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Consolidated Financial Statements

Bear River First Nation

March 31, 2017

Contents

	Page
Independent Auditor's Report	1
Management's Responsibility for the Consolidated Financial Statements	2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Changes in Net Debt	5
Consolidated Schedule of Fund Balances	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 22
Consolidated Schedules	
Band Support	23 - 24
Education	25 - 26
Social Services	27
Community Maintenance	28
Economic Development	29
Health Center - Set Agreement	30
Health Center - Other Revenue and Expenditures	31
Health Center - Block Funding	32
Housing Project	33
Health Center - MCARR	34

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Independent Auditor's Report

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To the Chief, Councillors and Members
of the Bear River First Nation

We have audited the accompanying consolidated financial statements of Bear River First Nation, which comprise the statement of financial position as at March 31, 2017, the statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Bear River First Nation as at March 31, 2017, and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matters
Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The consolidated schedules of revenues and expenditures on pages 23 to 34 are presented for purposes of additional information and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

Grant Thornton LLP

Kentville, Canada
July 25, 2017

Chartered Professional Accountants
Licensed Public Accountants

Management's Responsibility for the Consolidated Financial Statements

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for local governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants of Canada ("CPA Canada"), and as such, include amounts that are the best estimates and judgements of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The First Nation Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Bear River First Nation and meet when required.

Chief Chief Carol D. Potter

Band Manager

Date July 25, 2017

Bear River First Nation
Consolidated Statement of Financial Position
March 31

	2017	2016
Financial assets		
Cash and cash equivalents (Note 2)	$ 840,071	$ 688,380
Accounts receivable (Note 3)	121,732	97,301
Investment in government business enterprise (Note 6)	357,712	299,206
Trust funds held by federal government (Note 4)	10,830	10,830
Due from governments and other government organizations (Note 5)	492,634	145,512
Total financial assets	1,822,979	1,241,229
Financial liabilities		
Operating line of credit	40,000	
Payables and accruals (Note 7)	434,974	216,043
Deferred revenue (Note 8)	444,835	137,402
Long-term debt (Note 9)	1,219,108	1,215,201
Total financial liabilities	2,138,917	1,568,646
Net debt	(315,938)	(327,417)
Non-financial assets		
Tangible capital assets (Note 10)	3,394,795	3,523,929
Prepaid expenses	17,879	17,123
Inventory	49,061	18,936
Total non-financial assets	3,461,735	3,559,988
Accumulated surplus	$ 3,145,797	$ 3,232,571

On behalf of the Band

Chief Carol Potter Chief

Councillor

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Consolidated Statement of Operations
Year Ended March 31

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Federal government transfers for operating (Note 19)	$ 1,266,800	$ 1,593,381	$ 1,365,823
Federal government transfers for capital (Note 19)	96,421	98,600	93,930
Provincial government transfers for operating (Note 19)	65,000	86,046	109,796
Rent		1,929	3,029
Other investment income		1,886	1,572
Amounts earned and held in Trust by federal government (Note 4)			331
Income from investment in government business enterprises (Note 6)	60,000	58,506	69,792
Other (Note 11)	413,268	829,458	545,086
Total revenues	1,901,489	2,669,806	2,189,359
Expenses			
Education	197,831	361,502	253,958
Health	339,412	434,310	401,107
Economic Development	131,358	200,843	116,465
Housing	188,240	184,385	194,860
Community Maintenance	183,450	505,824	266,968
Social Services	298,387	210,925	214,785
Band Support	632,719	858,791	808,630
Total expenses	1,972,397	2,756,580	2,256,773
Annual deficit	$ (70,908)	$ (86,774)	$ (67,414)

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Consolidated Statement of Changes in Net Debt
Year Ended March 31

	2017 Budget	2017 Actual	2016 Actual
Annual deficit	$ (70,908)	$ (86,774)	$ (67,414)
Acquisition of tangible capital assets		(160,219)	(176,853)
Amortization of tangible capital assets		289,353	261,846
	$ (70,908)	42,360	17,579
Changes in inventory		(30,125)	(2,951)
Change in prepaid expense		(758)	2,032
(Decrease) Increase in net debt		11,477	16,660
Net debt			
Beginning of year		(327,415)	(344,075)
End of year		$ (315,938)	$ (327,415)

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Consolidated Schedule of Fund Balances
Year Ended March 31

	Investment in Capital Assets	Unrestricted Fund	Net assets - externally restricted: Funds on Deposit with AANDC	Net assets - externally restricted: Replacement Reserve	Operating Reserve	MCARR Reserve	Contributed Surplus	2017 Total	2016 Total
Accumulated surplus, opening balance	$ 2,188,350	$ 334,074	$ 10,830	$ 182,528	$ 14,194	$ 94,245	$ 408,350	$ 3,232,571	$ 3,299,987
Deficiency of revenue over expenditures (Page 4)		(86,774)						(86,774)	(67,416)
Government assistance for capital additions, net of expenditures		5,997				(5,997)			
Transfers		(26,305)		21,513	4,792				
Transfers	(111,594)	111,594							
Accumulated surplus, ending balance	$ 2,076,756	$ 338,586	$ 10,830	$ 204,041	$ 18,986	$ 88,248	$ 408,350	$ 3,145,797	$ 3,232,571

