

# **BILJK**

**CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025**

BILJK  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2025

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KINGSCLEAR FIRST NATION  
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2025

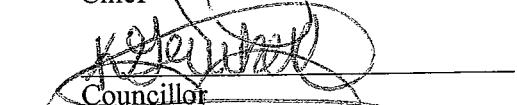
The accompanying consolidated financial statements of Kingsclear First Nation are the responsibility of Chief and Council. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and necessarily include estimates which are based on management's best judgments.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

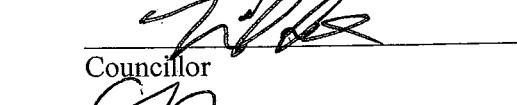
Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

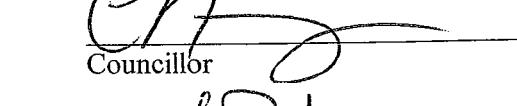
Lenehan McCain & Associates, an independent firm of accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

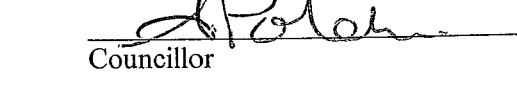
  
Chief

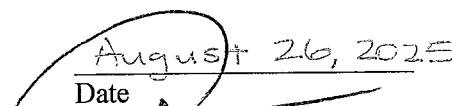
  
Councillor

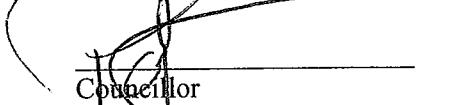
  
Councillor

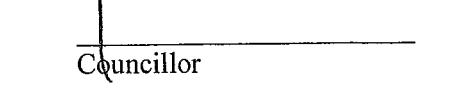
  
Councillor

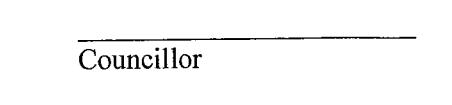
  
Councillor

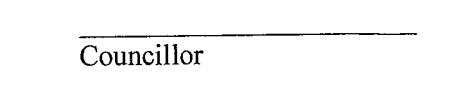
  
Councillor

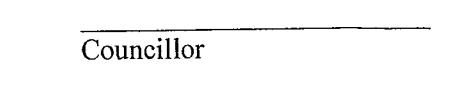
  
Date: August 26, 2025

  
Councillor

  
Councillor

  
Councillor

  
Councillor

  
Councillor

## **Independent Auditor's Report**

To the Chief and Council and members of  
Bilijk

### *Opinion*

We have audited the consolidated financial statements of Bilijk, which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations and accumulated surplus, change in net debt, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including 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 consolidated financial position of the First Nation as at March 31, 2025, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with 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 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 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 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.

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

- ♦ 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 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.
- ♦ 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.

*Lennox McCosh + Associates*  
Chartered Professional Accountants

**Woodstock, New Brunswick**  
**August 26, 2025**

BILJK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31, 2025

2025

2024

**Financial Assets**

Restricted cash (Note 3)	\$ 751,162	\$ 664,843
Cash (Note 3)	3,716,953	2,449,278
Accounts receivable (Note 4)	9,364,686	7,840,756
Funds held in trust by Federal Government (Note 16)	10,521	10,179
Inventory (Note 10)	495,074	298,562
	<b>14,338,396</b>	<b>11,263,618</b>

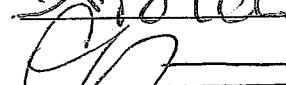
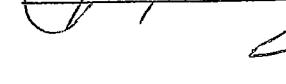
**Liabilities**

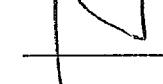
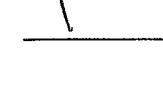
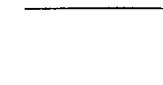
Accounts payable and accrued liabilities (Note 8)	2,058,504	2,020,681
Accounts payable - ISC (Note 9)	322,716	443,735
Deferred revenue (Note 5)	8,609,984	6,053,295
Long-term debt (Note 6)	6,804,346	7,215,478
	<b>17,795,550</b>	<b>15,733,189</b>
<b>Net debt</b>	<b>(3,457,154)</b>	<b>(4,469,571)</b>

