



GrantThornton

Consolidated Financial Statements

Bear River First Nation

March 31, 2024

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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, 2024, 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, 2024, 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.

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 25-26 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.

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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. 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 First Nation 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.

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

Kentville, Canada
July 16, 2024

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.

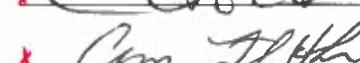
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for local governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants of Canada ("CPA Canada"), and as such, include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

Date

Bear River First Nation
Consolidated Statement of Financial Position

March 31

2024

2023

Financial assets

Cash and cash equivalents (Note 3)	\$ 4,824,110	\$ 4,418,105
Accounts receivable (Note 4)	379,229	509,057
Due from related party (Note 7)	683,458	88,316
Trust funds held by federal government (Note 5)	11,514	11,514
Due from governments and other government organizations (Note 6)	<u>2,685,055</u>	<u>938,137</u>

Total financial assets

8,583,366

5,965,129

Financial liabilities

Payables and accruals (Note 8)	590,162	717,902
Deferred revenue (Note 9)	3,523,329	1,420,670
Asset retirement obligation (Note 10)	96,853	92,241
Investment (deficit) in partnership (Note 7)	3,674,830	2,560,367
Long-term debt (Note 11)	<u>1,904,583</u>	<u>1,758,980</u>

Total financial liabilities

9,789,757

6,550,160

Net debt

(1,206,391)

(585,031)

Non-financial assets

Tangible capital assets (Note 12)	8,912,201	7,977,875
Prepaid expenses	21,151	21,239
Licenses	10,000	
Inventory	155,636	133,629
Investments (Note 13)	<u>2</u>	<u>2</u>

Total non-financial assets

9,098,990

8,132,745

Accumulated surplus

\$ 7,892,599

\$ 7,547,715

Guarantee (Note 25)

On behalf of the Band

Chief Councilor Peter

Chief

Councillor Robert McEwan

Councillor

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Consolidated Statement of Operations

Year Ended March 31

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Federal government transfers for operating (Note 22)	\$ 1,420,104	\$ 3,718,432	\$ 3,723,373
Federal government transfers for capital (Note 22)	-	622,281	660,205
Provincial government transfers for operating (Note 22)	50,000	282,594	102,002
Rent	132,196	59,566	44,125
Other investment income	1,000	177,981	72,598
Investment loss (Note 7)	-	(1,114,463)	(1,882,669)
Fisheries	640,000	1,142,414	874,293
L'sitkuk gas bar	1,444,700	2,050,727	1,981,445
Other (Note 14)	<u>738,979</u>	<u>2,444,025</u>	<u>2,745,282</u>
Total revenues	<u>4,426,979</u>	<u>9,383,557</u>	<u>8,320,654</u>
Expenses			
Band support	584,024	1,665,266	1,597,940
Community maintenance	354,950	621,869	768,451
Economic development	133,350	460,567	212,448
Education	563,850	1,164,212	1,044,335
Fisheries	501,510	1,642,602	1,171,196
Health	469,810	774,015	617,536
Housing	196,284	251,324	218,904
L'sitkuk gas bar	1,439,030	2,081,979	1,925,467
Social services	<u>332,250</u>	<u>376,838</u>	<u>360,848</u>
Total expenses	<u>4,575,058</u>	<u>9,038,672</u>	<u>7,917,125</u>
Annual surplus (deficit)	\$ <u>(148,079)</u>	\$ <u>344,885</u>	\$ <u>403,529</u>

See accompanying notes and schedules to the consolidated financial statements.

