KLUANE FIRST NATION

Consolidated Financial Statements

Year Ended March 31, 2026

(continues)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of KLUANE FIRST NATION have been prepared in accordance with Canadian public sector accounting standards (PSAS) When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of KLUANE FIRST NATION's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The First Nation Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility principally by reviewing financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Morine Thomas CPA LLP, in accordance with Canadian public sector accounting standards (PSAS)

Chief Robert Dickson

Councillor

Burwash Landing, YT
July 02, 2026

Morine Thomas CPA LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of KLUANE FIRST NATION

Opinion

We have audited the consolidated financial statements of KLUANE FIRST NATION (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statements of operations, changes in annual surplus (deficit), changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2026, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 Nation in accordance with 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 the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 Nation or to cease operations, or has no realistic alternative but to do so.

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

(continues)

102-5070 Uplands Dr. Nanaimo BC V9T 6N1 T:866-739-0741 | F:250-390-3921

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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Morine + Thomas

Nanaimo, British Columbia
July 2, 2026

MORINE THOMAS CPA LLP
CHARTERED PROFESSIONAL ACCOUNTANT

KLUANE FIRST NATION
Consolidated Statement of Financial Position
March 31, 2026

	March 31 2026	*March 31* 2025
FINANCIAL ASSETS		
Cash	$ 53,443,807	$ 50,136,022
Loan receivable *(Note 3)*	775,952	775,952
Accounts receivable	3,280,481	1,951,078
Tax receivables	1,026,687	708,697
Interest receivable	149,120	261,748
Due from related parties *(Note 8)*	153,445	153,445
Designated cash *(Note 4)*	1,581,875	1,550,834
	60,411,367	55,537,776
LIABILITIES		
Accounts payable	1,062,339	692,219
Long term debt *(Note 7)*	441,389	491,990
	1,503,728	1,184,209
NET FINANCIAL ASSETS	58,907,639	54,353,567
NON-FINANCIAL ASSETS		
Prepaid expenses	273,710	231,670
Tangible capital assets *(Note 6)*	34,957,182	31,510,654
	35,230,892	31,742,324
ACCUMULATED SURPLUS	$ 94,138,531	$ 86,095,891

ON BEHALF OF COUNCIL

Councillor *Councillor*

See notes to financial statements

KLUANE FIRST NATION
Consolidated Statement of Operations
Year Ended March 31, 2026

	Budget 2026	**Total 2026**	Total 2025
REVENUES			
Indigenous Services Canada	$ -	**$ 1,187,669**	$ 1,988,982
Yukon Government	1,669,302	**543,237**	892,588
First Nations GST	-	**128,015**	137,419
Parks Canada	65,000	**224,000**	161,400
Crown Indigenous Relations Northern Affairs Canada	12,994,877	**16,390,827**	15,944,393
Other revenue	-	**1,613,427**	845,453
Investment income	-	**188,279**	232,012
Donation income	-	**5,000**	9,350
AHRDA	31,102	**32,102**	-
Rental income	-	**138,741**	141,566
Personal income taxes	-	**368,130**	444,792
Allocation to RRF	-	**15,000**	15,000
Administration fees	-	**-**	981
Canada Mortgage and Housing Corp	68,700	**72,432**	71,190
Sheep hunt	-	**549,000**	-
	14,828,981	**21,455,859**	20,885,126
EXPENSES			
Segment - Wellness and Education *(Schedule 2)*	4,117,738	**2,500,816**	2,023,903
Segment - Public Works and Municipal Services *(Schedule 3)*	4,910,263	**4,134,204**	3,790,928
Segment - Human Resources *(Schedule 4)*	322,624	**229,806**	200,577
Segment - Executive and Administration *(Schedule 5)*	1,403,323	**1,593,023**	1,571,145
Segment - Lands, Resources and Heritage *(Schedule 6)*	2,424,677	**1,629,935**	1,447,889
Segment - Finance *(Schedule 7)*	398,300	**438,808**	368,018
Segment - Governance *(Schedule 8)*	853,600	**432,887**	449,467
Segment - Economic Development *(Schedule 9)*	-	**1,270,037**	358,347
Segment - Language *(Schedule 10)*	427,935	**212,329**	298,894
Segment - Perpetual Investment *(Schedule 11)*	-	**195,355**	188,218
Segment - REACHE Wind Project *(Schedule 13)*	-	**776,019**	-
Segment - Funding Surpluses *(Schedule 14)*	-	**-**	2,509,985
	14,858,460	**13,413,219**	13,207,371
	(29,479)	**8,042,640**	7,677,755
ANNUAL SURPLUS (DEFICIT)	$ (29,479)	**$ 8,042,640**	$ 7,677,755