**Non-financial Assets**

Tangible capital assets (Note 7)	28,351,599	28,539,991
Prepaid expenses (Note 14)	246,549	215,726
	<b>28,598,148</b>	<b>28,755,717</b>
<b>Accumulated Surplus</b>	<b>\$ 25,140,994</b>	<b>\$ 24,286,146</b>

Approved on behalf of the Kingsclear First Nation

, Chief  
, Councillor  
, Councillor  
, Councillor  
, Councillor  
, Councillor

, Councillor  
, Councillor  
, Councillor  
, Councillor  
, Councillor

The accompanying notes are an integral part of the financial statements

BILJK  
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED MARCH 31, 2025

	2025	2024
<b>Surplus</b>	<b>\$ 854,848</b>	<b>\$ 2,177,694</b>
Acquisition of tangible capital assets	(1,769,956)	(3,816,108)
Amortization of tangible capital assets	1,958,349	1,772,225
	<b>188,392</b>	<b>(2,043,884)</b>
(Increase) in prepaid expenses	(30,823)	(138,688)
(Increase) decrease in net debt	1,012,417	(4,878)
Net debt at beginning of year	(4,469,571)	(4,464,693)
<b>Net debt at end of year</b>	<b>\$ (3,457,154)</b>	<b>\$ (4,469,571)</b>

The accompanying notes are an integral part of the financial statements

BILJK

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2025

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
<b>Revenues</b>			
Indigenous Services Canada	\$ 22,175,345	\$ 30,460,612	\$ 22,925,737
Convenience Store	13,348,447	12,994,828	13,670,778
Entertainment revenue	7,618,000	6,770,460	7,259,244
Health Canada and opening def.rev.	1,970,886	3,475,960	3,106,168
Rental income	611,505	611,505	611,505
Canada Mortgage and Housing Corporation	383,992	218,997	463,676
Wolastoqey Tribal Council Inc.	363,149	368,149	383,292
Fisheries and Oceans Canada	352,726	392,029	390,074
Other	3,495,044	4,551,296	6,926,473
	<b>50,319,094</b>	<b>59,843,836</b>	<b>55,736,947</b>
<b>Expenditures</b>			
Administration Program	2,193,480	2,717,075	2,886,821
Education Program	6,096,208	6,666,484	6,204,697
Social Program	3,009,367	2,870,643	3,053,858
Social Housing Program	880,411	1,141,457	868,571
Health Program	2,010,302	2,272,342	1,892,903
Fisheries Program	416,695	469,310	549,425
Employment Training Program	600,751	426,834	369,399
Forestry Program	225,000	281,700	195,500
Convenience Store	13,605,922	12,934,648	14,141,681
Capital Program	10,533	172,745	138,114
Adult Care Program	789,901	735,144	696,697
Child Maintenance Program	6,245,993	10,745,375	6,993,678
Child and Family Program	4,851,719	8,674,587	6,171,350
Operations and Maintenance Program	699,605	877,273	755,146
Economic Development Program	7,047,389	6,045,022	6,869,189
	<b>48,683,276</b>	<b>57,030,639</b>	<b>51,787,029</b>
<b>Surplus before other expense</b>	<b>1,635,818</b>	<b>2,813,197</b>	<b>3,949,918</b>
<b>Other expense</b>			
Amortization	(1,772,225)	(1,958,349)	(1,772,225)
<b>Surplus</b>	<b>(136,407)</b>	<b>854,848</b>	<b>2,177,694</b>
<b>Accumulated surplus at beginning of year</b>	<b>24,286,146</b>	<b>24,286,146</b>	<b>22,108,452</b>
<b>Accumulated surplus at end of year</b>	<b>\$ 24,149,739</b>	<b>\$ 25,140,994</b>	<b>\$ 24,286,146</b>

