

GLOOSCAP FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

Glooscap First Nation
Financial Statements
For the year ended March 31, 2024

CONTENTS

| | PAGE |
|---|--------|
| Management's Responsibility for the Consolidated Financial Statements | 1 |
| Independent Auditor's Report | 2 - 3 |
| Consolidated Statement of Financial Position | 4 |
| Consolidated Statement of Operations | 5 |
| Consolidated Statement of Change in Net Financial Debt | 6 |
| Consolidated Statement of Cash Flows | 7 |
| Notes to the Consolidated Financial Statements | 8 - 26 |

GLOOSCAP FIRST NATION

Management's Responsibility for the Consolidated Financial Statements March 31, 2024

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

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

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

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

On behalf of Glooscap First Nation:



Chief

July 31/24

Date



Councilor

July 31/24

Date



Councilor

July 31/24

Date



Councilor

July 31/24

Date



Management

July 31/24

Date

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, 2024, 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, 2024 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.



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.

Chartered Professional Accountants

Halifax, Nova Scotia

July 31, 2024

GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

| | 2024 | 2023 |
|--|--------------|--------------|
| FINANCIAL ASSETS | | |
| Cash (Note 2) | \$ 3,062,606 | \$ 5,167,537 |
| Accounts receivable | 366,959 | 34,982 |
| HST recoverable | 103,099 | 145,377 |
| Grants receivable (Note 3) | 305,598 | 485,177 |
| Inventory | 69,821 | 69,752 |
| Investments in business enterprises (Note 4) | 2,070,725 | 1,821,700 |
| Due from business enterprises (Note 4) | 510,739 | 540,746 |
| | <hr/> | <hr/> |
| | 6,489,547 | 8,265,271 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 1,358,717 | 424,105 |
| Grant and loan payable (Note 5) | 1,701,120 | 1,701,120 |
| Deferred revenue (Note 6) | 2,176,179 | 2,222,412 |
| Due to related party (Note 7) | 261,855 | 261,845 |
| Long-term debt (Note 8) | 18,291,857 | 18,265,077 |
| | <hr/> | <hr/> |
| | 23,789,728 | 22,874,559 |
| NET FINANCIAL DEBT | <hr/> | <hr/> |
| | (17,300,181) | (14,609,288) |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Note 10) | 19,349,757 | 18,568,214 |
| Intangibles | 2,548,000 | 348,000 |
| Prepays | 292,592 | 83,093 |
| | <hr/> | <hr/> |
| | 22,190,349 | 18,999,307 |
| ACCUMULATED SURPLUS (Note 9) | <hr/> | <hr/> |
| | \$ 4,890,168 | \$ 4,390,019 |

Subsequent events (Note 22)

APPROVED ON BEHALF OF GLOOSCAP FIRST NATION:

