



Consolidated Financial Statements

Bear River First Nation

March 31, 2021

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Independent auditor's report

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

Opinion

We have audited the consolidated financial statements of Bear River First Nation ("the First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, change in net debt and cash flow 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 financial position of Bear River First Nation as at March 31, 2021, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but

is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 Entity'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 Entity'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 Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Other matters

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The supplementary schedules on pages 24-25 are presented for purposes of additional information and are not a required part of the consolidated 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 consolidated financial statements taken as a whole.

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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, handwritten font.

Kentville, Canada
July 6, 2021

Chartered Professional 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 Councilor Peter

Band Manager

Kerry L. Ray

Councillor

Con Robert McEwan

Councillor

Connell H. Thompson

Councillor

Conrad D. Parker

Date

July 7/21

Bear River First Nation
Consolidated Statement of Financial Position

March 31

	2021	2020
Financial assets		
Cash and cash equivalents (Note 2)	\$ 2,696,608	\$ 867,987
Accounts receivable (Note 3)	123,869	263,867
Due from related party (Note 6)	1,794,615	1,654,141
Trust funds held by federal government (Note 4)	11,514	11,514
Due from governments and other government organizations (Note 5)	334,321	446,861
Total financial assets	<u>4,960,927</u>	<u>3,244,370</u>
Financial liabilities		
Payables and accruals (Note 7)	458,564	330,983
Deferred revenue (Note 8)	1,874,962	861,026
Investment (deficit) in partnership (Note 6)	184,062	165,786
Long-term debt (Note 9)	3,099,685	2,915,010
Total financial liabilities	<u>5,617,273</u>	<u>4,272,805</u>
Net debt	<u>(656,346)</u>	<u>(1,028,435)</u>
Non-financial assets		
Tangible capital assets (Note 10)	6,186,543	5,758,828
Prepaid expenses	21,153	21,152
Inventory	125,399	108,787
Total non-financial assets	<u>6,333,095</u>	<u>5,888,767</u>
Accumulated surplus	<u>\$ 5,676,748</u>	<u>\$ 4,860,332</u>

On behalf of the Band

Chief Councillor

Chief

Councillor Robert McEwan

Councillor

Councillor

Councillor

Councillor

Councillor

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Consolidated Statement of Operations

Year Ended March 31

		2021	2020
		<u>Budget</u>	<u>Actual</u>
Revenue			
Federal government transfers for operating (Note 19)	\$ 1,215,626	\$ 2,514,660	\$ 2,783,316
Federal government transfers for capital (Note 19)	-	309,170	62,300
Provincial government transfers for operating (Note 19)	130,000	76,512	114,042
Rent	119,464	35,102	17,250
Other investment income	4,500	2,310	11,064
Investment income (loss) (Note 6)		(218,276)	(165,837)
L'sitkuk Gas Bar	1,428,000	1,448,203	1,365,362
Other (Note 11)	<u>902,709</u>	<u>1,663,007</u>	<u>1,687,882</u>
Total revenues	<u>3,800,299</u>	<u>5,830,691</u>	<u>5,875,379</u>
Expenses			
Band Support	691,583	978,195	1,052,309
Community Maintenance	202,806	303,172	320,871
Economic Development	69,269	208,333	148,700
Education	343,897	522,919	458,428
Fisheries	316,021	734,155	551,828
Health	408,694	459,206	410,766
Housing	202,963	222,151	214,656
L'sitkuk Gas Bar	1,372,400	1,348,548	1,347,400
Social Services	<u>270,625</u>	<u>237,596</u>	<u>314,374</u>
Total expenses	<u>3,878,258</u>	<u>5,014,275</u>	<u>4,819,332</u>
Annual surplus (deficit)	<u>\$ (77,959)</u>	<u>\$ 816,416</u>	<u>\$ 1,056,048</u>

See accompanying notes and schedules to the consolidated financial statements.