The accompanying notes are an integral part of the financial statements

BILJK

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
<b>Cash flows from Operating activities</b>		
Surplus	\$ 854,848	\$ 2,177,694
Items not affecting cash		
Amortization expense	<u>1,958,349</u>	1,772,225
	<u>2,813,197</u>	3,949,919
Change in non-cash operating working capital		
Accounts receivable	(1,523,930)	(2,505,824)
Inventory	(196,512)	98,056
Prepaid expenses	(30,823)	(138,688)
Funds held in trust by Federal Government	(342)	(335)
Accounts payable and accrued liabilities	(83,197)	(23,697)
Deferred revenue	<u>2,556,689</u>	1,046,226
	<u>3,535,082</u>	2,425,657
<b>Capital activities</b>		
Acquisition of tangible capital assets	<u>(1,769,956)</u>	(3,816,108)
<b>Financing activities</b>		
Loan and mortgage advances	488,690	339,144
Repayment of loans and mortgages	<u>(899,822)</u>	(704,278)
	<u>(411,132)</u>	(365,134)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,353,994</b>	(1,755,585)
<b>Cash and cash equivalents, beginning of year</b>	<b>3,114,121</b>	4,869,706
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,468,115</b>	\$ 3,114,121
<b>Represented by</b>		
Restricted cash	\$ 751,162	\$ 664,843
Unrestricted cash	<u>3,716,953</u>	<u>2,449,278</u>
Total cash	<u>\$ 4,468,115</u>	<u>\$ 3,114,121</u>

The accompanying notes are an integral part of the financial statements

## BILJK

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

#### **1. Basis of Presentation and Significant Accounting Policies**

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

##### **(a) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of one year or less at acquisition which are held for the purpose of meeting short-term cash commitments.

##### **(b) Principles of Consolidation**

All controlled entities are fully consolidated on a line-by-line basis.

###### Consolidation Method

This method combines the accounts of distinct organizations. It requires uniform accounting policies for the organizations. Inter-organizational balances and transactions are eliminated under this method. This method reports the organizations as if they were one organization.

##### **(c) Net Debt**

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt is comprised of two components, non-financial assets and accumulated surplus.

##### **(d) Inventory**

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on the FIFO basis. Net realizable value is the estimated selling price in the normal course of business.

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## BILJK

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

#### **1. Basis of Presentation and Significant Accounting Policies (continued)**

##### **(e) Tangible Capital Assets**

Tangible capital assets (TCAs) are items that can be physically touched, are used to provide First Nation services, are used for First Nation administration purposes or are used for the construction and/or maintenance of other TCAs owned by the First Nation, will be useful for a period greater than one year and will be used by the First Nation on a regular basis.

There are some assets that have been owned for a significant number of years, therefore some assumptions and amortization calculations were required to determine age and historical cost.

TCAs are recorded at cost, which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset, and are amortized on the straight-line basis over their estimated useful lives. The First Nation has determined a capitalization threshold of \$5,000. Any item purchased below this threshold will be recorded as an expense in the year the item is acquired. Amortization begins in the year the asset has been put to use. Assets under construction are not amortized until they are put into use.

Tangible capital assets recorded at a nominal amount of \$1 (because specific cost information could not be determined) include some roads, some of the water/sewer infrastructure, a few smaller buildings and approximately 5 hectares of land.

Buildings and housing	10-40yrs Straight line
Parking areas and pedestrian pedway	25yrs Straight line
Fire truck and buses	10yrs Straight line
Other vehicles	5yrs Straight line
Boats	10yrs Straight line
Equipment	5yrs Straight line
Gas tanks	15yrs Straight line
Roads	15yrs Straight line
Water and sewer facilities	30yrs Straight line

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## BILJK

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

#### **1. Basis of Presentation and Significant Accounting Policies (continued)**

##### **(f) Revenue Recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers (both operating and capital) 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.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

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

##### **(g) Expense recognition**

Expenses are recorded on the accrual basis as they are incurred and measurable based on receipt of goods or services and obligation to pay.

##### **(h) Use of Estimates**

The preparation of financial statements in accordance 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 reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

##### **(i) Asset Classification**

Assets are classified as either 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 provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

##### **(j) Fishing licences**

Fishing licences are recorded at acquisition cost. No acquisition costs have been incurred to date.

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## BILIJK

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

#### **1. Basis of Presentation and Significant Accounting Policies (continued)**

##### **(k) Segment Disclosure**

The financial statements of Bilijk provide supporting schedules which are established by program based on government funding provided. The various programs have been amalgamated for the purpose of presentation in the consolidated financial statements. Details of the operations of each program are set out in the supplementary schedules for management information purposes.