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

2024 2023

	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	\$ 7,695,930	\$ (1,178,459)	\$ 11,514	\$ 514,070	-	\$ 46,309	\$ 408,350	\$ 50,000	\$	7,547,714	\$	7,144,185
Excess of revenue over expenditures (Page 5)	-	344,885	-	-	-	-	-	-	-	344,885		403,529
Withdraws from replacement reserve	-	29,432	-	(29,432)	-	-	-	-	-	-		-
Transfer from reserve for matured housing units	-	-	-	-	-	-	-	-	-	-		-
Annual transfer to capital transactions	1,108,339	(1,108,339)	-	-	-	-	-	-	-	-		-
Annual transfer to replacement reserve	-	(55,537)	-	55,537	-	-	-	-	-	-		-
Transfers	-	-	-	-	-	-	-	-	-	-		-
Transfer of reserve funds-gas bar	-	(5,000)	-	-	-	-	-	-	5,000	-		-
Interest earned	-	(2,032)	-	-	-	2,032	-	-	-	-		-
Accumulated surplus, ending balance	<u>\$ 8,804,269</u>	<u>\$ (1,975,050)</u>	<u>\$ 11,514</u>	<u>\$ 540,175</u>	<u>\$ -</u>	<u>\$ 48,341</u>	<u>\$ 408,350</u>	<u>\$ 55,000</u>	<u>\$</u>	<u>7,892,597</u>	<u>\$</u>	<u>7,547,714</u>

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

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus (deficit)	\$ (148,079)	\$ 344,885	\$ 403,529
Acquisition of tangible capital assets		(1,480,454)	(1,230,703)
Acquisition of intangible capital assets		(10,000)	
Proceeds of disposal of tangible capital assets		-	10,000
Loss (gain) on disposal of tangible capital assets		-	17,820
Amortization of tangible capital assets	<u>546,128</u>	<u>500,254</u>	
	<u>\$ (148,079)</u>	<u>(599,441)</u>	<u>(299,100)</u>
Change in inventory		(22,007)	11,954
Change in prepaid expense	<u>88</u>	<u>(89)</u>	
(Increase) decrease in net debt	<u>(621,360)</u>	<u>(287,235)</u>	
Net debt			
Beginning of year	<u>(585,032)</u>	<u>(297,797)</u>	
End of year	<u>\$ (1,206,392)</u>	<u>\$ (585,032)</u>	

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Consolidated Statement of Cash Flows

Year Ended March 31

2024

2023

Increase (decrease) in cash and cash equivalents

Operations

Annual surplus	\$ 344,885	\$ 403,529
Amortization	546,128	500,254
Accretion	4,612	4,392
Asset retirement obligation addition (Note 10)	-	87,849
Investment loss	1,114,463	1,882,669
Change in non-cash operating net financial assets (Note 15)	335,910	(285,606)
	<u>2,345,998</u>	<u>2,593,087</u>

Investing

Advances to related party	(595,142)	48,769
Net transfer of assets	-	27,820
Proceeds from funds on deposit	-	-
Purchase of intangible capital assets	(10,000)	-
Purchase of tangible capital assets, net of disposal	(1,480,454)	(1,230,703)
	<u>(2,085,596)</u>	<u>(1,154,114)</u>

Financing

Repayment of long-term debt	(275,699)	(146,130)
Proceeds from issuance of long-term debt	421,300	385,755
	<u>145,601</u>	<u>239,625</u>

Increase in cash and cash equivalents **406,003** 1,678,598

Cash and cash equivalents

Beginning of year	<u>4,418,105</u>	<u>2,739,507</u>
End of year	<u>\$ 4,824,108</u>	<u>\$ 4,418,105</u>

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

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, 2024

1. Significant accounting policies (continued)

(e) Tangible capital assets (continued)

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

Buildings	25 years
Roads	30 years
Underground networks	50 years
Furniture and equipment	10 years
Pool	20 years
Computer equipment	4 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, 2024

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

As recommended by the Public Sector Accounting Board of CPA Canada, the consolidated financial statements show a comparison of the actual results with the budget. The budget was approved by Chief and Council on April 11, 2023.

(n) Pension plan

The First Nation offers a defined contribution pension plan to some employees. An expense is recorded in the period when the First Nation 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.

(o) Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined.