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Consolidated Statement of Cash Flows
Year Ended March 31

	2017	2016
Operations		
Deficiency of revenue over expenditures	$ (86,774)	$ (67,414)
Amortization	289,353	261,846
Proceeds from funds on deposit		(331)
Change in non-cash operating net financial assets (Note 12)	123,929	(32,829)
Equity in income from government business enterprise (Note 6)	(58,506)	(69,792)
	268,002	91,480
Capital		
Purchase of tangible capital assets, net of disposal	(160,219)	(176,853)
Financing		
Increase in operating line of credit	40,000	
Repayment of long-term debt	(77,394)	(78,692)
Proceeds from issuance of long term debt	81,300	8,255
Proceeds from vehicle loan		55,046
	43,906	(15,391)
Increase (decrease) in cash and cash equivalents	151,689	(100,764)
Cash and cash equivalents		
Beginning of year	688,382	789,146
End of year	$ 840,071	$ 688,382

See accompanying notes and schedules to the consolidated financial statements.

1. Significant accounting policies

(a) Basis of accounting
These financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for local governments as recommended by the Public Sector Accounting Board of CPA Canada.

(b) Reporting entity
The Bear River First Nation reporting entity includes the Bear River First Nation government and all related entities that are controlled by the First Nation.

(c) Principles of consolidation
All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Bear River First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Bear River First Nation.

Organizations consolidated in Bear River First Nation's financial statements include:
- Bear River First Nation Housing Projects
- Bear River First Nation Health Center

Organizations accounted for on a modified equity basis include:
- L'sitkuk Gas Bar Limited

(d) 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 three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(e) Tangible capital assets
Tangible capital assets are recorded at cost, which includes all amounts 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.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Bear River First Nation's incremental cost of borrowing.

1. Significant accounting policies (continued)

Amortization is provided for on a straight-line basis, over the expected useful life of the assets in the table that follows:

Band buildings	25 years
Commercial buildings	25 years
Residential buildings	25 years
Roads	30 years
Underground networks	50 years
Furniture and equipment	10 years
Pool	20 years
Computer equipment	4 years
Housing Project buildings	25 years
Motor vehicles	5 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to Bear River 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 consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(f) Inventories held for use
Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(g) 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 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 performed is deferred and recognized when the fee is earned or service performed.

1. Significant accounting policies (continued)

(h) Measurement uncertainty

In preparing the consolidated financial statements for Bear River First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include amortization and allowance for doubtful accounts. Actual results could differ from these estimates.

(i) Revenues and expenditures – CMHC Housing Projects
Revenues and expenditures are recorded according to the accrual basis of accounting. Rental revenue is recorded at a flat monthly rate and not on a rent-to-income basis as set out in the agreement with the Canada Mortgage and Housing Corporation (CMHC).

(j) Replacement Reserve
The Replacement Reserve account is funded by an annual charge against earnings as opposed to an appropriation of surplus.

(k) Operating Reserve
The Operating Reserve account is funded by an appropriation of surplus as prescribed by the CMHC.

(l) RRAP expenditures
Repairs and renovations incurred under the CMHC Residential Renovations Assistance Program (RRAP) are expensed in the Operating Fund in the year incurred.

The First Nation is not exposed to significant credit, liquidity or market risk as a result of its financial instruments.

(m) Budget
The budget was approved by Chief and Council on February 22, 2016.

2. Cash and cash equivalents

Under the terms of an agreement with CMHC, Bear River 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 the CMHC with any interest earned to be credited as revenue to the Housing Project Replacement Reserve.

Cash is comprised of the following:

	2017	2016
Externally restricted		
CMHC reserves	$ 182,528	$ 196,722
MCARR reserve	79,254	94,245
	261,782	290,967
Unrestricted		
Operating	463,663	264,496
Housing project	114,626	132,917
	578,289	397,413
Total cash	$ 840,071	$ 688,380

3. Accounts receivable

	2017	2016
Due from members		
L'sitkuk Gas Bar Limited		$ 53,116
Due from others		
Mi'kmaq Kina'matnewey	$ 32,152	12,531
Mi'kmaq Employment/Training Secretariat	40,615	22,696
Amounts owing (net of allowance for doubtful accounts)	48,965	8,958
	121,732	44,185
Total accounts receivable	$ 121,732	$ 97,301

4. Trust funds held by federal government

Trust fund accounts arise from moneys 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 Sections 63 to 69 of the *Indian Act*.