See notes to financial statements

KLUANE FIRST NATION
Consolidated Statement of Changes in Annual Surplus (Deficit)
Year Ended March 31, 2026

	2026	2025
ACCUMULATED SURPLUS - BEGINNING OF YEAR	**$ 86,095,891**	$ 78,418,136
ANNUAL SURPLUS (DEFICIT)	**8,042,640**	7,677,755
ACCUMULATED SURPLUS (DEFICIT) - END OF YEAR	**$ 94,138,531**	$ 86,095,891

See notes to financial statements

KLUANE FIRST NATION
Consolidated Statement of Changes in Net Financial Assets
Year Ended March 31, 2026

	Budget 2026	**2026**	2025
ANNUAL SURPLUS (DEFICIT)	$ (29,479)	**$ 8,042,640**	$ 7,677,755
Amortization of tangible capital assets	-	**994,048**	428,311
Purchase of tangible capital assets	-	**(4,440,566)**	(4,177,413)
Decrease (increase) in prepaid expenses	-	**(42,040)**	(55,430)
	-	**(3,488,558)**	(3,804,532)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(29,479)	**4,554,082**	3,873,223
NET FINANCIAL ASSETS - BEGINNING OF YEAR	54,353,565	**54,353,565**	50,480,342
NET FINANCIAL ASSETS - END OF YEAR	$ 54,324,086	**$ 58,907,647**	$ 54,353,565

See notes to financial statements

KLUANE FIRST NATION
Consolidated Statement of Cash Flows
Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Annual surplus	$ 8,042,640	$ 7,677,755
Item not affecting cash:		
Amortization of tangible capital assets	994,037	428,313
	9,036,677	8,106,068
Changes in non-cash working capital:		
Accounts receivable	(1,329,404)	3,460,921
Tax receivables	(317,990)	(120,033)
Interest receivable	112,628	-
Designated cash	434	415
Designated GIC's	(31,475)	-
Accounts payable	370,120	(218,837)
Prepaid expenses	(42,040)	(55,430)
Treaty loan forgiveness receivable	-	2,509,985
	(1,237,727)	5,577,021
Cash flow from operating activities	7,798,950	13,683,089
INVESTING ACTIVITY		
Purchase of tangible capital assets	(4,440,566)	(4,177,413)
Cash flow used by investing activity	(4,440,566)	(4,177,413)
FINANCING ACTIVITY		
Repayment of long term debt	(50,599)	(50,184)
Cash flow used by financing activity	(50,599)	(50,184)
INCREASE IN CASH FLOW	3,307,785	9,455,492
Cash - beginning of year	50,136,022	40,680,530
CASH - END OF YEAR	$ 53,443,807	$ 50,136,022

See notes to financial statements

1. OPERATIONS

The Kluane First Nation (the "First Nation") is located in the Yukon Territory, and provides various services to its members. The First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards (GAAP).

Basis of consolidation

The consolidated financial statements include the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation Business Entities. As a result, figures as at March 31, 2026 or for the years then ended include the operating fund, social housing fund and the capital fund. All inter-entity balances have been eliminated, however, in the respective schedules transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Investments and investments in government business entities

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

Kluane First Nation business enterprises, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:
- Kluane Dana Holdings Inc. (and its subsidiaries)

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents include short term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Asset classification

Assets are classified as financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2026.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revision required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2026, no liability for contaminated site exists.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the consolidated financial statement date when there is a legal obligation for the Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2026. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Nation reviews the carrying amount of the liability. The Nation recognizes period-to period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Net Financial Assets

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Segments

The First Nation conducts its business through a number of reportable segments as described in Note 12. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, to aid in resource allocation decisions, and to assess operational performance.
For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.
The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Roads	5%	declining balance method
Buildings	5%	declining balance method
Production equipment	20%	declining balance method
Computer equipment	20%	declining balance method
Motor vehicles	10%	declining balance method
Windmill	5%	declining balance method

The Nation regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

All intangible assets and items inherited by the right of the Nation, such as reserve lands, forests, water and mineral resources, are not recognized in the First Nation's consolidated financial statements.