(p) Financial instruments

All financial instruments are recorded at their cost or amortized cost. Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expired.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

2. Adoption of accounting policies

PS 3400 - Revenue

Effective April 1, 2023, the Bear River First Nation adopted new Public Sector Accounting Standards Section PS 3400 *Revenue*. New Section PS 3400 *Revenue* establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exist, such as government transfers or restricted revenues. The Section distinguishes between revenue that arises from transactions that include performance obligations (i.e. exchange transactions) and transactions that do not have performance obligations (i.e. non-exchange transactions). Revenue from transactions with performance obligations will be recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payor. Revenue from transactions with no performance obligations will be recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset.

In accordance with the provisions of this new standard, the Band has no adjustments.

3. 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>2024</u>	<u>2023</u>
Externally restricted		
CMHC reserves	\$ 563,422	\$ 499,767
MCARR reserve	<u>48,341</u>	<u>46,308</u>
	<u>611,763</u>	<u>546,075</u>
Unrestricted		
Operating	3,631,642	3,412,683
L'sitkuk Gas Bar operating	<u>137,770</u>	<u>251,969</u>
Housing project	<u>442,935</u>	<u>207,378</u>
	<u>4,212,347</u>	<u>3,872,030</u>
Total cash	<u>\$ 4,824,110</u>	<u>\$ 4,418,105</u>

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

4. Accounts receivable	<u>2024</u>	<u>2023</u>
Due from others		
Mi'kmaq Kina'matnewey	\$ 123,798	\$ 120,817
Mi'kmaq Employment/Training Secretariat	155,075	119,322
Amounts owing (net of allowance for doubtful accounts)	<u>100,356</u>	<u>268,918</u>
Total accounts receivable	\$ 379,229	\$ 509,057

5. 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 2024	Closing Balance 2023
Revenue	\$ 11,236	\$ -	\$ -	11,236	\$ 11,236
Capital	<u>278</u>	<u>-</u>	<u>-</u>	<u>278</u>	<u>278</u>
Fund total	\$ 11,514	\$ -	\$ -	\$ 11,514	\$ 11,514

6. Due from governments and other government organizations	<u>2024</u>	<u>2023</u>
CMHC	\$ 69,316	\$ 370,006
ACOA	25,319	24,176
Department of Indigenous Services Canada	2,148,792	278,288
Department of Fisheries and Oceans	<u>441,628</u>	<u>265,667</u>
	\$ 2,685,055	\$ 938,137

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

7. 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 to Digby Pines Resorts Limited Partnership. Bear River First Nation 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, 2023 to March 31, 2024:

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 80,000	\$ 127,804
Receivables	65,333	212,958
Receivable from related party	130,883	130,883
Sales tax receivable	-	22,168
Inventory	166,178	174,620
Prepaid expenses	13,554	34,344
Tangible capital assets	7,769,068	7,979,683
Other assets	20,000	20,000
Total assets	<u>\$ 8,245,016</u>	<u>\$ 8,702,460</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 2,132,870	\$ 2,299,805
Sales tax payable	823,175	-
Deferred revenue	212,081	308,146
Line of credit	399,277	373,413
Notes payable to related parties	1,128,216	214,656
Capital leases	191,164	59,924
Long-term debt	8,706,433	9,231,126
Deficit	<u>(5,348,200)</u>	<u>(3,784,610)</u>
Total liabilities and equity	<u>\$ 8,245,016</u>	<u>\$ 8,702,460</u>
	<u>2024</u>	<u>2023</u>
Revenue	\$ 7,388,933	\$ 6,987,645
Expenses	<u>8,874,884</u>	<u>9,497,870</u>
Net income (loss)	<u>\$ (1,485,951)</u>	<u>\$ (2,510,225)</u>
Bear River First Nation Share of loss (75%)	<u>\$ (1,114,463)</u>	<u>\$ (1,882,669)</u>
Investment (deficit), beginning of year	<u><u>(2,560,367)</u></u>	<u><u>(677,698)</u></u>
Investment (deficit), end of year	<u><u>\$ (3,674,830)</u></u>	<u><u>\$ (2,560,367)</u></u>