	Opening Balance	Additions	Withdrawals	Closing Balance 2017	Closing Balance 2016
Revenue	$ 10,552	$ -	$	$ 10,552	$ 10,552
Capital	278			278	278
Fund total	$ 10,830	$ -	$ -	$ 10,830	$ 10,830

5. Due from governments and other government organizations

	2017	2016
CMHC	$ 248,528	$ 7,100
Provincial government - CASINO	55,000	60,000
Environment Canada - AFSAR	21,448	7,764
Aboriginal Affairs and Northern Development	91,740	30,000
Province of Nova Scotia	75,918	40,648
	$ 492,634	$ 145,512

6. Investment in government business enterprise

The commercial government business enterprise that is included in the First Nation reporting entity, as described in Note 1 (c) to these financial statements includes:

- L'sitkuk Gas Bar Limited

The following table presents condensed financial information for the commercial enterprise:

	2017	2016
Assets		
Cash and cash equivalents	$ 237,055	$ 205,868
Accounts receivable	4,096	22,348
Inventory	54,690	59,190
Tangible capital assets	74,480	83,087
Other assets	3,047	3,158
Total assets	373,368	373,651
Liabilities		
Accounts payable	15,656	74,445
Equity	357,712	299,206
Total liabilities and equity	$ 373,368	$ 373,651

	2017	2016
Revenue	$ 1,388,665	$ 1,276,885
Expenses	1,330,159	1,207,093
Net Income	$ 58,506	$ 69,792

L'sitkuk Gas Bar Limited
L'sitkuk Gas Bar Limited, incorporated on September 6, 2007, is a gas bar and convenience store.

7. Payables and accruals

	2017	2016
Trade payables	$ 264,469	$ 115,808
Accrued salaries and employee benefits payable	44,080	23,923
Other accrued liabilities	126,425	76,312
	$ 434,974	$ 216,043

8. Deferred revenue

	Balance 31-Mar 2016	Funding Received 2017	Revenue Recognized 2017	Balance 31-Mar 2017
Federal Government				
Aboriginal Affairs and Northern Development Canada (AANDC)				
Waste water	$ 63,955	$ 145,000	$ 52,986	$ 155,969
Community building	16,697		4,365	12,332
Roads and Bridges		50,240		50,240
CMHC - RRAP	4,000	192,335	30,186	166,149
Other	52,750	101,933	94,537	60,146
	$ 137,402	$ 489,508	$ 182,074	$ 444,835

Other deferred revenues are Mi'kmaq Kina'matnewey funding for feasibility study in process, TD Bank and Acadia First Nation for AFSAR project in process and Digby County Health Board for trail project in process.

9. Long-term debt

	2017	2016
2.63% loan, amortized to 2022, payable in monthly instalments of $315, including principal and interest.	$ 20,184	$ 23,131
2.82% loan, amortized to 2023, payable in monthly instalments of $320, including principal and interest.	21,201	24,135
2.63% loan, amortized to 2022, payable in monthly instalments of $842, including principal and interest.	50,259	58,213
2.56% loan, amortized to 2023, payable in monthly instalments of $341, including principal and interest.	25,003	28,127
3.11% loan, amortized to 2026, payable in monthly instalments of $338, including principal and interest.	33,791	36,743
Balance carried forward	150,438	170,349

9. Long-term debt (continued)

	2016	2015
Balance carried forward	$ 150,438	$ 170,349
3.21% loan, amortized to 2027, payable in monthly instalments of $345, including principal and interest.	35,861	38,564
2.11% loan, amortized to 2028, payable in monthly instalments of $309, including principal and interest.	38,624	41,494
1.92% loan, amortized to 2029, payable in monthly instalments of $315, including principal and interest.	40,961	43,925
1.3% loan, amortized to 2030, payable in monthly instalments of $297, including principal and interest.	44,638	47,605
1.44% loan, amortized to 2032, payable in monthly instalments of $303, including principal and interest.	48,521	51,394
1.44% loan, amortized to 2032, payable in monthly instalments of $315, including principal and interest.	50,543	53,536
1.53% loan, amortized to 2032, payable in monthly instalments of $320, including principal and interest.	53,478	56,479
1.53% loan, amortized to 2032, payable in monthly instalments of $317, including principal and interest.	53,259	56,230
2.04% loan, amortized to 2034, payable in monthly instalments of $329, including principal and interest.	56,297	59,077
2.04% loan, amortized to 2034, payable in monthly instalments of $330, including principal and interest.	56,443	59,229
1.12% loan, amortized to 2035, payable in monthly instalments of $306, including principal and interest.	59,322	62,314
1.01% loan, amortized to 2036, payable in monthly instalments of $303, including principal and interest.	62,457	65,456
1.48% loan, amortized to 2037, payable in monthly instalments of $310, including principal and interest.	63,948	66,706
1.44% loan, amortized to 2037, payable in monthly instalments of $311, including principal and interest.	64,574	67,303
1.60% loan, amortized to 2038, payable in monthly instalments of $315, including principal and interest.	67,029	69,724
2.11% loan, amortized to 2038, payable in monthly instalments of $349, including principal and interest.	72,921	75,545
1.05% loan, amortized to 2040, payable in monthly instalments of $315, including principal and interest.	77,511	80,467
1.03% loan, amortized to 2041, payable in monthly instalments of $328, including principal and interest.	80,343	-
0% vehicle loan, amortized to 2022, payable in monthly instalments of $655, including principal and interest.	41,940	49,804
	$ 1,219,108	$ 1,215,201

9. Long-term debt (continued)

As security for the above loans, the Minister of AANDC has provided guarantees.