Housing units are amortized at an annual amount eqaul to the principal reduction in related debt as per the First Nation's agreement with CMHC.

The First Nation performs impairment testing on tangible capital assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses are recognized when an asset's service potential is reduced and they are charged to surplus in the year.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Nation recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Canada Mortgage and Housing Corporation ("CMHC")

CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Housing rental income

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Own source and other revenue

Own source and other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.

Investment income

Investment income is recognized by the First Nation when investment income is earned.

3. LOAN RECEIVABLE

	2026	2025
Kluane Dana Shaw LP	$ **775,952**	$ 775,952

Without interest or stated terms of repayment.

4. Designated assets

Designated assets include funds received by the Nation as part of the Final Agreement between Kluane First Nation, Indigenous Services Canada and the Government of The Yukon, a portion of which was transferred to an investment portfolio in Kluane First Nation Dana Trust. There are two Guaranteed Investment Certificates, each accruing interest and maturing in April 2025.

	2026	2025
Assets		
Designated cash	**$ 757,944**	$ 758,378
Designated GIC's	**823,931**	792,456
	$ 1,581,875	$ 1,550,834

5. Investments in First Nation Business Entities

	2026	2025

Carried at modified equity method. Equity income will be recorded up once the entities' accumulated surplus becomes positive.

6. TANGIBLE CAPITAL ASSETS

Cost	2025 Balance	Additions	Disposals	**2026 Balance**
Land	$ 1,861,768	$ -	$ -	**$ 1,861,768**
Buildings	15,732,383	2,552,063	-	**18,284,446**
Production Equipment	1,065,269	-	-	**1,065,269**
Motor Vehicles	2,273,357	115,370	-	**2,388,727**
Computer Equipment	393,599	-	-	**393,599**
Roads	511,417	-	-	**511,417**
Computer Software	37,650	-	-	**37,650**
Construction in progress	18,748,918	(14,423,722)	-	**4,325,196**
Windmill	-	16,196,855	-	**16,196,855**
	$ 40,624,361	$ 4,440,566	$ -	**$ 45,064,927**

Accumulated Amortization	2025 Balance	Amortization	Accumulated Amortization on Disposals	**2026 Balance**
Land	$ -	$ -	$ -	**$ -**
Buildings	6,610,634	402,336	-	**7,012,970**
Production Equipment	806,494	31,621	-	**838,115**
Motor Vehicles	1,030,742	130,030	-	**1,160,772**
Computer Equipment	374,425	3,835	-	**378,260**
Roads	259,447	20,158	-	**279,605**
Computer Software	31,965	1,137	-	**33,102**
Construction in progress	-	-	-	**-**
Windmill	-	404,921	-	**404,921**
	$ 9,113,707	$ 994,038	$ -	**$ 10,107,745**

Net book value	**2026**	2025
Land	**$ 1,861,768**	$ 1,861,768
Buildings	**11,271,476**	9,121,749
Production Equipment	**227,154**	258,775
Motor Vehicles	**1,227,955**	1,242,615
Computer Equipment	**15,339**	19,174
Roads	**231,812**	251,970
Computer Software	**4,548**	5,685
Construction in progress	**4,325,196**	18,748,918
Windmill	**15,791,934**	-
	$ 34,957,182	$ 31,510,654

7. LONG TERM DEBT

	2026	2025

(continues)