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

8. Payables and accruals	2024	2023
Trade payables	\$ 386,008	\$ 488,321
Accrued salaries and employee benefits payable	73,342	66,316
Other accrued liabilities	<u>130,812</u>	<u>163,265</u>
	\$ 590,162	\$ 717,902

9. Deferred revenue	Balance 31-Mar 2023	Funding Received 2024	Revenue Recognized 2024	Balance 31-Mar 2024
Federal Government				
Department of Indigenous Services Canada (ISC)				
Waste water	\$ 54,669	\$ -	\$ 54,669	\$ -
Child & family	132,520	347,534	132,520	347,534
Community readiness program	14,412	-	14,412	-
Planning and design	46,383	-	-	46,383
Community building	89,973	720,000	-	809,973
Roads and bridges	86,753	-	-	86,753
Housing renovations	104,290	594,000	301,290	397,000
Other infrastructure	109,875	429,877	109,875	429,877
Summer student	10,297	47,759	25,656	32,400
Renovations	250,269	125,040	241,652	133,657
Comprehensive community plan	63,335	50,000	48,335	65,000
Community development infrastructure plan	15,000	-	-	15,000
Clean energy	-	55,708	-	55,708
PNID	-	107,000	65,546	41,454
Department of Fisheries & Oceans	-	330,000	-	330,000
CMHC - RRAP	33,074	-	33,074	-
CMHC - housing co-investment fund	69,000	45,000	69,000	45,000
CMHC - SEED funding	34,415	-	34,415	-
Mi'kmaq Kina'matnewey	120,193	300,235	-	420,428
Mi'kmaq Employment/Training Secretariat	36,360	-	36,360	-
Other	149,852	218,600	101,290	267,162
	\$ 1,420,670	\$ 3,370,753	\$ 1,268,094	\$ 3,523,329

10. Asset retirement obligation

The First Nation's asset retirement obligations consist of liabilities for the costs of decommissioning the wells. Following the adoption of PS 3280 – Asset retirement obligations, the first Nation recognized an obligation relating to these decommissioning costs as estimated as at April 1, 2022. As of the date of adoption of the standard, the relevant discount rates on tangible assets held was 5% per annum.

	2024	2023
Opening balance	\$ 92,241	\$ 87,849
Accretion expense	<u>4,612</u>	<u>4,392</u>
Closing balance	\$ 96,853	\$ 92,241

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

11. Long-term debt	2024	2023
RBC 1.46% loan, amortized to 2023, payable in monthly instalments of \$334, including principal and interest.	\$ -	2,652
RBC 3.63% loan, amortized to 2026, payable in monthly instalments of \$357, including principal and interest.	9,756	13,322
RBC 2.56% loan, amortized to 2027, payable in monthly instalments of \$334, including principal and interest.	12,347	15,937
CMHC 0.80% loan, amortized to 2028, payable in monthly instalments of \$293, including principal and interest.	16,369	19,737
CMHC 3.89% loan, amortized to 2029, payable in monthly instalments of \$330, including principal and interest.	18,539	21,925
CMHC 0.76% loan, amortized to 2030, payable in monthly instalments of \$289, including principal and interest.	22,570	25,858
CMHC 1.88% loan, amortized to 2032, payable in monthly instalments of \$309, including principal and interest.	27,022	30,194
CMHC 1.88% loan, amortized to 2032, payable in monthly instalments of \$322, including principal and interest.	28,148	31,452
CMHC 3.7% loan, amortized to 2032, payable in monthly instalments of \$358, including principal and interest.	31,859	34,923
CMHC 3.7% loan, amortized to 2032, payable in monthly instalments of \$355, including principal and interest.	31,864	34,894
CMHC 0.80% loan, amortized to 2034, payable in monthly instalments of \$303, including principal and interest.	34,421	37,772
CMHC 0.80% loan, amortized to 2034, payable in monthly instalments of \$304, including principal and interest.	34,510	37,869
CMHC 0.68% loan, amortized to 2035, payable in monthly instalments of \$297, including principal and interest.	37,166	40,460
CMHC 0.74% loan, amortized to 2036, payable in monthly instalments of \$298, including principal and interest.	40,454	43,713
CMHC 1.50% loan, amortized to 2037, payable in monthly instalments of \$311, including principal and interest.	43,489	46,539
CMHC 1.88% loan, amortized to 2037, payable in monthly instalments of \$321, including principal and interest.	44,132	47,123
CMHC 3.24% loan, amortized to 2038, payable in monthly instalments of \$357, including principal and interest.	47,795	50,491
CMHC 0.68% loan, amortized to 2038, payable in monthly instalments of \$307, including principal and interest.	51,697	55,017
Balance carried forward	532,138	589,878