Annual principal payments in each of the next five years are due as follows:

2018	$ 78,372
2019	$ 83,941
2020	$ 85,443
2021	$ 86,979
2022	$ 88,548

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2017

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	2017	2016
Commercial buildings	$ 90,478				$ 90,478	$ 32,571	$ 3,619		$ 36,190	$ 54,288	$ 57,907
Residential buildings	1,041,069				1,041,069	751,930	41,643		793,573	247,496	289,139
Roads	438,001				438,001	172,465	14,600		187,065	250,936	265,536
Underground networks	235,308	$ 14,393			249,701	13,562	4,994		18,556	231,145	221,746
Furniture and equipment	737,830				737,830	713,005	21,168		734,173	3,657	24,825
Pool	31,683				31,683	27,974	371		28,345	3,338	3,709
Computer equipment	28,738				28,738	25,130	2,363		27,493	1,245	3,608
Motor vehicles	55,046				55,046	7,798	11,009		18,807	36,239	47,248
Housing Project buildings	2,777,811	19,363		$ 138,050	2,935,224	1,023,857	118,376		1,142,233	1,792,991	1,753,954
Lots under development	11,745				11,745					11,745	11,745
House(s) in progress	93,162	118,781		(138,050)	73,893					73,893	93,162
Band buildings	1,552,973	7,682			1,560,655	801,823	71,210		872,833	687,822	751,350
Total	$ 7,093,844	$ 160,219	$ -	$ -	$ 7,254,063	$ 3,569,915	$ 289,353	$	$ 3,859,268	$ 3,394,795	$ 3,523,929

11. Other

Other revenue includes amounts received as follows:

	2017	2016
Bad debt recovery	$ 14,246	$ -
Administration fees	5,942	14,797
Program funding - Mi'kmaq Employment/Training Secretariat	168,091	150,779
Program funding - Confederacy of Mainland Mi'kmaq	48,738	48,049
Program funding - Mi'kmaq Kina'matnewey	324,324	279,597
Other	268,117	51,864
	$ 829,458	$ 545,086

12. Supplemental cash flow information

Change in non-cash operating net financial assets

	2017	2016
Accounts receivable and due from governments and other government organizations	$ (371,554)	$ (46,913)
Payables and accruals	218,931	17,889
Deferred revenue	307,433	(2,886)
Prepaid expenses	(756)	2,032
Inventory	(30,125)	(2,951)
	$ 123,929	$ (32,829)

13. Replacement and Operating Reserves

Under the terms of the agreement with CMHC, the Replacement Reserve account is to be credited annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by the CMHC from time to time. The First Nation bank interest is earned on a global basis and an allocation has been made to the Reserves. The funds in the account may only be used as approved by CMHC. During the year, $21,513 was transferred from the operating account to the Replacement Reserve (2016 - $21,632) and $nil (2016 – $19,703) was transferred from the Replacement Reserve. During the year, $4,792 was transferred from the Operating account to the Operating Reserve (2016 - $9,553).

14. Economic dependence

The Bear River First Nation receives a major portion of its revenues pursuant to a funding arrangement with AANDC.

15. Federal assistance payments

The Housing Projects have received assistance through CMHC pursuant to Section 56.1 of the *National Housing Act* to reduce mortgage interest expense to enable the project to provide housing to low-income individuals. The amount of assistance received in the year ended March 31, 2017, was $55,841 (2016 - $57,142).

16. Non-compliance

The Bear River First Nation does not apply the rent-to-income scale with respect to Section 95 housing units.

17. Matured units

At the year end, adjustments are required where units have matured based on information provided by CHMC to the First Nation. During the year, $Nil (2016 - $Nil) was transferred from the Replacement Reserve and $Nil (2016 - $Nil) was transferred from the deficit.

18. Pension plan

Bear River First Nation provides a defined contribution plan for eligible members of its staff. Members can contribute up to a maximum of 5.5% of their basic salary. Bear River First Nation contributes 5.5% which contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Bear River First Nation contributed during the year $7,317 (2016 - $7,337) for retirement benefits. Bear River First Nation does not have any other obligations with regards to the pension plan as at March 31, 2017.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2017

19. Government transfers

	2017			2016		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers:						
Aboriginal Affairs and Northern Development Canada	$ 868,750 $	86,376 $	955,126	$ 811,824 $	85,151 $	896,975
Health Canada	414,593	13,224	427,817	396,012	8,779	404,791
Canada Mortgage and Housing Corporation	194,579		194,579	80,342		80,342
Other	114,459		114,459	77,645		77,645
Total	1,593,381	99,600	1,691,981	1,365,823	93,930	1,459,753
Provincial government transfers	86,046		86,046	109,796		109,796
Total	$ 1,679,427 $	99,600 $	1,779,027	$ 1,475,619 $	93,930 $	1,569,549

20. Segment disclosure

Bear River First Nation provides a wide range of services to its members, including training, education, social, health care and housing. For management reporting purposes, the Bear River First Nation's operations and activities are organized and reported by segment.