7. LONG TERM DEBT *(continued)*

		2026		2025
CMHC 22-286-843-001 loan bearing interest at 3.7% per annum, repayable in monthly blended payments of $2,004. The loan matures on April 1, 2032 and is secured by ministerial guarantee and lots 401,402,404,414,416 Copper Joe Subdivision.	$	**130,923**	$	149,787
CMHC 22-286-843-002 loan bearing interest at 3.64% per annum, repayable in monthly blended payments of $1,590. The loan matures on June 1, 2034 and is secured by ministerial guarantee and lots 406, 410,417,419 Copper Joe Subdivision.		**135,952**		149,849
CMHC 22-286-843-003 loan bearing interest at 3.64% per annum, repayable in monthly blended payments of $1,021. The loan matures on June 1, 2034 and is secured by ministerial guarantee and lots 409,418,420 Copper Joe Subdivision.		**87,257**		96,177
CMHC 22-286-843-004 loan bearing interest at 3.64% per annum, repayable in monthly blended payments of $1,021. The loan matures on June 1, 2034 and is secured by ministerial guarantee and lots 403,415,422 Copper Joe Subdivision.		**87,257**		96,177
	$	**441,389**	$	491,990

Principal repayment terms are approximately:

2027	$	52,614
2028		54,541
2029		56,538
2030		58,609
2031		60,755
Thereafter		158,332
	$	441,389

8. DUE FROM RELATED PARTIES

		2026		2025
Due from Kluane Community Development LP	**$**	**153,445**	$	153,445

Advances from related Organizations are non-interest bearing and have no set repayment terms. The Organizations are related by way of being an investment of Kluane Dana Holdings Ltd. a subsidiary of the Nation.

9. CONTINGENT LIABILITY

The Nation has a housing program with CMHC. The financial results of that program are subject to review by CMHC and it is possible that adjustments could be made based on the results of their review.

10. ECONOMIC DEPENDENCE

The Nation receives a significant portion of its revenue from Indigenous Services Canada (ISC) and Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) as a result of Treaties entered into with the Government of Canada. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

11. FINANCIAL INSTRUMENTS

The Nation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Unless otherwise noted, it is management's opinion that the Nation is not exposed to significant other price risks arising from these financial instruments.

12. Segments

The First Nation receives revenue and incurs expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by the following segments:

Wellness and Education

Includes revenue and expenses related to social services, health and education of the members of the First Nation.

Public Works and Municipal Services

Includes revenue and expenses related to operations, maintenance and capital projects of the community.

Human Resources

Includes revenue and expenses related to personnel.

Executive and Administration

Includes revenue and expenses related to administration of service delivery to the community.

Lands, Resources and Heritage

Includes revenue and expenses related to conservation and stewardship of the First Nation's land and resources, as well as the activities related to the history of the First Nation.

Finance

Includes revenue and expenses related to the financial administration of the First Nation.

Governance

Includes revenue and expenses related to the overall guidance of the First Nation.

Economic Development

Includes revenue and expenses related to economic undertakings on behalf of the First Nation.

Langauge

Includes revenue and expenses related to supporting the traditional language of the First nation.

Perpetual Investment e

Includes revenue from Kluane Dana Trust and expenditures are subject to adherence to an agreement.

New Housing Construction

Includes revenue and expenses related to the construction of new homes in the community.

REACHE Wind Project

Includes revenue and expenses related to the construction of the wind energy project.

Funding Surpluses

Includes unbudgeted revenue and expenses.

13. Budget information

The disclosed budget information has been approved by the Chief and Council of the Kluane First Nation during 2023. The original budget was both an operating and a capital budget. The following is a reconciliation of the actual approved budget and the figures disclosed herein:

Budget reconciliation

Annual budgeted surplus based on actual approved budget	**$ 1,227,911**
Capital transactions and internal transfers	**(1,257,390)**
Annual budgeted surplus as presented	**$ (29,479)**

KLUANE FIRST NATION
Consolidated Expenses by Object (Schedule 1)
Year Ended March 31, 2026