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

2021 2020

	Net assets - externally restricted										Total	
	Investment in Capital Assets	Unrestricted Fund	Funds on Deposit with DISC	Replacement Reserve	Operating Reserve	MCARR Reserve	Contributed Surplus	Gas Bar Replacement Reserve				
Accumulated surplus, opening balance	\$ 4,636,660	\$ (497,577)	\$ 11,514	\$ 189,531	\$ -	\$ 76,854	\$ 408,350	\$ 35,000	\$ 4,860,332	\$ 3,804,284		
Excess (deficiency) of revenue over expenditures (Page 5)	-	816,416	-	-	-	-	-	-	816,416	1,056,048		
Withdraws from replacement reserve	-	13,090	-	(13,090)	-	-	-	-	-	-		
Annual transfer to capital transactions	491,335	(491,335)	-	-	-	-	-	-	-	-		
Annual transfer to replacement reserve	-	(25,180)	-	25,180	-	-	-	-	-	-		
Transfer of reserve funds- Gas Bar	-	(10,000)	-	-	-	-	-	10,000	-	-		
Accumulated surplus, ending balance	\$ 5,127,995	\$ (194,586)	\$ 11,514	\$ 201,621	\$ -	\$ 76,854	\$ 408,350	\$ 45,000	\$ 5,676,748	\$ 4,860,332		

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

		2021	2020
	Budget	Actual	Actual
Annual surplus (deficit)	\$ (77,959)	\$ 816,416	\$ 1,056,048
Acquisition of tangible capital assets	-	(851,979)	(1,231,747)
Amortization of tangible capital assets	-	424,264	424,713
	<hr/>	<hr/>	<hr/>
	\$ (77,959)	388,701	249,013
Change in inventory		(16,612)	753
Change in prepaid expense		-	-
Decrease in net debt		372,089	249,766
Net debt			
Beginning of year		<hr/> <u>(1,028,435)</u>	<hr/> <u>(1,278,202)</u>
End of year		<hr/> <u>\$ (656,346)</u>	<hr/> <u>\$ (1,028,435)</u>

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Consolidated Statement of Cash Flows

Year Ended March 31

2021

2020

Increase (decrease) in cash and cash equivalents

Operations

Excess (deficiency) of revenue over expenditures	\$ 816,416	\$ 1,056,048
Amortization	424,264	424,713
Investment (income) loss	218,276	165,837
Change in non-cash operating net financial assets (Note 12)	1,377,443	209,999
	2,836,399	1,856,596

Investing

Advances to related party	(140,474)	(1,654,141)
Purchase of investment in Digby Pines	(200,000)	(51)
Net transfer of assets	-	-
Proceeds from funds on deposit	-	(222)
Purchase of tangible capital assets, net of disposal	(851,979)	(1,231,747)
	(1,192,453)	(2,886,161)

Financing

Decrease (increase) in operating line of credit	-	(100,000)
Repayment of long-term debt	(98,298)	(88,460)
Proceeds from issuance of long-term debt	282,973	1,750,823
	184,675	1,562,363

Increase in cash and cash equivalents **1,828,621** 532,797

Cash and cash equivalents

Beginning of year	867,987	335,190
End of year	\$ 2,696,608	\$ 867,987

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

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 or partnership, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Organizations consolidated in Bear River First Nation's financial statements include:

- Bear River First Nation Housing Projects
- Bear River First Nation Health Center
- L'sitkuk Gas Bar Limited
- 3331786 Nova Scotia Limited
- 3331787 Nova Scotia Limited
- Digby Pines Golf Resort and Spa

(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.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

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
Fishing Vessel	20 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) Inventory

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost. Inventories held for resale include gasoline, tobacco and other miscellaneous items sold at the gas bar. The cost of inventory comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

(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.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

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. Estimates include the expected useful life of assets and standard costs related to specific types of inventory.

(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.

(m) Budget

The budget was approved by Chief and Council on May 9, 2017.

(n) Related party transactions

Effective for the fiscal period beginning on April 1, 2017, the First Nation was required to adopt Public Sector Accounting section 2200, related party transactions, which establishes the disclosure requirements for reporting related party transactions. Management has determined that there are no transactions to disclose at this time.