Chief

Carl Tupper

Councillor

Daniel Frare
Councillor

CSWawington
Councillor

GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2024

| | Budget (Unaudited) 2024 | Actual 2024 | Actual 2023 |
|--|-------------------------------|---------------------|--------------------|
| REVENUE | | | |
| Indigenous Services Canada (Note 17) | \$ 1,916,610 | \$ 3,686,183 | 2,463,159 |
| Atlantic Integrated Commercial Fish Initiative (Note 17) | 5,000 | - | 150,000 |
| Mi'kmaq Employment Training Secretariat | 74,977 | 102,376 | 64,666 |
| Mi'kmaw Kina'matnewey | 208,041 | 320,701 | 354,794 |
| Province of Nova Scotia (Note 17) | 31,000 | 103,420 | 186,113 |
| Fisheries and Oceans Canada (Note 17) | 131,052 | 174,736 | 88,107 |
| Canadian Mortgage and Housing Corporation (Note 17) | 54,522 | 162,482 | 2,046,809 |
| Confederacy of Mainland Mi'kmaq | 46,626 | 36,019 | 48,626 |
| Glooscap Corner | 3,539,637 | 3,317,973 | 2,894,012 |
| Commercial Fisheries | 1,861,548 | 1,673,087 | 1,664,041 |
| Rent (Note 4) | 280,820 | 378,968 | 278,343 |
| Management fees (Note 4) | 388,110 | 170,055 | 130,704 |
| Income from portfolio investments | - | - | 12,617 |
| Other revenue | 1,280,277 | 1,329,300 | 682,244 |
| | 9,818,220 | 11,455,300 | 11,064,235 |
| EXPENSES | | | |
| Administration | 2,724,004 | 3,189,990 | 2,722,930 |
| Commercial Fisheries | 1,476,086 | 1,519,991 | 1,657,890 |
| Community Fisheries | 151,473 | 157,975 | 88,587 |
| Community Health | 532,791 | 545,510 | 527,896 |
| Economic Development | 1,137,608 | 1,271,315 | 761,081 |
| Education | 147,757 | 161,477 | 174,701 |
| Feta Cheese | 117,649 | 101,141 | 111,477 |
| Gaming | 173,534 | 134,742 | 179,877 |
| Glooscap Corner | 2,115,379 | 2,101,456 | 2,119,401 |
| Glooscap Landing operations and maintenance | 298,057 | 271,832 | 275,604 |
| Operations, Capital & Maintenance | 622,105 | 890,909 | 702,961 |
| Social Services | 262,669 | 257,917 | 228,249 |
| | 9,759,112 | 10,604,255 | 9,550,654 |
| INCOME FROM OPERATIONS | 59,108 | 851,045 | 1,513,581 |
| LOSS FROM BUSINESS ENTERPRISES (Note 4) | 423,506 | (350,896) | (1,045,683) |
| ANNUAL SURPLUS | 482,614 | 500,149 | 467,898 |
| ACCUMULATED SURPLUS - beginning of year | 4,390,019 | 4,390,019 | 3,922,121 |
| ACCUMULATED SURPLUS - end of year (Note 9) | \$ 4,872,633 | \$ 4,890,168 | 4,390,019 |

GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL DEBT
FOR THE YEAR ENDED MARCH 31, 2024

| | Budget (Unaudited) 2024 | Actual 2024 | Actual 2023 |
|---|--|--|--|
| ANNUAL SURPLUS | \$ 482,614 | \$ 500,149 | \$ 467,898 |
| Acquisition of tangible capital assets (Note 10) | (1,179,858) | (1,694,758) | (3,064,325) |
| Amortization of tangible capital assets (Note 10) | 904,181 | 913,215 | 891,523 |
| Acquisition of intangible assets | - | (2,200,000) | - |
| Acquisition of prepaids | - | (209,499) | (76,624) |
| | <hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/> | <hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/> | <hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/> |
| CHANGE IN NET FINANCIAL DEBT | (275,677) | (3,191,042) | (2,249,426) |
| NET FINANCIAL DEBT - beginning of year | <hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/> | <hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/> | <hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/> |
| NET FINANCIAL DEBT - end of year | <hr style="border-top: 1px solid black; border-bottom: 3px double black; border-left: none; border-right: none;"/> | <hr style="border-top: 1px solid black; border-bottom: 3px double black; border-left: none; border-right: none;"/> | <hr style="border-top: 1px solid black; border-bottom: 3px double black; border-left: none; border-right: none;"/> |

GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

| | 2024 | 2023 |
|---|--------------|--------------|
| CASH FLOWS FROM: | | |
| OPERATING ACTIVITIES | | |
| Annual surplus | \$ 500,149 | \$ 467,898 |
| Items in earnings not involving cash | | |
| Amortization of tangible capital assets | 913,215 | 891,523 |
| Loss from business enterprises | 350,896 | 1,045,683 |
| | <hr/> | <hr/> |
| Net changes in working capital balances | 1,764,260 | 2,405,104 |
| Accounts receivable | (331,977) | 192,957 |
| HST recoverable | 42,278 | 111,494 |
| Grants receivable | 179,579 | (235,079) |
| Inventory | (69) | 15,334 |
| Accounts payable and accrued liabilities | 934,612 | (453,806) |
| Deferred revenue | (46,233) | (2,086,556) |
| Prepays | (209,499) | (76,624) |
| | <hr/> | <hr/> |
| | 2,332,951 | (127,176) |
| CAPITAL ACTIVITIES | | |
| Purchase of tangible capital assets | (1,694,758) | (3,064,325) |
| Purchase of intangible assets | (2,200,000) | - |
| | <hr/> | <hr/> |
| | (3,894,758) | (3,064,325) |
| INVESTING ACTIVITIES | | |
| Acquisition of business enterprise | (600,000) | - |
| Repayment from (advances to) business enterprises | 30,007 | (284,935) |
| Dividends received from business enterprises | - | 75,920 |
| | <hr/> | <hr/> |
| | (569,993) | (209,015) |
| FINANCING ACTIVITIES | | |
| Repayments of long-term debt | (618,806) | (999,136) |
| Advances of long-term debt | 645,665 | - |
| Advances from related party | 10 | 259 |
| | <hr/> | <hr/> |
| | 26,869 | (998,877) |
| DECREASE IN CASH DURING THE YEAR | <hr/> | <hr/> |
| CASH - beginning of year | (2,104,931) | (4,399,393) |
| | <hr/> | <hr/> |
| CASH - end of year (Note 2) | 5,167,537 | 9,566,930 |
| | <hr/> | <hr/> |
| | \$ 3,062,606 | \$ 5,167,537 |

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of Operations

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

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

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

(b) Basis of Accounting

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

(c) Reporting Entity

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

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

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

Entities accounted for through consolidation:

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

Entities accounted for on a modified equity basis include:

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

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Cash

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

(e) Temporary Investments

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

(f) Tangible Capital Assets

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

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

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

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

(g) Intangible Assets

Purchased intangible assets are initially recorded at cost.

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

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Inventory

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

(i) Revenue Recognition

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

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

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

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

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

(j) Financial Instruments

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

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

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

(k) Non-Financial Assets

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

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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.

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.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

2. CASH

| | 2024 | 2023 |
|---|------------------|------------------|
| CMHC Replacement Reserve (a) | 118,088 | 118,088 |
| Trust funds held by Federal Government (b) | - | 21,036 |
| First Nation Finance Authority: Debt Reserve Fund (c) | 1,098,133 | 1,066,861 |
| Operating | <u>1,846,385</u> | <u>3,961,552</u> |
| | 3,062,606 | 5,167,537 |

- (a) Under the terms of an agreement with Canada Mortgage and Housing Corporation ("CMHC"), the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by CMHC with any interest earned to be credited as revenue to the CMHC Replacement Reserve.
- (b) The First Nation is required to have funds held in trust in the Consolidated Revenue Fund of the Government of Canada. These funds increase annually by the interest earned and can be withdrawn for their intended purposes if requested (Note 12).
- (c) The First Nation Finance Authority holds back 5% on loans advanced in a debt reserve fund to cover any default payments.

3. GRANTS RECEIVABLE

| | 2024 | 2023 |
|---|-------------------|-------------------|
| Indigenous Services Canada | \$ 235,000 | \$ 235,000 |
| Province of Nova Scotia - casino profit share | 66,000 | 66,208 |
| Canadian Mortgage and Housing Corporation | 4,598 | - |
| Mi'kmaw Kina'matnewey | - | 43,600 |
| Minister of Employment and Social Development | - | 68,773 |
| Kwilmu'kw Maw-klusuaqn Negotiation Office | - | 64,800 |
| Other | <u>-</u> | <u>6,796</u> |
| | \$ 305,598 | \$ 485,177 |

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

4. INVESTMENTS IN BUSINESS ENTERPRISES

| | 2024 | 2023 |
|-----------------|---------------------|---------------------|
| Landing #2 | \$ (400,064) | \$ (316,407) |
| Glooscap Energy | 410,732 | 203,401 |
| Yarmouth Bar | 1,312,885 | 1,220,804 |
| Seakist Lobster | 747,172 | 713,902 |
| | <hr/> | <hr/> |
| | \$ 2,070,725 | \$ 1,821,700 |

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

During the year, an impairment loss of \$474,580 was recognized in relation to the First Nation's investment in Yarmouth Bar. This impairment is the result of a reduction in the the underlying value of the assets.