	Budget 2026	**Total 2026**	Total 2025
Advertising and promotion	$ 5,000	$ **-**	$ 2,418
Amortization	-	**994,037**	428,313
Social Assistance	168,000	**85,177**	68,941
Administration	69,300	**-**	981
Allocation to RRF	-	**15,000**	15,000
Honoraria	359,000	**389,121**	425,276
Postage	-	**308**	715
Tuition	46,202	**22,684**	22,434
Donations	23,700	**13,941**	20,245
Insurance	373,000	**510,553**	354,376
Interest and bank charges	4,800	**7,014**	7,267
Interest on long term debt	-	**16,876**	16,342
Program expenses	927,003	**1,063,987**	605,912
Student expenses	90,000	**48,773**	80,244
Food and beverage	213,300	**141,779**	152,048
Transfer to trust	-	**-**	2,509,985
Office	119,100	**114,686**	172,875
Professional fees	634,000	**950,820**	763,125
Property taxes	120,000	**150,273**	105,032
Rental	584,000	**14,370**	15,749
Repairs and maintenance	447,700	**504,266**	486,141
Salaries and wages	7,278,149	**5,114,479**	4,384,496
Contracted services	1,072,995	**1,706,255**	1,267,918
Materials	571,724	**293,664**	278,354
Telephone	83,080	**92,090**	80,302
Professional development	456,544	**198,677**	77,642
Travel	441,313	**269,883**	226,572
Furniture and equipment	-	**110,840**	117,737
Utilities	528,500	**448,764**	369,053
Vehicle	242,050	**134,894**	151,875
	$ 14,858,460	**$ 13,413,211**	$ 13,207,368

See notes to financial statements

KLUANE FIRST NATION

Segment - Wellness and Education **(Schedule 2)**

Year Ended March 31, 2026

	2026	2025
REVENUES		
Crown Indigenous Relations Northern Affairs Canada	$ **1,615,278**	$ 1,082,635
Indigenous Services Canada	**953,760**	998,727
Yukon Government	**329,846**	254,218
Other revenue	**277,367**	484,895
AHRDA	**32,102**	-
Donation income	**1,000**	-
	3,209,353	2,820,475
EXPENSES		
Food and beverage	**118,738**	120,858
Amortization	**54,957**	40,096
Program expenses	**726,531**	525,579
Office	**7,406**	11,059
Professional fees	**-**	600
Professional development	**40,222**	5,595
Insurance	**-**	1,811
Salaries and wages	**1,040,605**	880,531
Honoraria	**20,500**	600
Social Assistance	**82,650**	66,867
Tuition	**22,532**	22,434
Student expenses	**48,723**	80,244
Contracted services	**190,848**	122,660
Materials	**30,973**	44,825
Furniture and equipment	**1,637**	493
Travel	**78,303**	39,982
Utilities	**20,670**	39,047
Telephone	**1,544**	2,527
Vehicle	**13,977**	18,095
	2,500,816	2,023,903
ANNUAL SURPLUS	**708,537**	796,572
TRANSFERS		
Transfer of depreciation	**54,957**	40,096
Transfer of capital expenditures	**(57,704)**	(79,398)
	(2,747)	(39,302)
ANNUAL SURPLUS AFTER TRANSFERS	$ **705,790**	$ 757,270

See notes to financial statements

KLUANE FIRST NATION

Segment - Public Works and Municipal Services **(Schedule 3)**

Year Ended March 31, 2026

	2026	2025
REVENUES		
Crown Indigenous Relations Northern Affairs Canada	$ **4,524,713**	$ 3,531,236
Indigenous Services Canada	**63,112**	585,324
Yukon Government	**99,750**	-
Other revenue	**669,662**	248,525
Rental income	**109,597**	99,409
Canada Mortgage and Housing Corp	**72,432**	71,190
	5,539,266	4,535,684
EXPENSES		
Donations	**675**	126
Food and beverage	**1,930**	3,597
Amortization	**424,246**	308,024
Insurance	**439,099**	352,566
Program expenses	**8,149**	35
Interest and bank charges	**283**	344
Interest on long term debt	**16,876**	16,342
Allocation to RRF	**15,000**	15,000
Tuition	**152**	-
Office	**(31,781)**	38,640
Professional fees	**119,157**	42,997
Professional development	**8,384**	11,965
Rental	**10,512**	14,849
Repairs and maintenance	**351,498**	378,798
Salaries and wages	**1,673,524**	1,470,455
Honoraria	**3,200**	-
Contracted services	**132,674**	288,297
Materials	**155,739**	190,969
Furniture and equipment	**65,220**	67,193
Property taxes	**109,570**	104,921
Travel	**25,445**	34,218
Utilities	**424,577**	329,223
Telephone	**675**	367
Vehicle	**179,400**	122,002
	4,134,204	3,790,928
ANNUAL SURPLUS	**1,405,062**	744,756
TRANSFERS		
Transfer of depreciation	**373,647**	308,024
Transfer of capital expenditures	**(1,859,131)**	(703,369)
	(1,485,484)	(395,345)
ANNUAL SURPLUS AFTER TRANSFERS	$ **(80,422)**	$ 349,411