(o) Contractual rights

Effective for the fiscal period beginning on April 1, 2017, the First Nation was required to adopt Public Sector Accounting section 3380, contractual rights, which establishes the disclosure requirements for contractual rights. Management has determined that there are no contractual rights to disclose at this time.

(p) Pension plan

The Company offers a defined contribution pension plan to some employees. An expense is recorded in the period when the Company is obligated to make contributions for services rendered by the employee. Any unpaid contributions are included in payables and accruals on the statement of financial position.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

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:

	<u>2021</u>	<u>2020</u>
Externally restricted		
CMHC reserves	\$ 199,531	\$ 82,457
MCARR reserve	<u>61,140</u>	<u>71,462</u>
	<u>260,671</u>	<u>153,919</u>
Unrestricted		
Operating	2,257,820	607,223
L'sitkuk Gas Bar Operating	133,374	75,695
Housing Project	<u>44,744</u>	<u>31,150</u>
	<u>2,435,937</u>	<u>714,068</u>
Total cash	<u>2,696,608</u>	<u>867,987</u>

	<u>2021</u>	<u>2020</u>
3. Accounts receivable		
Due from others		
Mi'kmaq Kina'matnewey	\$ 8,394	\$ 13,743
Mi'kmaq Employment/Training Secretariat	44,309	7,221
Amounts owing (net of allowance for doubtful accounts)	<u>71,166</u>	<u>242,903</u>
Total accounts receivable	<u>123,869</u>	<u>263,867</u>

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*.

	<u>Opening Balance</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Closing Balance 2021</u>	<u>Closing Balance 2020</u>
Revenue	\$ 11,236	\$ -	\$ -	\$ 11,236	\$ 11,236
Capital	<u>278</u>	<u>-</u>	<u>-</u>	<u>278</u>	<u>278</u>
Fund total	<u>11,514</u>	<u>-</u>	<u>-</u>	<u>11,514</u>	<u>11,514</u>

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

5. Due from governments and other government organizations	<u>2021</u>	<u>2020</u>
CMHC	\$ 39,349	\$ 291,529
ACOA	9,309	-
Provincial government - CASINO	-	52,400
Department of Indigenous Services Canada	111,206	102,327
Department of Fisheries and Oceans	<u>174,457</u>	<u>605</u>
	<u>\$ 334,321</u>	<u>\$ 446,861</u>

6. Investment in Digby Pines Resorts Limited Partnership (operating as Digby Pines Golf Resort and Spa)

Digby Pines Resorts Limited Partnership, registered on November 28, 2019, operates Digby Pines Golf Resort and Spa in Digby, Nova Scotia. On April 29, 2020, the partnership officially changed its name from 3331821 Nova Scotia Limited Partnership. The band and its wholly owned subsidiaries own 75% of the issued limited partnership units of the entity.

It was determined that the band had shared control of the partnership, together with an unrelated private party, and has accounted for the operations using the modified equity basis of accounting.

The following table presents condensed financial information for the Digby Pines Golf Resort and Spa for the period April 1, 2020 to March 31, 2021:

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 5,829	\$ 1,115
Receivables	1,990	
Sales tax receivable	46,805	307,603
Inventory	80,498	46,956
Prepaid expenses	22,277	
Tangible capital assets	2,318,833	1,879,162
Other assets	<u>304,417</u>	<u>41,513</u>
Total assets	<u>2,780,649</u>	<u>2,276,349</u>
Liabilities		
Accounts payable and accrued liabilities	1,033,142	996,872
Deferred revenue	157,349	
Notes payable to related parties	1,627,283	1,604,647
Long-term debt	423,000	
Capital leases	156,079	
Equity	<u>(616,204)</u>	<u>(325,170)</u>
Total liabilities and equity	<u>\$ 2,780,649</u>	<u>\$ 2,276,349</u>
	<u>2021</u>	<u>2020</u>
Revenue	\$ 3,032,108	\$ -
Expenses	<u>3,323,142</u>	<u>325,170</u>
Net income (loss)	<u>\$ (291,034)</u>	<u>\$ (325,170)</u>

