46,469	28,059	-	8,740	264,970	-	-	515,633
Amortization	575,677	-	-	-	-	-	-	80,435	52,468	154,203	-	269,056	7,627	-	-	1,139,466
Band support	-	463,144	499,218	104,381	7,329	23,074	29,435	3,606	-	-	206,149	-	-	-	-	1,336,336
Cost of goods sold	-	-	-	-	-	-	-	-	1,766,442	-	-	660,768	50,337	-	-	2,477,547
Insurance	57,403	-	13,591	-	36,587	-	-	29,262	5,272	18,181	2,616	42,231	4,470	-	-	209,613
Interest and bank charges	271,747	-	25	-	278	-	-	26,711	90,052	90,185	549	175,159	23,779	506,658	143,112	1,328,254
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	501,213	-	-	-	568	-	-	9,460	12,894	29,480	6,250	14,455	425,482	-	16,590	1,016,392
Rent	-	-	-	-	-	-	-	-	-	90,820	-	-	54,797	-	-	145,617
R & M	39,373	-	22,712	-	477,354	-	71,531	128,745	33,105	58,605	-	82,064	13,746	-	-	927,235
Salaries and benefits	952,632	18,432	315,598	171,092	292,155	49,483	3,721	104,283	692,618	-	-	999,195	957,897	-	-	4,557,106
Supplies and utilities	7,553	42	-	-	36,819	-	5,126	-	40,137	2,820	-	-	18,686	-	-	111,183
Travel & entertainment	113,989	2,954	4,706	783	-	2,082	-	-	1,387	12,048	-	9,114	60,213	-	-	207,276
	2,582,792	538,210	879,355	278,505	872,003	78,014	110,324	382,502	2,740,844	484,401	215,564	2,260,782	1,882,004	506,658	159,702	13,971,658
Total	$ (992,295)	$ 538,293	$ 280,463	$ 305,603	$ 589,057	$ 82,492	$ 585,966	$ (144,822)	$ 891,893	$ (308,601)	$ (148,631)	$ 111,335	$ (1,487,788)	$ 127,253	$ (159,702)	$ 270,518

20. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2026	2025
Administration	**$ 486,724**	$ 515,633
Amortization	**1,155,791**	1,139,466
Band support	**2,198,255**	1,336,336
Cost of goods sold	**1,736,588**	2,477,547
Insurance	**229,476**	209,613
Interest and bank charges	**2,320,417**	1,328,253
Other	**(48,346)**	-
Professional fees	**1,211,951**	1,016,392
Rent	**251,362**	145,617
Repairs and maintenance	**815,134**	927,235
Salaries and benefits	**5,491,310**	4,557,107
Supplies and utilities	**153,091**	111,183
Travel and entertainment	**383,533**	207,275
	$ 16,385,286	$ 13,971,658

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.

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

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 has increased from prior year as a result of increased debt.