See notes to financial statements

KLUANE FIRST NATION
Segment - Human Resources (Schedule 4)
Year Ended March 31, 2026

	2026	2025
REVENUES	$ **296,101**	$ 294,519
EXPENSES		
Food and beverage	**-**	313
Office	**13,800**	11,838
Professional fees	**36,257**	85,444
Professional development	**65,696**	5,740
Salaries and wages	**109,317**	93,713
Furniture and equipment	**-**	80
Contracted services	**(4,396)**	-
Materials	**-**	95
Travel	**9,132**	3,354
	229,806	200,577
ANNUAL SURPLUS	**66,295**	93,942
ACCUMULATED SURPLUS	**-**	-
ANNUAL SURPLUS AFTER TRANSFERS	$ **66,295**	$ 93,942

See notes to financial statements

KLUANE FIRST NATION

Segment - Executive and Administration **(Schedule 5)**

Year Ended March 31, 2026

	2026	2025
REVENUES		
Crown Indigenous Relations Northern Affairs Canada	**$ 1,488,082**	$ 1,196,756
Indigenous Services Canada	**-**	97,000
Yukon Government	**-**	38,981
Other revenue	**2,360**	-
Investment income	**168,806**	217,407
Donation income	**4,000**	6,900
Allocation to RRF	**15,000**	15,000
	1,678,248	1,572,044
EXPENSES		
Advertising and promotion	**-**	1,040
Donations	**12,966**	19,119
Food and beverage	**8,971**	10,603
Amortization	**54,957**	40,096
Program expenses	**275,314**	30,467
Office	**75,524**	30,559
Professional fees	**29,947**	78,171
Professional development	**26,084**	14,670
Repairs and maintenance	**102,779**	104,615
Salaries and wages	**578,276**	553,441
Honoraria	**174,214**	163,805
Social Assistance	**-**	2,000
Contracted services	**16,897**	326,096
Materials	**61,064**	22,221
Furniture and equipment	**23,150**	46,928
Travel	**69,996**	51,765
Utilities	**-**	782
Telephone	**82,730**	74,175
Vehicle	**154**	592
	1,593,023	1,571,145
ANNUAL SURPLUS	**85,225**	899
TRANSFERS		
Transfer of depreciation	**54,957**	40,096
ANNUAL SURPLUS AFTER TRANSFERS	**$ 140,182**	$ 40,995

See notes to financial statements

KLUANE FIRST NATION

Segment - Lands, Resources and Heritage (Schedule 6)

Year Ended March 31, 2026

	2026	2025
REVENUES		
Crown Indigenous Relations Northern Affairs Canada	$ 1,797,293	$ 1,422,810
Indigenous Services Canada	32,500	181,838
Yukon Government	105,990	254,014
Parks Canada	194,000	161,400
Other revenue	217,249	101,077
Donation income	-	2,450
Sheep hunt	549,000	-
	2,896,032	2,123,589
EXPENSES		
Advertising and promotion	-	1,379
Donations	-	(500)
Food and beverage	3,778	13,899
Amortization	54,957	40,096
Property taxes	-	111
Program expenses	14,653	39,484
Administration	-	981
Office	3,444	33,988
Professional fees	157,696	277,396
Professional development	45,243	18,704
Rental	2,050	900
Repairs and maintenance	49,291	2,729
Salaries and wages	882,450	677,613
Honoraria	23,373	19,275
Contracted services	367,289	237,967
Materials	25,690	14,451
Furniture and equipment	11,494	1,521
Travel	45,373	56,610
Telephone	2,544	1,560
Vehicle	(61,967)	9,725
Social Assistance	2,527	-
Student expenses	50	-
	1,629,935	1,447,889
ANNUAL SURPLUS	1,266,097	675,700
TRANSFERS		
Transfer of capital expenditures	-	(210,625)
Transfer of depreciation	54,957	40,096
	54,957	(170,529)
ANNUAL SURPLUS AFTER TRANSFERS	$ 1,321,054	$ 505,171