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

7. Payables and accruals	2021	2020
Trade payables	\$ 313,641	\$ 253,952
Accrued salaries and employee benefits payable	52,463	72,960
Other accrued liabilities	<u>92,460</u>	<u>4,071</u>
	<u>\$ 458,564</u>	<u>\$ 330,983</u>

8. Deferred revenue	Balance 31-Mar 2020	Funding Received 2021	Revenue Recognized 2021	Balance 31-Mar 2021
<u>Federal Government</u>				
Department of Indigenous Services Canada (DISC)				
Waste water	\$ 181,702	\$ 46,978	23,194	\$ 205,486
Response (COVID)	18,340	215,992	234,332	-
Daycare - reopening	-	17,688	-	17,688
PNID	22,499	-	22,499	-
LEDSP	-	59,580	33,945	25,635
Capacity Support	-	24,250	13,375	10,875
Preparation and mitigation	7,500	-	7,500	-
Community building	89,973	-	-	89,973
Roads and Bridges	141,782	102,418	106,447	137,753
Summer Student	-	21,631	17,630	4,001
Renovations	-	50,000	21,009	28,991
Capital	24,582	-	24,582	-
CMHC - RRAP	131,900	25,610	138,773	18,737
CMHC - Rapid Housing Initiative	-	1,229,462	88,031	1,141,431
Other	242,748	216,037	264,391	194,394
	<u>\$ 861,026</u>	<u>\$ 2,009,646</u>	<u>\$ 995,708</u>	<u>\$ 1,874,962</u>

Other deferred revenues are Mi'kmaq Kina'matnewey funding for feasibility study in process, Department of Communities, Culture and Heritage funding for New Opportunities for Work program, and AFSAR project in process.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

9. Long-term debt	2021	2020
2.63% loan, amortized to 2022, payable in monthly instalments of \$315, including principal and interest.	\$ 6,470	10,036
1.25% loan, amortized to 2023, payable in monthly instalments of \$320, including principal and interest.	7,511	11,081
2.63% loan, amortized to 2022, payable in monthly instalments of \$842, including principal and interest.	13,234	22,860
1.46% loan, amortized to 2023, payable in monthly instalments of \$341, including principal and interest.	10,470	14,255
3.63% loan, amortized to 2026, payable in monthly instalments of \$357, including principal and interest.	20,759	24,229
2.56% loan, amortized to 2027, payable in monthly instalments of \$345, including principal and interest.	22,872	26,250
0.80% loan, amortized to 2028, payable in monthly instalments of \$309, including principal and interest.	26,392	29,650
1.86% loan, amortized to 2029, payable in monthly instalments of \$315, including principal and interest.	28,515	31,721
1.30% loan, amortized to 2030, payable in monthly instalments of \$297, including principal and interest.	32,360	35,505
1.44% loan, amortized to 2032, payable in monthly instalments of \$303, including principal and interest.	36,435	39,523
1.44% loan, amortized to 2032, payable in monthly instalments of \$315, including principal and interest.	37,954	41,171
1.97% loan, amortized to 2032, payable in monthly instalments of \$330, including principal and interest.	41,281	44,402
1.97% loan, amortized to 2032, payable in monthly instalments of \$327, including principal and interest.	41,187	44,275
2.04% loan, amortized to 2034, payable in monthly instalments of \$329, including principal and interest.	44,395	47,622
2.04% loan, amortized to 2034, payable in monthly instalments of \$330, including principal and interest.	44,509	47,745
1.12% loan, amortized to 2035, payable in monthly instalments of \$305, including principal and interest.	46,984	50,151
1.01% loan, amortized to 2036, payable in monthly instalments of \$304, including principal and interest.	50,160	53,285
1.48% loan, amortized to 2037, payable in monthly instalments of \$310, including principal and interest.	52,510	55,435
1.44% loan, amortized to 2037, payable in monthly instalments of \$311, including principal and interest.	53,041	55,988
2.04% loan, amortized to 2038, payable in monthly instalments of \$328, including principal and interest.	56,165	58,939
2.11% loan, amortized to 2038, payable in monthly instalments of \$350, including principal and interest.	61,592	64,722
Balance carried forward	<u>734,797</u>	808,846