##### **(l) Financial Instruments**

The First Nation's financial instruments consist of cash, accounts receivable, accounts payable, deferred revenue and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

#### **2. Additional Information - Restricted Amounts**

##### **Replacement Reserve (RR)**

Under the terms of the agreements with Canada Mortgage and Housing Corporation, an amount is to be maintained in a reserve for qualifying capital and maintenance expenditures related to the corresponding housing projects/units of the First Nation. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal.

Separate bank accounts for this reserve are maintained by the First Nation, and are included with restricted cash on the consolidated statement of financial position.

The replacement reserve is included with accumulated surplus on the consolidated statement of financial position.

#### **3. Cash**

	<b>2025</b>	<b>2024</b>
<b>Unrestricted cash and funds on deposit</b>	<b>\$ 3,716,953</b>	\$ 2,449,278
<b>Restricted accounts:</b>		
CMHC replacement reserve post '96 projects	746,169	646,169
CMHC replacement reserve pre '97 projects	4,993	18,674
	<b>\$ 4,468,115</b>	\$ 3,114,121

BILJK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

**4. Accounts Receivable**

	<b>2025</b>	<b>2024</b>
Indigenous Services Canada	\$ 7,442,840	\$ 5,228,583
Health Canada	6,662	119,290
Fisheries and Oceans Canada	39,203	-
Province of New Brunswick - Other	147,186	23,390
Environment and Climate Change Canada	120,000	-
Service Canada	56,017	-
Indigenous Skills and Employment Training Program	-	181,574
Convenience Store excise tax rebates	41,623	34,625
Convenience Store trade receivables	-	7,290
Other	254,229	871,095
Individuals	27,830	94,118
Canada Mortgage and Housing Corporation	139,700	339,145
Revenue Canada - HST rebates	302,776	-
Regional Development Corporation	786,620	941,646
	<hr/> <b>\$ 9,364,686</b>	<hr/> <b>\$ 7,840,756</b>

BILJK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

**5. Deferred revenue**

	<b>2025</b>	<b>2024</b>
ISC - Capital program	\$ 2,684,637	\$ 1,833,337
Fundraising and donations	-	107,390
Health Canada (various programs pg 40)	1,118,901	1,156,981
ISC - FN School Formula	-	138,151
ISC - ECE Implem/Expand	151,744	123,741
P&ID Government Capacity	70,356	13,062
FNFMB Assistance for Legal	-	7,500
ISC - Case Management	54,000	-
ISC - Estates	-	9,953
ISC - Client Support	107,300	-
ISC - CFS other programs	1,980,712	351,253
ISC - Institutional Care	-	45,016
Economic Development programs	-	60,213
Tribal Council (Land Acquisition)	-	67,439
ISC - Clean Energy	412,166	-
ISC - Service Delivery	18,000	-
ISC - Plan, Design, Constr	196,695	196,695
Indigenous Earling Learning and Child Care	-	109,479
ISC - Climate Control	6,269	-
Regional Development Corporation	777,245	860,975
Indigenous Habitat Participation Program	13,998	48,478
ISC - Summer Work Experience	-	37,033
Red Cross	-	22,440
Farm Credit Canada	-	7,500
Indigenous Skills and Employment Training Program (ISETP)	81,717	126,692
Other deferrals	744,494	564,967
Canada Mortgage and Housing Corporation	191,750	165,000
	<hr/> <b>\$ 8,609,984</b>	<hr/> <b>\$ 6,053,295</b>

These amounts represent unexpended funds under contribution agreements and therefore may become subject to repayment to the funding source.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