See notes to financial statements

KLUANE FIRST NATION
Segment - Finance (Schedule 7)
Year Ended March 31, 2026

	2026	2025
REVENUES		
Crown Indigenous Relations Northern Affairs Canada	$ **420,071**	$ 344,380
Other revenue	**1,837**	513
Investment income	**19,473**	14,605
Administration fees	**-**	981
Rental income	**29,143**	42,157
	470,524	402,636
EXPENSES		
Donations	**50**	500
Program expenses	**57**	-
Interest and bank charges	**6,731**	6,923
Office	**1,631**	662
Professional fees	**31,324**	40,953
Professional development	**2,624**	18,260
Salaries and wages	**392,778**	297,180
Materials	**862**	99
Travel	**2,175**	1,890
Telephone	**576**	836
Postage	**-**	715
	438,808	368,018
ANNUAL SURPLUS	**31,716**	34,618
ACCUMULATED SURPLUS	**-**	-
ANNUAL SURPLUS AFTER TRANSFERS	$ **31,716**	$ 34,618

See notes to financial statements

KLUANE FIRST NATION
Segment - Governance (Schedule 8)
Year Ended March 31, 2026

	2026	2025
REVENUES		
Crown Indigenous Relations Northern Affairs Canada	$ **667,150**	$ 739,600
Yukon Government	**7,650**	-
Indigenous Services Canada	**22,500**	-
	697,300	739,600
EXPENSES		
Donations	**250**	500
Food and beverage	**3,866**	2,011
Program expenses	**400**	92
Office	**20**	2,108
Professional fees	**53,057**	5,564
Professional development	**4,127**	1,414
Rental	**1,808**	-
Repairs and maintenance	**698**	-
Salaries and wages	**288,311**	247,025
Honoraria	**4,000**	5,796
Contracted services	**52,945**	163,373
Materials	**41**	923
Furniture and equipment	**1,099**	9
Travel	**19,693**	19,003
Telephone	**392**	837
Vehicle	**1,872**	812
Postage	**308**	-
	432,887	449,467
ANNUAL SURPLUS	**264,413**	290,133
ACCUMULATED SURPLUS	**-**	-
ANNUAL SURPLUS AFTER TRANSFERS	$ **264,413**	$ 290,133

See notes to financial statements

KLUANE FIRST NATION
Segment - Economic Development (Schedule 9)
Year Ended March 31, 2026

	2026	2025
REVENUES		
Yukon Government	$ -	$ 45,375
Other revenue	-	14,576
	-	59,951
EXPENSES		
Contracted services	**770,037**	126,347
Professional fees	**500,000**	232,000
	1,270,037	358,347
ANNUAL SURPLUS	**(1,270,037)**	(298,396)
TRANSFERS		
Transfers between departments	-	298,396
ANNUAL SURPLUS AFTER TRANSFERS	**$ (1,270,037)**	$ -

See notes to financial statements

KLUANE FIRST NATION
Segment - Language (Schedule 10)
Year Ended March 31, 2026

		2026		2025
REVENUES				
Crown Indigenous Relations Northern Affairs Canada	$	**487,707**	$	151,829
EXPENSES				
Salaries and wages		**148,919**		164,115
Honoraria		**8,800**		86,100
Travel		**13,463**		19,750
Program expenses		**20,821**		10,255
Donations		**-**		500
Food and beverage		**2,646**		767
Furniture and equipment		**-**		1,513
Professional development		**6,143**		1,294
Contracted services		**3,300**		3,178
Vehicle		**1,024**		649
Materials		**4,319**		4,771
Office		**76**		5,927
Social Assistance		**-**		75
Telephone		**2,818**		-
		212,329		298,894
ANNUAL SURPLUS		**275,378**		(147,065)
TRANSFERS				
Transfers between departments		**-**		147,065
ANNUAL SURPLUS AFTER TRANSFERS	$	**275,378**	$	-