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

9. Long-term debt (continued)

Balance carried forward	734,797	808,846
1.05% loan, amortized to 2040, payable in monthly instalments of \$315, including principal and interest.	65,306	68,462
1.03% loan, amortized to 2041, payable in monthly instalments of \$307, including principal and interest.	68,657	71,625
0% vehicle loan, amortized to 2022, payable in monthly instalments of \$655, including principal and interest.	10,484	18,348
2.35% loan, amortized to 2043, payable in monthly instalments of \$358, including principal and interest.	74,711	77,234
1.73% loan, amortized to 2045, payable in monthly instalments of \$493, including principal and interest.	115,787	119,671
0.80% loan, amortized to 2045, payable in monthly instalments of \$469, including principal and interest.	123,645	127,500
Prime + 1% Peace Hills Trust loan, amortized to 2039, payable in monthly instalments to be determined based on balance at July 1, 2021.	1,706,297	1,623,323
Prime + 1% Peace Hills Trust loan, amortized to June 2026, payable in monthly instalments of \$3,770, including principle and interest.	200,000	-
	\$ 3,099,685	\$ 2,915,010

As security for the above loans, the Minister of Indigenous Services Canada has provided guarantees.

As security for the Peace Hills Trust loan the First Nation has provided a priority general security agreement over all assets owned now and in the future and a specific assignment of all gas bar and fisheries operation revenues, a guarantee by 3331821 Nova Scotia Limited and general security agreement on Digby Pines Golf Resort and Spa.

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

2022	\$ 118,697
2023	\$ 123,532
2024	\$ 115,238
2025	\$ 115,898
2026	\$ 119,227

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

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	2021	2020
										2021	2020
Commercial buildings	\$ 108,553	\$ 851,979	\$ -	\$ -	\$ 11,486,614	\$ 4,875,807	\$ 424,264	\$ -	\$ 5,300,071	\$ 6,186,543	\$ 5,758,828
Residential buildings	1,201,620				1,201,620	936,816	48,065		984,881	216,739	264,804
Roads	1,634,702				1,634,702	275,220	54,490		329,710	1,304,992	1,359,482
Underground networks	281,111				281,111	35,422	5,622		41,044	240,067	245,689
Furniture and equipment	814,049				814,049	745,100	12,812		757,912	56,137	68,949
Pool	31,683				31,683	29,458	371		29,829	1,854	2,225
Computer equipment	99,215	9,342			108,557	32,997	27,552		60,549	48,008	66,219
Motor vehicles	55,046	48,025			103,071	51,834	12,816		64,650	38,421	3,212
Housing Project buildings	3,424,244				3,424,244	1,528,601	136,936		1,665,537	1,758,707	1,895,643
Lots under development	11,745				11,745	-	-		-	11,745	11,745
House(s), in progress	0	518,213			518,213	-	-		-	518,213	0
Band buildings	1,964,630				1,964,630	1,090,106	63,554		1,153,660	810,970	874,524
Fishing vessel	1,008,036	276,399			1,284,435	100,804	57,704		158,508	1,125,927	907,232
Total	\$ 10,634,635	\$ 851,979	\$ -	\$ -	\$ 11,486,614	\$ 4,875,807	\$ 424,264	\$ -	\$ 5,300,071	\$ 6,186,543	\$ 5,758,828

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

11. Other

Other revenue includes amounts received as follows:

	<u>2021</u>	<u>2020</u>
Administration fees	\$ 63,857	36,816
Sponsorships and donations	13,148	61,467
Fisheries	656,337	809,646
Program funding		
Mi'kmaq Employment/Training Secretariat	225,111	254,008
Confederacy of Mainland Mi'kmaq	66,086	53,965
Mi'kmaq Kina'matnewey	481,322	426,811
Other	<u>157,146</u>	<u>45,169</u>
	<u>\$ 1,663,007</u>	<u>1,687,882</u>