Segments that have been separately disclosed in the consolidated schedules of revenues and expenditures on the following pages are:

Band Support – all other activities not described in another segment consisting mainly of centralized and shared activities.

Education – providing elementary, secondary and post-secondary tuition for qualifying members along with related programs and support.

Social Services – social assistance provided to qualifying members.

Community Maintenance – repairs and maintenance carried out during the year to Bear River First Nation's fixed assets. This includes garbage and snow removal.

Economic Development – activities related to job training and skills.

Health Center – activity of the Health Center which provides a variety of health programs and community support.

Housing Project – Section 95 housing and related expenditures.

Health Center – MCARR – activity of the Health Center's Moveable Capital Asset Reserve.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2017

20. Segment disclosure (continued)

The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the period are as follows:

	Education 2017	Education 2016	Education Budget 2017	Health 2017	Health 2016	Health Budget 2017	Economic Development 2017	Economic Development 2016	Economic Development Budget 2017	Housing 2017	Housing 2016	Housing Budget 2017	Community Maintenance 2017	Community Maintenance 2016	Community Maintenance Budget 2017
Revenue															
Federal Government	$ [illegible]	$ 15,000		$ 427,617	$ 404,781	$ 381,4[illegible]	$ 76,8[illegible]			$ [illegible]	$ 57,142	$ [illegible]	$ [illegible]	$ 230,330	$ [illegible]
Provincial Government		8,875											68,120	58,673	[illegible]
Other revenue	[illegible]	249,759	[illegible]	[illegible]	25,3[illegible]	[illegible]	$ [illegible]	$ 130,760	$ 121,3[illegible]						
Total Revenue	[illegible]	267,7[illegible]	[illegible]	[illegible]	430,1[illegible]	[illegible]	[illegible]	130,760	121,3[illegible]	[illegible]	57,142	[illegible]	[illegible]	[illegible]	[illegible]
Expenses															
Salaries and benefits	[illegible]	[illegible]	[illegible]	173,[illegible]	166,[illegible]	163,4[illegible]	120,[illegible]	71,[illegible]	112,[illegible]				[illegible]	77,448	[illegible]
Amortization				1,6[illegible]	1,612					116,270	111,112	[illegible]			
Debt Servicing										22,516	21,546	[illegible]			
Other expenses	[illegible]	[illegible]	77,[illegible]	[illegible]	259,815	[illegible]	[illegible]	44,550	[illegible]	42,491	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Expenses	[illegible]	[illegible]	[illegible]	[illegible]	461,107	[illegible]	[illegible]	116,495	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Annual Surplus (Deficit)	$ [illegible]	$ 119,779	$ 72,119	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ 14,2[illegible]	$ -	$ [illegible]	$ (137,720)	$ (131,4[illegible])	$ [illegible]	$ [illegible]	$ 77,916

20. Segment disclosure (continued)

	Social Services 2017	Social Services 2016	Social Services Budget 2017	Band Government 2017	Band Government 2016	Band Government Budget 2017	Other 2017	Other 2016	Other Budget 2017	Consolidated Totals 2017	Consolidated Totals 2016	Consolidated Totals Budget 2017
Revenues												
Federal Government	$ 389,332	$ 388,307	$ 396,793	$ 372,9[illegible]	$ 361,263	$ 362,228				$1,691,979	$ 1,459,753	$1,369,221
Provincial Government				35,918	43,146					86,047	109,796	65,000
Economic Activities				1,929	3,029					1,929	3,029	
Net income (loss) from investments in government business enterprises				58,606	69,792	60,000				58,606	69,792	60,000
Other revenue				58,918	47,782	5,000		$ 331		631,346	546,989	413,288
Total Revenue	389,332	388,307	396,793	528,185	525,034	427,228	Nil	331	Nil	2,669,906	2,189,359	1,901,479
Expenses												
Salaries and benefits	10,516	30,127	47,200	378,649	377,975	383,447				945,479	853,337	869,364
Amortization				169,699	149,122	169,800				389,409	261,846	244,800
Debt Servicing										22,918	21,548	38,700
Other expenses	200,409	184,658	252,187	310,643	281,533	109,572				1,409,084	1,120,044	769,733
Total Expenses	210,925	214,785	299,387	859,791	808,630	632,719	Nil	Nil	Nil	2,756,680	2,256,775	1,972,387
Annual Surplus (Deficit)	$ 178,407	$ 173,522	$ 97,406	$ (331,606)	$ (283,596)	$ (205,491)	Nil	$ 331	$ Nil	$ (86,774)	$ (67,416)	$ (70,908)

21. Expenses by object

The following is a summary of expenses by object:

	2017	2016
Salaries and wages	$ 910,621	$ 783,286
Employee benefits	67,182	70,051
Supplies and services	50,716	40,036
Interest	22,518	21,548
Professional services	49,502	40,553
Fees and contract services	96,047	103,553
Other	1,270,506	935,902
Amortization	289,488	261,846
	$ 2,756,580	$ 2,256,775

22. Budget figures

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the statement of operations and statement of changes in net debt has been adjusted to be on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the financial statements. The reconciling items include amortization of tangible capital assets.