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 \$50,669 (2023 - \$49,500) in pizza sales from Landing #2.
- The First Nation earned \$206,978 (2023 - \$161,300) in rent from Landing #2.
- The First Nation earned \$170,055 (2023 - \$130,704) in management fees from Landing #2 and Glooscap Energy.
- The First Nation earned \$60,000 (2023 - \$139,234) in grants from Landing #2.
- The First Nation earned \$1,516,082 (2023 - \$1,575,560) in revenue from the sale of fish to Yarmouth Bar.
- The First Nation received \$nil (2023 - \$75,920) in dividends from Yarmouth Bar.

The amounts due from business enterprises are:

| | 2024 | 2023 |
|--------------------|-------------------|-------------------|
| Landing #2 | \$ 701,790 | \$ 456,416 |
| Glooscap Energy #1 | 159,512 | 84,087 |
| Yarmouth Bar | <hr/> | <hr/> |
| | (350,563) | 243 |
| | <hr/> | <hr/> |
| | \$ 510,739 | \$ 540,746 |

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

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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 | Seakist Lobster | 2024 Total | 2023 Total |
|--|-----------------|------------------|------------------|------------------|------------------|--------------------|
| Financial Position | | | | | | |
| Cash | 204,015 | 533,654 | 384,715 | 457 | 1,122,841 | 116,549 |
| Receivables | 10,846 | 11,822 | 1,746,657 | 32,607 | 1,801,932 | 1,425,121 |
| HST & taxes recoverable | - | - | 55,837 | 6,591 | 62,428 | 66,705 |
| Prepays | 4,294 | - | 950,696 | - | 954,990 | 38,717 |
| Inventory | 109,176 | - | 179,402 | - | 288,578 | 325,194 |
| Investment tax credits | - | - | - | 30,392 | 30,392 | 30,392 |
| Future income taxes | - | - | 6,386 | 22,508 | 28,894 | 28,894 |
| Property, plant and equipment | 47,779 | 686,951 | 1,033,653 | 1,217,808 | 2,986,191 | 1,864,283 |
| Total assets | 376,110 | 1,232,427 | 4,357,346 | 1,310,363 | 7,276,246 | 3,895,855 |
| Bank indebtedness | - | - | 2,265,921 | - | 2,265,921 | 1,074,783 |
| Accounts payable | 73,693 | 29,055 | 250,240 | 37,594 | 390,582 | 711,177 |
| HST & taxes payable | 1,064 | 8,805 | 883 | - | 10,752 | 25,772 |
| Deferred revenue | - | 624,313 | - | - | 624,313 | - |
| Long-term debt | - | - | 120,510 | 613,286 | 733,796 | 498,056 |
| Preferred shares | - | - | 588,173 | 445,310 | 1,033,483 | 1,033,483 |
| Due to related parties | 701,531 | 159,512 | 1,056,024 | 136,889 | 2,053,956 | 622,670 |
| Total liabilities | 776,288 | 821,685 | 4,281,751 | 1,233,079 | 7,112,803 | 3,965,941 |
| Capital | 19,570 | 10 | 10 | 100 | 19,690 | 19,690 |
| Surplus (deficit) | (419,748) | 410,732 | 75,585 | 77,184 | 143,753 | (89,776) |
| Total liabilities and equity | 376,110 | 1,232,427 | 4,357,346 | 1,310,363 | 7,276,246 | 3,895,855 |
| Results of Operations | | | | | | |
| Revenue | 2,632,384 | 346,068 | 13,226,823 | 339,849 | 16,545,124 | 16,636,859 |
| Expenses | (2,716,041) | (138,737) | (13,163,897) | (292,736) | (16,311,411) | (17,165,247) |
| Amortization of purchase price | - | - | (96,265) | (13,764) | (110,029) | (108,984) |
| Impairment (page 13) | - | - | (474,580) | - | (474,580) | (533,276) |
| Net loss attributed to minority shareholders | - | - | - | - | - | 124,965 |
| Net income (loss) | (83,657) | 207,331 | (507,919) | 33,349 | (350,896) | (1,045,683) |

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

5. GRANT AND LOAN PAYABLE

In fiscal 2018/19, Economic Development received a grant of \$1,000,000 from Indigenous Services Canada ("ISC") for Glooscap Ilia Gourmet Foods GP Ltd., ("Ilia") to enable Ilia to purchase feta cheese production equipment. The grant agreement required the equipment to be delivered by March 31, 2020. Only \$432,095 of equipment was delivered to Ilia and the remaining equipment is the subject of litigation proceedings. ISC has applied \$205,954 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, 2024.