12. Supplemental cash flow information

	<u>2021</u>	<u>2020</u>
Change in non-cash operating net financial assets		
Accounts receivable and due from governments and other government organizations	\$ 252,539	\$ 1,078,310
Payables and accruals	127,581	(236,567)
Deferred revenue	1,013,936	(632,497)
Prepaid expenses	(1)	-
Inventory	<u>(16,612)</u>	<u>753</u>
	<u>\$ 1,377,443</u>	<u>\$ 209,999</u>

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 Reserve. The funds in the account may only be used as approved by CMHC. During the year, \$25,180 (2020 - \$23,180) was transferred from the operating account to the Replacement Reserve and \$13,090 (2020 - \$18,427) was withdrawn from the Replacement Reserve. During the year, \$nil (2020 - \$nil) was transferred from the Operating Account to the Operating Reserve.

14. Economic dependence

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

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

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, 2020, was \$69,752 (2020 - \$63,572).

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 (2020 - \$Nil) was transferred from the Replacement Reserve and \$Nil (2020 - \$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 \$6,837 (2020 - \$6,998) for retirement benefits. As at March 31, 2021, Bear River First Nation had obligations to the pension plan of \$974 (2020 - \$10,391).

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

19. Government transfers

	2021			2020		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers						
Department of Indigenous Services Canada	\$ 1,360,540	\$ 88,689	\$ 1,449,229	\$ 2,094,260	\$ 62,300	\$ 2,156,561
Health Canada	662,778	2,100	664,878	455,611		455,611
Canada Mortgage and Housing Corporation	91,516	88,031	179,547	109,532	-	109,532
Other	399,826	130,350	530,176	123,913	-	123,913
	2,514,660	309,170	2,823,830	2,783,316	62,300	2,845,616
Provincial government transfers	76,512	-	76,512	114,042	-	114,042
Total	\$ 2,591,172	\$ 309,170	\$ 2,900,342	\$ 2,897,358	\$ 62,300	\$ 2,959,658

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.

Fisheries – fishing lobster and tuna licenses

Bear River First Nation
Notes to the Consolidated Financial Statements

Year Ended March 31

20. Segment disclosure (continued)

	Education		Health		Economic Development		Housing		Community Maintenance	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>Budget</u> <u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues										
Federal Government	\$ -	\$ -	\$ 664,878	\$ 455,611	\$ 33,945	\$ -	\$ 69,752	\$ 63,572	\$ 488,684	\$ 1,327,631
Provincial Government	-	-	57,500	-	15,000	-	-	-	-	52,400
Other revenue	601,797	588,510	10,957	14,507	160,726	136,259	-	-	1,422	-
Total Revenue	601,797	588,510	733,335	470,118	209,671	136,259	69,752	63,572	490,106	1,380,032
Expenses										
Salaries and benefits	329,142	323,304	249,144	194,254	154,827	116,268	-	-	114,945	95,169
Amortization	-	-	14,809	2,868	-	-	139,364	136,936	-	-
Debt Servicing	-	-	-	-	-	-	19,699	21,007	-	-
Other expenses	193,777	135,125	195,253	213,644	53,506	32,432	63,088	56,713	188,227	225,702
Total Expenses	522,919	458,428	459,206	410,766	208,333	148,700	222,151	214,656	303,172	320,871
Annual Surplus (Deficit)	\$ 78,878	\$ 130,082	\$ 274,129	\$ 59,352	\$ 1,338	\$ (12,442)	\$ (152,400)	\$ (151,084)	\$ 186,934	\$ 1,059,161