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

11. Long-term debt (continued)	2024	2023
Balance carried forward	532,138	589,878
CMHC 0.68% loan, amortized to 2040, payable in monthly instalments of \$304, including principal and interest.	55,593	58,852
CMHC 1.51% loan, amortized to 2041, payable in monthly instalments of \$322, including principal and interest.	59,878	62,813
CMHC 3.96% loan, amortized to 2043, payable in monthly instalments of \$413, including principal and interest.	67,081	69,495
CMHC 1.73% loan, amortized to 2045, payable in monthly instalments of \$493, including principal and interest.	103,745	107,826
CMHC 0.80% loan, amortized to 2045, payable in monthly instalments of \$469, including principal and interest.	109,563	114,293
CMHC 1.13% loan, amortized to 2036, payable in monthly instalments of \$797, including principal and interest.	109,357	117,633
CMHC 3.52% loan, amortized to 2038, payable in monthly instalments of \$1,858, including principal and interest.	248,864	-
CMHC 4.18% loan, amortized to 2038, payable in monthly instalments of \$1,304, including principal and interest.	172,436	-
CMHC Loan advances, terms to be determined on interest adjustment dates.	294,650	434,560
Peace Hills Trust loan prime + 1%, amortized to June 2026, payable in monthly instalments of \$3,770, including principal and interest.	99,854	135,967
0% tractor loan, amortized to May 2027, payable in monthly instalments of \$1,353.	51,424	67,663
	\$ 1,904,583	\$ 1,758,980

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 general security agreement on Digby Pines Resorts Limited Partnership and a specific assignment of Digby Pines Resorts Limited Partnership revenues.

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

2025	\$ 166,848
2026	\$ 168,996
2027	\$ 133,416
2028	\$ 107,009
2029	\$ 89,493

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

12. Tangible capital assets

	Cost					Accumulated Amortization				Net Book Value	
	Opening Balance	Transfers of Assets			Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Other Adjustments	Closing Balance	2024	
		Additions	Disposals							2023	2024
Land	\$ 17,240	\$ -			\$ 17,240	\$ -	\$ -	\$ -	\$ 17,240	\$ 17,240	
Commercial buildings	211,734	46,120			257,854	66,602	10,314	76,916	180,938	145,132	
Residential buildings	2,877,244	27,527			2,904,771	1,448,503	104,474	1,552,977	1,351,794	1,428,741	
Roads	1,634,702	-			1,634,702	438,690	54,490	493,180	1,141,522	1,196,012	
Underground networks	368,959	-			368,959	55,315	9,075	64,390	304,569	313,644	
Furniture and equipment	749,381	10,790			760,171	620,843	23,469	644,312	115,859	128,538	
Pool	31,683	-			31,683	30,571	371	30,942	741	1,112	
Computer equipment	17,575	-			17,575	10,373	4,761	15,134	2,441	7,201	
Motor vehicles	184,266	-			184,266	106,521	29,055	135,576	48,690	77,745	
Housing project buildings	3,314,461	-		736,816	4,051,277	1,685,680	162,017	1,847,697	2,203,580	1,628,781	
Lots under development	11,745	-			11,745	-	-	-	11,745	11,745	
House(s), in progress	1,205,540	1,021,962		(736,816)	1,490,686	-	-	-	1,490,686	1,205,540	
Band buildings	2,023,113	304,055			2,327,168	1,204,152	83,880	1,288,032	1,039,136	818,961	
Fishing vessel	1,284,435	70,000			1,354,435	286,952	64,222	351,174	1,003,261	997,483	
Total	\$ 13,932,077	\$ 1,480,454	\$ -	\$ -	\$ 15,412,531	\$ 5,954,202	\$ 546,128	\$ -	\$ 6,500,330	\$ 8,912,201	\$ 7,977,875