Glooscap First Nation also received a demand loan from Atlantic Canada Opportunities Agency for Glooscap Ilia Gourmet Foods GP Ltd. The loan matured January 2020 but has not been repaid as of March 31, 2023. The loan bears interest at the Bank of Canada rate plus 3%.

6. DEFERRED REVENUE

During the year, the First Nation received \$4,175,112 in grants from Indigenous Services Canada to support the following projects: community infrastructure, community health, income assistance, and renovation and upgrades. Of this funding, \$2,805,384 of expenses have been incurred as of year end. The remaining funding has been deferred until the associated costs have been incurred.

During the year, the First Nation received funding of \$319,367 from Canadian Mortgage and Housing Corporation for the Rapid Housing Initiative. Of this funding, \$nil in expenses have been incurred as of year end. The funding has been deferred until the associated costs have been incurred.

During the 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 has been deferred until revenue recognition is met.

Additional amounts received from non-government and government sources that were unspent at year-end were \$347,084.

7. DUE TO RELATED PARTY

| | 2024 | 2023 |
|---|-------------|-------------|
| Ilia Gourmet Canada Inc. (<i>minority partner of Glooscap Ilia Gourmet Foods Limited Partnership</i>) | \$ 261,855 | \$ 261,845 |

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

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

8. LONG-TERM DEBT

| | 2024 | 2023 |
|---|---------|---------|
| 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. | 20,692 | 24,026 |
| 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. | 112,048 | 125,401 |
| 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. | 51,912 | 55,387 |
| 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. | 52,273 | 55,593 |
| 2.22% first mortgage payable to CMHC, secured by one duplex acquired in 2013/2014 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing January 2024 and amortized to 2038. Repayable in blended monthly payments of \$569. | 85,499 | 90,793 |
| 0.98% first mortgage payable to CMHC, secured by one housing unit acquired in 2014/2015 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing April 2025 and amortized to 2039. Repayable in blended monthly payments of \$321. | 55,534 | 58,864 |

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

8. LONG-TERM DEBT (continued)

| | 2024 | 2023 |
|--|------------|------------|
| 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. | 74,600 | 78,711 |
| 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. | 191,607 | 199,187 |
| 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. | 158,922 | 165,872 |
| 1.73% first mortgage payable to CMHC, secured by one housing unit acquired in 2019/20 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing February 2025 and amortized to 2035. Repayable in blended monthly payments of \$1,191. | 141,863 | 153,793 |
| 2.88% mortgage payable to Bank of Nova Scotia, secured by two housing units. This mortgage is for a 5 year term maturing August 2024 and amortized to 2037. Repayable in monthly payments of \$1,610. | 215,293 | 228,248 |
| 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. | 10,840,897 | 11,142,925 |
| 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. | 1,759,285 | 1,807,111 |

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

8. LONG-TERM DEBT (continued)

| | 2024 | 2023 |
|---|-------------|----------------------|
| 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. | 1,919,575 | 1,970,968 |
| First Nations Finance Authority loan due on demand, bearing interest at the Prime Lending Rate, currently 3.00%. | 1,786,359 | 1,791,910 |
| 4.16% term loan payable to Bank of Montreal, maturing March 2028, repayable in blended monthly payments of \$3,826. | 179,833 | 225,746 |
| Promissory note due to the sellers of Yarmouth Bar Fisheries, interest-free, unsecured, due March 31, 2026. | 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, 2023. | 250,156 | - |
| BMO non-revolving loan facility, bearing interest at the prime lending rate + 1%, currently, 7.20%, repayable on demand. | 195,509 | - |
| Canada Emergency Business Accounts ("CEBA") for Corner and Economic Development, repaid during the year. | - | 80,000 |
| 3.67% non-revolving term loan payable to Bank of Montreal, repaid during the year. | - | 10,542 |
| \$ 18,291,857 | | \$ 18,265,077 |