	Approved Operating Fiscal Plan	Adjustments	Fiscal Plan Per Financial Statements
Federal government transfers for operating	$ 1,266,800		$ 1,266,800
Federal government transfers for capital	96,421		96,421
Provincial government transfers for operating	65,000		65,000
Income from investment in government business enterprises	60,000		60,000
Other	413,268		413,268
	1,901,489		1,901,489
Expenditures			
Education	197,831		197,831
Health	337,899	$ 1,513	339,412
Economic Development	133,358		133,358
Housing	188,240		188,240
Community Maintenance	183,450		183,450
Social Services	299,387		299,387
Band Support	461,119	169,600	630,719
	1,801,284	171,113	1,972,397
Annual surplus	$ 100,205	$ (171,113)	$ (70,908)

23. Comparative figures

Certain of the comparative figures have been reclassified to conform to the consolidated financial statement presentation adopted for the current year.

Bear River First Nation
Schedule of Revenue and Expenditures
Band Support
Year Ended March 31

	2017 Budget	2017 Actual	2016 Actual
Revenue			
AANDC			
Block	$ 249,194	$ 199,479	$ 198,954
Targeted			
Wastewater		145,000	
P & ID governance	3,500	46,004	
P & ID technology	6,800		45,050
Family violence prevention			3,000
Rent		1,929	3,029
Interest		1,886	1,572
Bad debt recovery		14,246	
Other	1,400	29,404	24,693
L'sitkuk Gas Bar Limited, net income (Note 5)	60,000	58,506	69,792
Province of Nova Scotia			
Forestry		35,918	40,648
Apprenticeship			2,500
Administration fees			
Program funding	3,600	5,942	14,797
Social		87,406	87,406
Education		30,564	23,271
Economic development		3,656	3,274
Environment Canada			
AFSAR	102,734	83,254	77,645
TD Bank - AFSAR		3,000	8,000
Acadia First Nation - AFSAR			2,000
Other - AFSAR		4,437	183
Add deferred revenue, prior year			
AANDC Waste Water Supply		63,954	100,588
Other AFSAR		3,463	
Less deferred revenue, current year			
AANDC Waste Water Supply		(155,967)	(63,954)
Other AFSAR		(12,257)	(3,463)
	427,228	649,824	638,985
Expenditures			
AANDC			
Band support			
Amortization	169,600	169,600	149,122
Band hall operations	21,000	37,593	17,591
Bank charges and interest	6,000	8,424	8,568
Chief and Council	144,000	144,001	144,000
Family violence protection		24,154	3,000
Office supplies	13,200	12,998	10,126
Professional fees	25,000	35,474	25,315
Telephone and internet	8,000	7,840	7,948
Travel and miscellaneous	3,600	33,024	23,509
Wages and benefits	138,600	129,464	129,872
	529,000	602,572	519,051

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Band Support
Year Ended March 31

	Budget	2017 Actual	2016 Actual
(continued)			
Expenditures			
Canoe trail			
Business mission		17,573	12,860
Trail preparation and supplies	2,000	6,203	15,814
		23,776	28,674
Forestry			
Wages and benefits		52,595	46,188
Other		1,126	15,869
		53,721	62,057
Waste water study			
Engineering		29,898	23,664
Other		8,695	12,970
Equipment			4,365
Less allocated to capital			(4,365)
		38,593	36,634
Environment Canada			
AFSAR	101,719	81,897	77,748
P & ID Technology		34,043	43,537
History month			5,500
CHIP Theatre project		4,687	
Multipurpose building		19,502	28,892
TD Bank - AFSAR			6,154
Acadia First Nation - AFSAR			383
		58,232	84,466
	632,719	858,791	808,630
Deficiency of revenue over expenditures	$ (205,491)	(208,967)	(169,645)
Net transfers		(211,350)	(200,835)
Change in fund balance		$ (420,317)	$ (370,280)

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Education
Year Ended March 31