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

13. Investments

The First Nation, together with 12 other First Nation entities in the Province of Nova Scotia, has entered into the following limited partnerships. No First Nation within the group controls the Partnerships, as such the investments are accounted for as portfolio investments and are carried at cost in these financial statements. Revenue is recorded only to the extent that distributions are received or receivable. During the year, the First Nation received \$55,401 (2023 - \$58,365) from 'Mi'kmaq Resource Development Partnership which has been included in other revenue (Note 14).

	<u>2024</u>	<u>2023</u>
E'sukitimkewey Limited Partnership	\$ 1	\$ 1
Mi'kmaq Resource Development Partnership	<u>1</u>	<u>1</u>
	<u><u>2</u></u>	<u><u>2</u></u>

14. Other

Other revenue includes amounts received as follows:

	<u>2024</u>	<u>2023</u>
Administration fees	\$ 27,515	\$ 43,634
Sponsorships and donations	<u>25,152</u>	<u>13,536</u>
Program funding		
Mi'kmaq Employment/Training Secretariat	438,885	270,760
Confederacy of Mainland Mi'kmaq	<u>69,947</u>	<u>72,070</u>
Mi'kmaq Kina'matnewey	<u>1,040,115</u>	<u>1,008,041</u>
Investment income	<u>55,401</u>	<u>58,365</u>
Insurance proceeds (Note 26)	<u>59,129</u>	<u>943,703</u>
Other	<u>727,881</u>	<u>335,173</u>
	<u><u>\$ 2,444,025</u></u>	<u><u>\$ 2,745,282</u></u>

15. Supplemental cash flow information

	<u>2024</u>	<u>2023</u>
Change in non-cash operating net financial assets		
Accounts receivable and due from governments and other government organizations	\$ (1,617,090)	\$ (890,054)
Payables and accruals	<u>(127,740)</u>	<u>403,646</u>
Deferred revenue	<u>2,102,659</u>	<u>188,936</u>
Prepaid expenses	<u>88</u>	<u>(88)</u>
Inventory	<u>(22,007)</u>	<u>11,954</u>
	<u><u>\$ 335,910</u></u>	<u><u>\$ (285,606)</u></u>

16. 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, \$55,537 (2023 - \$344,826) was transferred from the operating account to the Replacement Reserve and \$29,432 (2023 - \$41,839) was withdrawn from the Replacement Reserve.

17. 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, 2024

18. 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, 2024, was \$97,020 (2023 - \$76,246).

19. Non-compliance

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

20. 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 (2023 - \$35,443) was transferred from the Replacement Reserve and \$Nil (2023 - \$71,237) was transferred from the surplus.

21. 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 \$10,393 (2023 - \$9,020) for retirement benefits. As at March 31, 2024, Bear River First Nation had obligations to the pension plan of \$Nil (2023 - \$2,055).

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

22. Government transfers

	2024			2023		
	<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	\$ 2,269,012	\$ 292,281	\$ 2,561,293	\$ 2,376,988	\$ 93,403	\$ 2,470,391
Health Canada	768,721	-	768,721	717,340	-	717,340
Canada Mortgage and Housing Corporation	233,284	-	233,284	121,864	566,802	688,666
Other	447,414	330,000	777,414	507,181	-	507,181
	3,718,432	622,281	4,340,713	3,723,373	660,205	4,383,578
Provincial government transfers	282,594	-	282,594	102,002	-	102,002
Total	\$ 4,001,026	\$ 622,281	\$ 4,623,307	\$ 3,825,375	\$ 660,205	\$ 4,485,580

23. 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, scallop and tuna licenses used in fishing activities.