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

8. LONG-TERM DEBT (continued)

Principal payments for the next 5 years are as follows:

| | |
|------|--------------|
| 2025 | \$ 2,162,115 |
| 2026 | \$ 1,261,752 |
| 2027 | \$ 1,064,777 |
| 2028 | \$ 1,064,220 |
| 2029 | \$ 943,317 |

Included in the principal repayments for 2025 is the Atlantic Canada Opportunities Agency demand loan in the amount of \$907,074, which was due January 31, 2020 but not yet repaid. Accrued interest on this loan is \$218,580 (2023 - \$135,492) as of March 31, 2024.

| | 2024 | 2023 |
|------------------------------------|-------------------|-------------------|
| Interest expense on long-term debt | <u>\$ 619,653</u> | <u>\$ 554,522</u> |

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, 2024, \$nil (2023 - \$nil) was drawn.

9. ACCUMULATED SURPLUS

| | 2024 | 2023 |
|--|---------------------|---------------------|
| CMHC Replacement Reserve (Note 11) | \$ 136,614 | \$ 164,134 |
| Unrestricted Surplus | 4,753,554 | 4,204,849 |
| Trust funds held by Federal Government (Note 12) | - | 21,036 |
| | <u>\$ 4,890,168</u> | <u>\$ 4,390,019</u> |

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

10. TANGIBLE CAPITAL ASSETS

| | Cost | | | | Accumulated Amortization | | | | Net Book Value | | |
|----------------------|----------------------|---------------------|-------------|---------------------|--------------------------|---------------------|-------------------|---|---------------------|----------------------|----------------------|
| | Opening Balance | Additions | Disposals | Transfers of Assets | Closing Balance | Opening Balance | Amortization | Disposals, Write Offs & Other Adjustments | Closing Balance | 2024 | 2023 |
| CMHC Housing | \$ 2,010,867 | \$ - | \$ - | \$ - | \$ 2,010,867 | \$ 590,014 | \$ 80,435 | \$ - | \$ 670,449 | \$ 1,340,418 | \$ 1,420,853 |
| Band Owned Housing | 4,415,625 | - | - | - | 4,415,625 | 1,173,774 | 110,851 | - | 1,284,625 | 3,131,000 | 3,241,851 |
| Commercial Buildings | 8,576,106 | 550,782 | - | - | 9,126,888 | 2,151,532 | 237,413 | - | 2,388,945 | 6,737,943 | 6,424,574 |
| Computer Equipment | 253,681 | 2,602 | - | - | 256,283 | 210,040 | 16,426 | - | 226,466 | 29,817 | 43,641 |
| Land Improvements | 3,321,740 | 181,645 | - | - | 3,503,385 | 777,610 | 102,420 | - | 880,030 | 2,623,355 | 2,544,130 |
| Land | 522,897 | - | - | - | 522,897 | - | - | - | - | 522,897 | 522,897 |
| Roads | 1,219,510 | - | - | - | 1,219,510 | 604,981 | 35,132 | - | 640,113 | 579,397 | 614,529 |
| Underground Networks | 3,456,457 | - | - | - | 3,456,457 | 1,143,598 | 69,129 | - | 1,212,727 | 2,243,730 | 2,312,859 |
| Vehicles & Equipment | 3,565,833 | 959,729 | - | - | 4,525,562 | 2,122,953 | 261,409 | - | 2,384,362 | 2,141,200 | 1,442,880 |
| | 25,331,849 | 1,694,758 | - | - | 27,026,607 | 8,184,488 | 832,780 | - | 9,017,268 | 18,009,339 | 17,147,361 |
| Total | \$ 27,342,716 | \$ 1,694,758 | \$ - | \$ - | \$ 29,037,474 | \$ 8,774,502 | \$ 913,215 | \$ - | \$ 9,687,717 | \$ 19,349,757 | \$ 18,568,214 |

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

11. CMHC REPLACEMENT RESERVE

| | 2024 | 2023 |
|-----------------------------|----------------|----------------|
| Balance - beginning of year | \$ 164,134 | \$ 150,153 |
| Current year allocation | - | 16,481 |
| Repairs funded from Reserve | (27,520) | (2,500) |
| Balance - end of year | \$ 136,614 | \$ 164,134 |