	Budget 2017	Actual 2017	Actual 2016
Revenue			
Department of Education - Adult Education			$ 9,974
Mi'kmaq Employment/Training Secretariat			
Child care initiative	$ 30,210	$ 30,210	30,210
Teacher's aide		27,850	27,850
Summer school			978
ASETS- capital cost funding		18,703	
Mi'kmaq Kina'matnewey			
Administration	22,350	37,543	23,271
Guidance officer	5,000	5,306	5,206
Governance	28,666	30,564	30,001
Student support	914	955	938
Ancillary services	24,359	25,849	25,364
Student allowance	931	988	969
Transportation and vehicle repairs	38,928	40,885	39,851
Instructional services	55,973	58,471	57,445
Miscellaneous	7,794	9,170	19,397
Operation and maintenance	26,635	27,823	27,335
Educational equipment	1,067	1,132	1,111
Special education	27,114	54,459	28,232
New Paths project			7,280
Embracing traditional knowledge		25,719	11,184
YSIF			10,000
Lunch program		2,910	4,120
AADNC			
Summer Work Experience		15,000	15,000
Add deferred revenue, beginning of year			
Mi'kmaq Kina'matnewey			
Feasibility study		39,700	39,700
New Paths project		7,280	
Project surplus		808	
Less deferred revenue, end of year			
Mi'kmaq Kina'matnewey			
Feasibility study		(39,700)	(39,700)
New Paths project		(2,408)	(7,280)
Project surplus		(448)	(808)
	269,941	418,549	367,728

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Education
Year Ended March 31

	2017 Budget	2017 Actual	2016 Actual
(continued)			
Expenditures			
Department of Education			
Teacher's salaries and benefits		3,591	12,468
Mi'kmaq Employment/Training Secretariat			
Child care initiative	30,210	32,437	22,965
Teacher's aide	38,000	68,898	42,255
Mi'kmaq Kina'matnewey			
Administration		30,584	23,271
Guidance officer	5,000	19,647	12,325
School			
Insurance	2,885		2,861
Maintenance and janitorial	13,000	25,283	19,354
Supplies and equipment	20,567	31,535	15,745
Utilities	10,250	7,198	7,072
Student support	931	2,567	1,160
Student tutoring	914	1,381	2,610
Graduation	5,000	7,957	4,307
Miscellaneous	4,000	14,090	3,239
Transportation	13,000	13,696	9,133
Special education coordinator	27,114	36,190	30,963
New Paths project	6,960	16,640	
Language initiative			7,700
Red Road Project			3,384
YSIF			10,000
AANDC			
Summer work experience	20,000	12,929	14,342
Other			
Lunch program		9,277	7,207
Miscellaneous		16,609	11,526
Language		32,908	12,684
Repayment unexpended funding prior year			
Summer work experience		6,142	
Current year unexpended funding			
Summer work experience		2,527	658
	197,831	392,088	277,229
Excess of revenue over expenditures	$ 72,110	26,483	90,499
Net transfers		30,584	23,271
Change in fund balance		$ 57,047	$ 113,770

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Social Services
Year Ended March 31

	2017 Budget	2017 Actual	2016 Actual
Revenue			
AANDC			
Basic needs	$ 348,098	$ 352,597	$ 351,669
Assisted living	38,695	36,735	36,638
	386,793	389,332	388,307
Expenditures			
Administrative costs			
Salaries and benefits	25,000	10,516	30,127
Travel	500	315	1,210
Adult care	36,495		14,955
Basic needs	140,000	170,175	156,238
Special needs	75,192	10,638	12,255
Work project	22,200		
Capacity development		19,281	
Administration		87,406	87,406
	299,387	298,331	302,191
Excess of revenue over expenditures	$ 87,406	91,001	86,116
Net transfers		87,406	87,406
Change in fund balance		$ 178,407	$ 173,522

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Community Maintenance
Year Ended March 31

	2017 Budget	2017 Actual	2016 Actual
Revenue			
AANDC			
Community building			$ 30,000
Facilities operations and maintenance	$ 111,141	$ 111,870	111,576
Capital housing and renovations	84,819	85,376	85,151
O/M Roads		50,240	
Emergency Mgt Assistance		6,520	
NTLC Reno		13,300	
CMHC			
RRAP		62,335	22,400
Retrofits		83,300	
Internship		25,252	4,800
Enhanced assistance agreement		130,000	
Province of Nova Scotia - Aboriginal Affairs	65,000	50,129	56,673
Add deferred revenue, prior year			
AANDC			
Community building		16,697	
CMHC			
RRAP		4,000	
Less deferred revenue, end of year			
AANDC			
Community building		(12,332)	(16,697)
O/M Roads		(50,240)	
CMHC			
Enhanced assistance agreement		(127,747)	
RRAP		(38,402)	(4,000)
	260,960	410,298	289,903
Expenditures			
AANDC			
Facilities operations and maintenance			
Band hall building		8,719	4,628
Community maintenance	49,000	121,968	94,854
Housing director - wages, benefits and travel	45,200	50,840	47,880
Janitor - wages and benefits		5,564	8,868
Maintenance man - wages and benefits	12,000	13,603	15,901
Road maintenance		10,322	10,142
Trail building		187	180
Internship and apprentice	21,350	22,429	19,472
	127,550	233,462	201,925
Capital housing and renovations	50,400	83,872	50,130
CMHC			
Retrofits		127,665	
RRAP		40,596	10,113
Internship	5,500	20,229	4,800
	183,450	505,824	266,968
Excess of revenue over expenditures	$ 77,510	(95,526)	22,935
Net transfers		5,200	5,233
Change in fund balance		$ (90,326)	$ 28,168