**6. Long-term debt**

	<b>2025</b>	2024
Canada Mortgage and Housing Corporation Various mortgages at interest rates from 0.96% to 3.81%, repayable in blended monthly installments ranging from \$302 to \$2,533, guaranteed by the Minister of Indigenous Services Canada. These loans are related to CMHC housing projects and have varying repayment terms and maturity dates.	<b>\$ 3,451,972</b>	\$ 3,411,095
Canadian Imperial Bank of Commerce Various mortgages at prime plus 0.5% to fixed at 5.94%, repayable in blended monthly installments ranging from \$821 to \$5,250, guaranteed by the Minister of Indigenous Services Canada. These loans are related to CMHC housing projects and have varying repayment terms and maturity dates.	<b>2,579,874</b>	2,763,216
Canadian Imperial Bank of Commerce Prime plus 1% loan, repayable in monthly installments of \$10,000 plus interest, secured by convenience store assets, amortized until June, 2027.	<b>270,000</b>	390,000
Canadian Imperial Bank of Commerce Prime plus 1.00%, repayable in monthly installments of \$5,333 plus interest, secured by band owned commercial buildings, due November, 2024.	-	58,667
Canadian Imperial Bank of Commerce Prime plus 1.00%, repayable in monthly installments of \$7,500 plus interest, secured by band owned commercial buildings, amortized until October, 2030.	<b>502,500</b>	592,500
<u>Current portion</u>	<b>6,804,346</b>	7,215,478
	<b>639,999</b>	689,158
	<b>\$ 6,164,347</b>	\$ 6,526,320

## BILJK

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

#### **6. Long-term debt, continued**

Principal portion of long-term debt due within the next five years:

2026	\$ 639,999
2027	621,856
2028	526,860
2029	486,823
2030	468,002

#### **7. Tangible Capital Assets**

	Cost	Additions	Accumulated amortization	2025 Net book value
Land	\$ 35,501	\$ 5,000	\$ -	\$ 40,501
Buildings and housing	33,942,340	952,751	17,978,099	16,868,963
Fire truck and other vehicles	1,181,914	-	964,749	269,475
Gas tanks and equipment	6,920,657	812,205	2,828,558	4,899,513
Pedway	1,676,161	-	434,780	1,241,381
Water and sewer	7,305,242	-	3,021,405	4,283,838
Boats	144,786	-	144,786	-
Parking areas	221,154	-	48,059	173,095
Roads	2,345,873	-	1,771,040	574,833
	<b>\$ 53,773,628</b>	<b>\$ 1,769,956</b>	<b>\$ 27,191,476</b>	<b>\$ 28,351,599</b>

	Cost	Additions	Accumulated amortization	2024 Net book value
Land	\$ 35,501	\$ -	\$ -	\$ 35,501
Buildings and housing	30,767,405	3,174,935	16,825,852	17,116,489
Fire truck and other vehicles	1,022,096	269,802	851,534	330,380
Gas tanks and equipment	6,454,302	371,371	2,531,607	4,389,050
Pedway	1,676,161	-	367,734	1,308,428
Water and sewer	7,305,242	-	2,777,897	4,527,346
Boats	144,786	-	143,086	1,700
Parking areas	206,154	-	39,213	181,941
Roads	2,345,873	-	1,696,717	649,156
	<b>\$ 49,957,520</b>	<b>\$ 3,816,108</b>	<b>\$ 25,233,640</b>	<b>\$ 28,539,991</b>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

**8. Accounts payable and accrued liabilities**

	2025	2024
Province of New Brunswick - tuition	\$ 252,970	\$ 278,265
Canada Revenue Agency - HST payable	-	32,126
Convenience store trade payables	32,290	5,604
Canada Revenue Agency - Payroll deductions	386	73,340
Trade payables and accrued liabilities	1,249,824	1,109,607
Health Canada	21,588	-
Employee benefits accrual	420,946	477,989
Unclaimed royalties	80,500	43,750
	<hr/> <b>\$ 2,058,504</b>	<hr/> <b>\$ 2,020,681</b>

**9. Accounts payable - Indigenous Services Canada**

	2025	2024
2009-10 Basic needs	\$ 159,609	\$ 159,609
2010-11 In-Home Care	73,137	73,137
2016-17 Basic Needs	52,698	52,698
2018-19 Tuition agreement	37,272	158,291
	<hr/> <b>\$ 322,716</b>	<hr/> <b>\$ 443,735</b>

**10. Inventory**

Inventory on hand for resale purposes relates to the convenience store, and is comprised of the following:

	2025	2024
Tobacco products	\$ 307,312	\$ 131,088
Gasoline and diesel	94,589	75,646
Grocery	75,386	61,765
Lotto	15,240	28,447
Other inventory items	2,547	1,616
	<hr/> <b>\$ 495,074</b>	<hr/> <b>\$ 298,562</b>

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

#### **11. Financial Instruments Risks and Uncertainties**

The First Nation is exposed to the following risks in respect of certain of the financial instruments held:

##### Credit risk

The financial instruments that potentially subject the First Nation to a significant concentration of credit risk consist primarily of cash and accounts receivable.