The First Nation operates 10 (2023 - 10) CMHC subsidized housing projects as at March 31, 2024. 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, 2024, the First Nation has provided funding of reserves as follows:

| | 2024 | 2023 |
|--------------------------|-------------|-------------|
| CMHC Replacement Reserve | \$ 136,614 | \$ 164,134 |
| Amount funded | \$ 118,088 | \$ 118,088 |
| Unfunded | \$ 18,526 | \$ 46,046 |

12. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

| | March 31, 2023 | Additions 2024 | Withdrawals 2024 | March 31, 2024 |
|------------------|-------------------|-------------------|---------------------|-------------------|
| Revenue | \$ 20,532 | \$ - | \$ (20,532) | \$ - |
| Capital | 504 | - | (504) | - |
| Total | \$ 21,036 | \$ - | \$ (21,036) | \$ - |

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17. GOVERNMENT TRANSFERS

| | 2024 | | | | 2023 | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|------------------|
| | Operating | Capital | Deferred | Total | Operating | Capital | Deferred | Total |
| Indigenous Services Canada | 3,522,411 | 997,055 | (833,283) | 3,686,183 | 2,556,906 | 1,965,450 | (2,059,197) | 2,463,159 |
| Canada Mortgage and Housing Corporation | 135,847 | 107,793 | (81,158) | 162,482 | 104,573 | 2,023,393 | (81,157) | 2,046,809 |
| Department of Fisheries and Oceans | 174,736 | - | - | 174,736 | 88,107 | - | - | 88,107 |
| Atlantic Integrated Commercial Fisheries Initiative | - | - | - | - | - | 150,000 | - | 150,000 |
| Minister of Employment and Social Development | - | 68,773 | (68,773) | - | - | 68,773 | (68,773) | - |
| Province of Nova Scotia | 3,832,994 | 1,173,621 | (983,214) | 4,023,401 | 2,749,586 | 4,207,616 | (2,209,127) | 4,748,075 |
| | 116,370 | - | (12,950) | 103,420 | 199,063 | - | (12,950) | 186,113 |
| Total | 3,949,364 | 1,173,621 | (996,164) | 4,126,821 | 2,948,649 | 4,207,616 | (2,222,077) | 4,934,188 |

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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 services 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.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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 |