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Economic Development
Year Ended March 31

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Mi'kmaq Employment/Training Secretariat	$ 92,309	$ 91,328	$ 91,741
Confederacy of Mainland Mi'kmaq	39,049	43,238	39,049
Fisheries		40,000	
Fisheries license lease		210,768	
AANDC			
Seven Paddles		30,893	
	131,358	416,227	130,790
Expenditures			
Economic Development Officer	36,825	31,264	31,007
Mi'kmaq Employment/Training Secretariat - Outreach	23,040	23,038	23,040
Training fees	65,669	68,433	56,098
Employment project			5,994
Fisheries expenses		51,219	
Operational costs	5,824	3,600	3,600
Seven Paddles		26,945	
	131,358	204,499	119,739
Excess of revenue over expenditures	$ -	211,728	11,051
Net transfers		3,656	3,274
Change in fund balance		$ 215,384	$ 14,325

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Health Center - Set Agreement
Year Ended March 31

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Health Canada Consolidated Agreement			
Aboriginal Head Start	$	$	$ 24,064
Health Services Operations and Maintenance	35,750	35,750	35,750
Children's oral health			3,307
First Nation and Inuit Home and Community Care	34,814	36,575	35,705
e-Health Infostructure	13,200	13,200	13,200
National Native Alcohol and Drug Abuse Program		16,858	16,456
Medical transportation		7,580	
	83,764	109,963	128,482
Expenditures			
Health Canada Consolidated Agreement			
Aboriginal Head Start	24,064	24,546	24,322
Children's oral health	1,654	3,307	3,307
First Nation and Inuit Home and Community Care	83,321	52,493	35,744
Health Services Operations and Maintenance	35,750	34,402	40,424
e-Health Infostructure	13,200	13,200	13,250
National Native Alcohol and Drug Abuse Program		22,398	16,705
Medical transportation		11,856	
Medical transportation		1,352	
	157,989	163,554	133,752
Deficiency of revenue over expenditures	$ (74,225)	(53,591)	(5,270)
Net transfers			
Change in fund balance		$ (53,591)	$ (5,270)

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Health Center - Other Revenue and Expenditures
Year Ended March 31

	Budget	2017 Actual	2016 Actual
Revenue			
Administration		$ 6,912	$ 13,678
Capital investments	$ 8,560	4,231	
Interest	319	1,233	967
Miscellaneous	150	7,954	656
N.A.Y.S.P.S.		3,500	3,500
Family Violence Project	3,000		3,000
Give Us Wings Project	3,500	3,500	3,500
	15,529	27,330	25,301
Expenditures			
Amortization	1,513	1,513	1,612
Capital investments	8,560	4,230	
N.A.Y.S.P.S.		3,551	3,500
Family Violence Project	3,000		3,000
Miscellaneous		2,901	51
	13,073	12,195	8,163
Excess of revenue over expenditures	$ 2,456	15,135	17,138
Net transfers			
Change in fund balance		$ 15,135	$ 17,138

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Health Center - Block Funding
Year Ended March 31

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Health Canada			
Block	$ 272,672	$ 313,623	$ 276,309
Expenditures			
Drinking water safety program	5,830	7,455	5,830
Aboriginal diabetes initiative	6,087	11,675	10,323
Maternal child health	4,352	1,802	8,727
Communicable disease center		1,630	
Pre-natal nutrition	4,181	6,707	33
Mental health and healing services		30,472	18,668
Community health promotion	20,000	28,286	16,863
Health planning and management	127,900	155,544	193,187
	168,350	243,571	253,631
MCARR revenue		(8,993)	(8,779)
Excess (deficiency) of revenue over expenditures	$ 104,322	61,059	13,899
Net transfers		6,053	6,053
Change in fund balance		$ 67,112	$ 19,952

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Housing Project
Year Ended March 31

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Subsidy assistance	$ 56,744	$ 55,841	$ 57,142
Expenditures			
Amortization	75,000	118,376	111,112
Audit	9,750	9,750	9,812
Bank charges	390	741	591
Insurance	9,100	9,721	9,721
Interest on long-term debt	38,700	22,518	21,548
Repairs and maintenance	55,300	23,279	42,078
	188,240	184,385	194,862
Deficiency of revenue over expenditures	$ (131,496)	(128,544)	(137,720)
Net transfers		74,559	75,779
Change in fund balance		$ (53,985)	$ (61,941)

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Health Center - MCARR
Year Ended March 31

	2017 Budget	2017 Actual	2018 Actual
Revenue			
Capital grant - Health Canada	$ Nil	$ 8,993	$ 8,779
Interest	Nil		32
	Nil	8,993	8,811
Expenditures			
Capital equipment	Nil	14,990	5,561
Excess of revenue over expenditures	$ Nil	(5,997)	3,250
Net transfers			
Change in fund balance		$ (5,997)	$ 3,250

See accompanying notes and schedules to the consolidated financial statements.