The First Nation maintains cash balances with Canadian chartered banks which are insured by the Canada Deposit Insurance Corporation up to CDN \$100,000. From time to time, these balances exceed the federally insured limits and expose the First Nation to credit risk from concentration of cash. The First Nation limits this risk by transacting with reputable financial institutions.

The First Nation does have credit risk in accounts receivable \$9,364,686 (2024 - \$7,840,756). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The First Nation reduces its exposure to credit risk by performing valuations on a regular basis and creating an allowance for bad debts when applicable. The First Nation derives a significant portion of its revenues and therefore, accounts receivable, from government sources. In the opinion of management, the credit risk exposure to the First Nation is low.

##### Liquidity risk

The First Nation does have a liquidity risk in the accounts payable and accrued liabilities of \$2,381,219 (2024 - \$2,464,416). Liquidity risk is the risk that the First Nation cannot repay its obligations when they become due to its creditors. The First Nation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains a responsible cash position. In the opinion of management, the liquidity risk exposure to the First Nation is moderate.

##### Interest rate risk

The First Nation is exposed to interest rate risk related to mortgages with floating interest rates. This exposure may have an effect on its interest expenses in future periods. The First Nation reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates. There are some loans payable that are at fixed term rates and therefore, do not affect interest rate risk. The First Nation does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the First Nation is low.

#### **12. Economic Dependence**

Bilijk receives a significant portion of its revenue pursuant to a funding agreement with Indigenous Services Canada.

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## BILJK

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

#### **13. Contingent liabilities**

Bilijk 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. The likelihood of compliance reviews and any potential findings are not determinable as at the date on the auditor's report.

In the normal course of its operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occurs or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's financial statements. When the future event and/or ability to estimate involves more uncertainty, the action or claim is considered a contingent liability.

#### **14. Prepaid expenses**

	2025	2024
Child and family services	\$ 51,116	\$ 42,909
Post secondary	93,834	109,592
Administration	101,599	63,225
	<b>\$ 246,549</b>	<b>\$ 215,726</b>

#### **15. Expenses by object**

	2025	2024
Wages and benefits	\$ 10,532,364	\$ 9,607,024
Cost of goods sold	12,058,002	13,249,432
Provincial tuition	1,212,400	1,198,078
Interest	323,623	271,514
Professional services	700,524	1,118,533
Royalties	281,700	195,500
Amortization	1,928,349	1,772,225
Insurance	515,358	362,383
Other	31,436,668	25,784,564
	<b>\$ 58,988,988</b>	<b>\$ 53,559,253</b>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025

**16. Trust funds held by Federal Government**

	<b>March 31, 2024</b>	Additions (interest)	Withdrawals	<b>March 31, 2025</b>
Revenue	\$ 4,911	\$ 342	\$ -	\$ 5,253
Capital	<u>\$ 5,268</u>	<u>-</u>	<u>-</u>	<u>\$ 5,268</u>
	<b>\$ 10,179</b>	<b>\$ 342</b>	<b>\$ -</b>	<b>\$ 10,521</b>

**17. Comparative amounts**

Certain comparative amounts have been reclassified to conform with the presentation adopted in the current period. There is no impact to the accumulated surplus balance.

**18. Annual surplus net of capital related revenues and amortization**

	<b>2025</b>	<b>2024</b>
Annual surplus (deficit)	\$ 854,848	\$ 2,177,694
Deduct: Federal government transfers for capital	(191,750)	(1,486,000)
Deduct: Provincial government transfer for capital	-	(606,657)
Add: Amortization expense included in annual surplus (deficit)	<b>1,958,349</b>	<b>1,772,225</b>
Annual surplus net of capital related revenues and amortization	<b>\$ 2,621,447</b>	<b>\$ 1,857,262</b>