Gas Bar – activity of the Gas Bar which sells lottery tickets, gas, tobacco, and other retail products.

Bear River First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31

23. Segment disclosure (continued)

	Education		Health		Economic Development		Housing		Community Maintenance	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues										
Federal Government	\$ -	\$ -	\$ 768,721	\$ 717,340	\$ -	\$ 16,128	\$ 430,284	\$ 664,449	\$ 1,062,785	\$ 956,964
Provincial Government	-	-	-	-	-	-	-	-	-	-
Other revenue	1,365,331	1,170,077	8,439	10,650	161,694	155,350	-	-	437	-
Total Revenue	1,365,331	1,170,077	777,160	727,990	161,694	171,478	430,284	664,449	1,063,222	956,964
Expenses										
Salaries and benefits	606,910	515,842	339,596	304,790	111,394	99,550	-	-	161,732	131,900
Amortization	-	-	5,922	5,922	-	-	162,017	147,359	-	-
Accretion	-	-	-	-	-	-	-	-	-	-
Debt Servicing	-	-	-	-	-	-	33,056	16,644	-	-
Other expenses	557,302	528,493	428,497	306,824	349,173	112,898	56,251	54,901	460,137	636,551
Total Expenses	1,164,212	1,044,335	774,015	617,536	460,567	212,448	251,324	218,904	621,869	768,451
Annual Surplus (Deficit)	\$ 201,119	125,742	\$ 3,145	110,454	\$ (298,873)	(40,970)	\$ 178,960	445,545	\$ 441,353	188,513

Bear River First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31

23. Segment disclosure (continued)

	Social Services		Band Government		Fisheries		Gas Bar		Consolidated Totals	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues										
Federal government	\$ 442,735	\$ 581,335	\$ 858,772	\$ 1,060,220	\$ 777,414	\$ 387,142	\$ -	\$ -	\$ 4,340,711	\$ 4,383,578
Provincial government	-	-	282,594	102,002	-	-	-	-	282,594	102,002
Economic activities	-	-	(999,496)	(1,780,179)	1,142,414	874,293	-	-	142,918	- 905,886
Income - Gas Bar	-	-	-	-	-	-	2,050,727	1,981,445	2,050,727	1,981,445
Other revenue	-	-	1,030,706	1,423,438	-	-	-	-	2,566,607	2,759,516
Total revenue	442,735	581,335	1,172,576	805,481	1,919,828	1,261,435	2,050,727	1,981,445	9,383,557	8,320,655
Expenses										
Salaries and benefits	40,068	33,659	621,008	643,355	628,439	520,845	135,106	133,057	2,644,253	2,382,998
Amortization	-	-	289,693	261,401	64,222	64,222	24,274	21,350	546,128	500,254
Accretion	-	-	4,612	4,392	-	-	-	-	4,612	4,392
Debt servicing	-	-	-	-	-	-	-	-	33,056	16,644
Other expenses	336,770	327,189	749,954	688,792	949,941	586,129	1,922,599	1,771,060	5,810,623	5,012,837
Total expenses	376,838	360,848	1,665,267	1,597,940	1,642,602	1,171,196	2,081,979	1,925,467	9,038,672	7,917,125
Annual surplus (deficit)	\$ 65,897	\$ 220,487	\$ (492,691)	\$ (792,459)	\$ 277,226	\$ 90,239	\$ (31,252)	\$ 55,978	\$ 344,885	\$ 403,530

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2024

24. Expenses by object	<u>2024</u>	<u>2023</u>
The following is a summary of expenses by object:		
Salaries and wages	\$ 2,564,843	\$ 2,318,713
Employee benefits	79,413	64,285
Supplies and services	1,968,669	1,878,319
Interest	42,315	30,660
Professional services	522,848	182,389
Fees and contract services	491,200	382,109
Other	2,818,644	2,556,004
Accretion	4,612	4,392
Amortization	546,128	500,254
	<hr/>	<hr/>
	\$ 9,038,672	\$ 7,917,125