See notes to financial statements

KLUANE FIRST NATION
Segment - Perpetual Investment (Schedule 11)
Year Ended March 31, 2026

	2026	2025
REVENUES	$ -	$ -
EXPENSES		
Honoraria	**153,934**	149,700
Office	**41,067**	38,094
Salaries and wages	**298**	424
Telephone	**56**	-
	195,355	188,218
ANNUAL SURPLUS	**(195,355)**	(188,218)
TRANSFERS		
Transfers between departments	-	188,218
ANNUAL SURPLUS AFTER TRANSFERS	**$ (195,355)**	$ -

See notes to financial statements

KLUANE FIRST NATION

Segment - New Housing Construction (Schedule 12)

Year Ended March 31, 2026

	2026	2025
REVENUES	$ -	$ -
EXPENSES	-	-
ANNUAL SURPLUS	-	-
TRANSFERS		
Transfer of capital expenditures	(2,523,731)	(523,131)
Transfers between departments	-	523,131
	(2,523,731)	-
ANNUAL SURPLUS AFTER TRANSFERS	$ (2,523,731)	$ -

See notes to financial statements

KLUANE FIRST NATION
Segment - REACHE Wind Project (Schedule 13)
Year Ended March 31, 2026

	2026	2025
REVENUES		
Indigenous Services Canada	$ -	$ 16,965
Yukon Government	-	300,000
Crown Indigenous Relations Northern Affairs Canada	-	583,306
	-	900,271
EXPENSES		
Office	3,500	-
Professional fees	23,382	-
Honoraria	1,100	-
Furniture and equipment	8,240	-
Contracted services	176,662	-
Amortization	404,921	-
Materials	14,976	-
Professional development	155	-
Food and beverage	1,851	-
Property taxes	40,704	-
Travel	6,304	-
Utilities	3,517	-
Telephone	755	-
Vehicle	435	-
Program expenses	18,063	-
Insurance	71,454	-
	776,019	-
ANNUAL SURPLUS	(776,019)	900,271
TRANSFERS		
Transfer of capital expenditures	-	(2,660,891)
Transfer of depreciation	404,921	-
Transfers between departments	-	1,760,620
	404,921	(900,271)
ANNUAL SURPLUS AFTER TRANSFERS	$ (371,098)	$ -

See notes to financial statements

KLUANE FIRST NATION
Segment - Funding Surpluses
Year Ended March 31, 2026

(Schedule 14)

	2026	2025
REVENUES		
Crown Indigenous Relations Northern Affairs Canada	**$ 5,094,423**	$ 6,597,321
Indigenous Services Canada	**115,797**	109,128
Parks Canada	**30,000**	-
First Nations GST	**128,015**	137,419
Personal income taxes	**368,130**	444,792
Other revenue	**444,952**	(4,132)
	6,181,317	7,284,528
EXPENSES		
Transfer to trust	**-**	2,509,985
ANNUAL SURPLUS	**6,181,317**	4,774,543
TRANSFERS		
Transfers between departments	**-**	(2,917,430)
ANNUAL SURPLUS AFTER TRANSFERS	**$ 6,181,317**	$ 1,857,113

See notes to financial statements

KLUANE FIRST NATION

Segment - Equity in Capital Assets (Schedule 15)

Year Ended March 31, 2026

		2026		2025
REVENUES	$	-	$	-
EXPENSES		-		-
ANNUAL SURPLUS		-		-
TRANSFERS				
Transfer of capital expenditures		4,440,566		4,177,413
Transfer of depreciation		(943,438)		(428,313)
		3,497,128		3,749,100
ANNUAL SURPLUS AFTER TRANSFERS	$	3,497,128	$	3,749,100

See notes to financial statements