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

19. SEGMENT DISCLOSURE (continued)

**For the year ended
 March 31, 2023**

| | Band Administration | Social Services | Community Health | Education | Operations, Capital & Maintenance | Community Fisheries & Resources | Band Housing | CMHC Housing | Glooscap Corner | Glooscap Landing | Gaming Commission | Commercial Fisheries | Economic Development | Feta Cheese | Total |
|--------------------|-----------------------|-------------------|------------------|-------------------|-----------------------------------|---------------------------------|---------------------|--------------------|-------------------|------------------|---------------------|----------------------|----------------------|---------------------|---------------------|
| Revenue | | | | | | | | | | | | | | | |
| ISC | \$ 819,291 | \$ 477,996 | \$ 540,468 | \$ - | \$ 496,544 | \$ - | \$ - | \$ - | \$ - | \$ 98,000 | \$ - | \$ - | \$ 30,860 | \$ - | \$ 2,463,159 |
| CMM | 2,000 | - | - | - | - | - | - | - | - | - | - | - | 46,626 | - | 48,626 |
| AICFI | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 150,000 |
| CMHC | - | - | - | - | - | - | 1,992,236 | 54,573 | - | - | - | - | - | - | 2,046,809 |
| DFO | - | - | - | - | - | 88,107 | - | - | - | - | - | - | - | - | 88,107 |
| PNS | 71,947 | - | 37,958 | 10,000 | - | - | - | - | - | - | 66,208 | - | - | - | 186,113 |
| MET | - | 64,666 | - | - | - | - | - | - | - | - | - | - | - | - | 64,666 |
| KMK | - | - | - | 354,794 | - | - | - | - | - | - | - | - | - | - | 354,794 |
| Corner | - | - | - | - | - | - | - | - | 2,906,629 | - | - | - | - | - | 2,906,629 |
| Fisheries | - | - | - | - | - | - | - | - | - | - | - | 1,651,424 | - | - | 1,651,424 |
| Rent | 51,444 | - | 36,799 | - | - | - | - | - | - | 190,100 | - | - | - | - | 278,343 |
| Management Fees | - | - | - | - | - | - | - | - | - | - | - | - | 130,704 | - | 130,704 |
| Gov't COVID Grants | - | - | - | - | - | - | - | 30,000 | - | - | - | - | - | - | 30,000 |
| Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 522,322 | - | 735 | - | - | 65,087 | - | 2,500 | - | - | - | - | 74,217 | - | 664,861 |
| | 1,467,004 | 542,662 | 615,960 | 364,794 | 496,544 | 153,194 | 1,992,236 | 57,073 | 2,936,629 | 288,100 | 66,208 | 1,801,424 | 282,407 | - | 11,064,235 |
| Expenditure | | | | | | | | | | | | | | | |
| Amortization | 497,813 | - | - | - | - | - | - | 80,435 | 60,542 | 75,332 | - | 174,415 | 2,985 | - | 891,522 |
| Bank charges | 96,670 | - | - | - | - | - | - | 19,805 | 14 | 20 | - | 10,420 | 9,516 | 59,222 | 195,667 |
| Professional fees | 55,693 | - | - | - | 9,541 | 5,000 | - | 23,958 | 3,939 | 15,180 | - | 19,391 | 97,026 | 50,821 | 280,549 |
| R & M | 39,129 | - | - | - | 3,551 | - | 40,628 | 7,259 | 7,167 | 13,459 | - | 32,226 | 9,964 | - | 153,383 |
| Salaries | 1,131,132 | 45,829 | 252,262 | 34,853 | 176,481 | 57,840 | - | - | 527,228 | - | - | 1,042,986 | 490,687 | - | 3,759,298 |
| Supplies | 555,038 | 2,613 | 267,924 | 9,750 | 419,966 | 19,892 | - | 18,036 | 1,507,851 | 79,427 | - | 332,374 | 124,893 | 725 | 3,338,489 |
| Other | 152,004 | 179,807 | 7,710 | 130,098 | 12,988 | 5,855 | - | 1,758 | 12,660 | 92,186 | 179,877 | 46,078 | 110,016 | 709 | 931,746 |
| | 2,527,479 | 228,249 | 527,896 | 174,701 | 622,527 | 88,587 | 40,628 | 151,251 | 2,119,401 | 275,604 | 179,877 | 1,657,890 | 845,087 | 111,477 | 9,550,654 |
| Total | \$ (1,060,475) | \$ 314,413 | \$ 88,064 | \$ 190,093 | \$ (125,983) | \$ 64,607 | \$ 1,951,608 | \$ (94,178) | \$ 817,228 | \$ 12,496 | \$ (113,669) | \$ 143,534 | \$ (562,680) | \$ (111,477) | \$ 1,513,581 |

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

20. EXPENSES BY OBJECT

The following is a summary of expenses by object.

| | 2024 | 2023 |
|---|----------------------|---------------------|
| Administration | \$ 414,347 | \$ 235,854 |
| Advertising | 17,528 | 33,352 |
| Amortization of tangible capital assets | 913,214 | 891,522 |
| Bank charges and interest | 50,244 | 31,352 |
| Bad debts | 75,818 | - |
| Employee benefits | 201,212 | 199,391 |
| Honorariums | 406,539 | 411,143 |
| Insurance | 153,398 | 134,296 |
| Interest on long-term debt | 619,653 | 613,770 |
| Professional fees | 352,148 | 274,816 |
| Repairs and maintenance | 851,539 | 676,866 |
| Salaries and wages | 3,451,578 | 3,148,369 |
| Supplies and services | 2,794,503 | 2,739,704 |
| Telephone | 70,312 | 45,725 |
| Training, travel and meetings | 186,994 | 65,391 |
| Utilities | 45,228 | 49,103 |
| | \$ 10,604,255 | \$ 9,550,654 |

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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.

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

Interest rate risk

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

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

22. SUBSEQUENT EVENT

On April 1, 2024, KDSK Holdings, Seakist Lobster Limited and Yarmouth Bar Fisheries amalgamated to continue as Yarmouth Bar Fisheries.