25. Guarantee

The First Nation has provided a guarantee and postponement of claim of up to 75% of the balance of a line of credit and loan held by a related company, Digby Pines Resorts Limited Partnership. As security the First Nation has provided a priority GSA and specific assignment of fisheries and gas bar revenues. As at March 31, 2024, Digby Pines Resorts Limited Partnership had \$8,526,007 (2023 - \$8,505,014) of loans outstanding to which the guarantee applies.

26. Insurance proceeds

On May 13, 2022, a fire destroyed the Band Hall building, which was fully depreciated at the time of the fire. Insurance proceeds of \$59,129 (2023 - \$943,703) were received in the year and recognized as other revenue on the statement of operations.

27. 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

	2024	2023
	<u>Actual</u>	<u>Actual</u>
Revenue		
Mi'kmaq Employment/Training Secretariat		
Child care initiative	\$ 30,210	\$ 30,210
Teacher's aide	127,781	94,994
Renovations and repairs	162,100	
Mi'kmaq Kina'matnewey		
Administration	730,723	353,592
Guidance officer	7,991	7,367
Governance	131,602	115,198
Before and afterschool program	42,955	-
Post secondary	-	14,000
Student allowance	1,187	1,094
Transportation and vehicle repairs	48,824	45,012
Miscellaneous	31,402	96,316
Operation and maintenance	37,000	34,134
Language program	229,920	187,670
Special education	-	65,396
Other one-time capital grant	75,000	-
Red Road project	3,746	4,961
Embracing traditional knowledge	-	30,964
Add deferred revenue, beginning of year:		
Mi'kmaq Employment/Training Secretariat		
METS IELCC	5,125	41,957
Mi'kmaq Kina'matnewey		
MK COVID Funds	-	15,325
PSE Navigator	22,500	22,500
Feasibility study	19,408	19,408
HPS fund	-	1,593
Adult education	22,260	-
Adapting Health Activity & Lifestyle	13,070	13,070
K-12 refinement NOBA	-	39,634
Before and after school program	42,955	61,000
Less deferred revenue, end of year:		
Mi'kmaq Employment/Training Secretariat		
METS IELCC	-	(5,125)
Mi'kmaq Kina'matnewey		
MK COVID Funds	-	-
PSE Navigator	(22,500)	(22,500)
Feasibility study	(19,408)	(19,408)
HPS fund	-	-
Adult education	(22,260)	(22,260)
Adapting Health Activity & Lifestyle	(13,070)	(13,070)
K-12 refinement NOBA	-	-
Before and after school program	(42,955)	(42,955)
Language program	(225,235)	-
Other one-time capital grant	(75,000)	-
	<hr style="border: 1px solid black; margin-bottom: 5px;"/>	<hr style="border: 1px solid black; margin-bottom: 5px;"/>
	\$ 1,365,331	\$ 1,170,077

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Schedule of Revenue and Expenditures
Education

Year Ended March 31

2024

2023

<i>(continued)</i>	<u>Actual</u>	<u>Actual</u>
Expenditures		
Mi'kmaq Employment/Training Secretariat	\$ 341,742	\$ 215,706
Mi'kmaq Kina'matnewey		
School	159,298	101,619
Utilities	146,543	61,837
Elementary	418,667	339,506
Governance	6,976	15,596
Graduation	-	193
Transportation	-	5,546
Special education coordinator	15,136	6,667
Miscellaneous projects	39,299	73,353
Before and afterschool program	772	6,630
Language program	5,184	188,214
Red Road Project	3,745	7,163
Grade primary pilot project	-	-
Consolidated revenue funds	9,032	11,830
Other		
Language	17,818	10,475
	<u>1,164,212</u>	<u>1,044,335</u>
Change in fund balance	\$ 201,119	\$ 125,742

See accompanying notes and schedules to the consolidated financial statements.