Notes to the Consolidated Financial Statements

Year Ended March 31

20. Segment disclosure (continued)

	Social Services		Band Government		Fisheries		Consolidated Totals	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues								
Federal Government	\$ 416,722	\$ 396,204	\$ 644,985	\$ 505,580	\$ 410,983	\$ 97,018	\$ 2,729,949	\$ 2,845,616
Provincial Government	-	-	(1,688)	51,642	5,700	10,000	76,512	114,042
Economic Activities	-	-	58,071	(148,587)	656,337	809,646	714,407	661,059
Income - Gas Bar	-	-	1,448,203	1,365,362	-	-	1,448,203	1,365,362
Other revenue	-	-	327,964	150,025	-	-	1,102,865	889,300
Total Revenue	416,722	396,204	2,477,535	1,924,021	1,073,020	916,663	6,071,936	5,875,379
Expenses								
Salaries and benefits	35,541	28,040	496,564	413,862	369,679	282,316	1,749,842	1,453,213
Amortization	-		262,808	234,508	7,302	50,402	424,283	424,714
Debt Servicing	-		-	-	-	-	19,699	21,007
Other expenses	202,055	286,333	1,567,371	1,751,340	357,174	219,109	2,820,452	2,920,398
Total Expenses	237,596	314,373	2,326,743	2,399,710	734,155	551,828	5,014,275	4,819,332
Annual Surplus (Deficit)	\$ 179,126	\$ 81,831	\$ 150,792	\$ (475,689)	\$ 338,864	\$ 364,836	\$ 1,057,661	\$ 1,056,047

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2021

21. Expenses by object 2021 2020

The following is a summary of expenses by object:

Salaries and wages	\$ 1,749,840	\$ 1,542,264
Employee benefits	39,145	29,294
Supplies and services	1,182,768	1,189,987
Interest	22,255	35,787
Professional services	81,471	114,926
Fees and contract services	86,502	105,829
Other	1,428,011	1,376,531
Amortization	<u>424,283</u>	<u>424,714</u>
	<u>\$ 5,014,275</u>	<u>\$ 4,819,332</u>

22. 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
Education

Year Ended March 31	2021	2020
	<u>Actual</u>	<u>Actual</u>
Revenue		
Mi'kmaq Employment/Training Secretariat		
Child care initiative	\$ 30,210	\$ 30,210
Teacher's aide	79,738	73,741
Slipage	36,138	57,748
Mi'kmaq Kina'matnewey		
Administration	82,662	119,945
Guidance officer	7,021	6,774
Governance	36,325	33,831
Student allowance	1,042	1,003
Transportation and vehicle repairs	42,978	42,059
Instructional services	69,617	60,475
Miscellaneous	159,875	11,783
Operation and maintenance	32,591	32,810
Educational equipment		
Special education	68,002	61,482
Red Road project	8,110	7,964
Grade primary pilot project		
Embracing traditional knowledge	29,499	28,393
Capital project		
Add deferred revenue, beginning of year:		
Mi'kmaq Kina'matnewey		
Feasibility study	19,408	39,700
Less deferred revenue, end of year:		
Mi'kmaq Kina'matnewey		
METS COVID Funds	(13,284)	
MK COVID Funds	(32,902)	
PSE Navigator	(22,500)	
Feasibility study	(19,408)	(19,408)
	<u>615,122</u>	<u>588,510</u>

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Education

Year Ended March 31	2021	2020
(continued)	<u>Actual</u>	<u>Actual</u>
Expenditures		
Mi'kmaq Employment/Training Secretariat	132,700	145,887
Mi'kmaq Kina'matnewey		
Guidance officer		6,423
School	67,196	72,946
Utilities	42,095	23,603
Elementary	29,923	
Governance	54,832	
Student support		16,199
Student tutoring		1,360
Graduation	384	8,928
Transportation	7,921	11,203
Special education coordinator	7,771	33,050
Miscellaneous Projects	21,660	
Red Road Project	8,110	9,451
Grade primary pilot project	145,995	121,921
Other		
Language	4,549	7,458
	<hr/>	<hr/>
	523,136	458,429
Change in fund balance	\$ 91,986	\$ 130,081

See accompanying notes and schedules to the consolidated financial statements.