

COPY
Please sign and return to
DOANE GRANT THORNTON LLP



Consolidated Financial Statements

Bear River First Nation

March 31, 2025

Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Management's Responsibility for the Consolidated Financial Statements	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Schedule of Fund Balances	6
Consolidated Statement of Changes in Net Debt	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 23
Schedule of Revenue and Expenditures- Education	24-25
Schedule of Gulch Hydro Pipeline Project Cost	26

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, 2025, 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, 2025, 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 24-26 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.

Doane Grant Thornton LLP
15 Webster Street
Kentville, NS
B4N 1H4

T +1 902 678 7307
F +1 902 679 1870

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

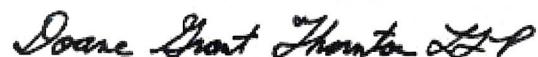
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.



Kentville, Canada
July 8, 2025

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.

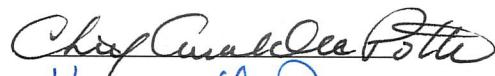
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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.

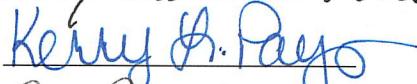
The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the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

The external auditors, Doane 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



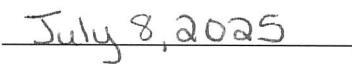
Councillor



Councillor



Date



Bear River First Nation
Consolidated Statement of Financial Position

March 31

2025

2024

Financial assets

Cash and cash equivalents (Note 2)	\$ 4,897,944	\$ 4,824,110
Accounts receivable (Note 3)	430,359	379,229
Due from related party (Note 6)		683,458
Trust funds held by federal government (Note 4)	12,966	11,514
Due from governments and other government organizations (Note 5)	3,275,355	2,685,055

Total financial assets

8,616,625

8,583,366

Financial liabilities

Payables and accruals (Note 7)	636,412	590,162
Deferred revenue (Note 8)	4,185,924	3,473,829
Asset retirement obligation (Note 9)	104,553	96,853
Investment in partnership (Note 6)	4,888,708	3,674,830
Long-term debt (Note 10)	2,121,530	1,954,083

Total financial liabilities

11,937,127

9,789,757

Net debt

(3,320,502)

(1,206,391)

Non-financial assets

Tangible capital assets (Note 11)	10,788,037	8,912,201
Prepaid expenses	21,151	21,151
Licenses	105,000	10,000
Inventory	139,648	155,636
Investments (Note 12)	2	2

Total non-financial assets

11,053,838

9,098,990

Accumulated surplus

\$ 7,733,336

\$ 7,892,599

Guarantee (Note 24)

On behalf of the Band

Chief Caralde Potts

Chief

Councillor

Councillor

See accompanying notes and schedules to the consolidated financial statements.

**Bear River First Nation
Consolidated Statement of Operations**

Year Ended March 31

			2025	2024
			Budget	Actual
Revenue				
Federal government transfers for operating (Note 21)	\$ 2,014,354	\$ 3,617,219	\$ 3,718,432	
Federal government transfers for capital (Note 21)		919,216	622,281	
Provincial government transfers for operating (Note 21)	135,607	286,046	282,594	
Rent	108,676	55,394	59,566	
Other investment income	1,000	190,461	177,981	
Investment loss (Note 6)		(1,213,878)	(1,114,463)	
Fisheries	350,325	1,686,467	1,142,414	
L'sitkuk gas bar	1,444,700	1,995,770	2,050,727	
Other (Note 13)	1,158,739	2,749,601	2,444,025	
Total revenues	5,213,401	10,286,296	9,383,557	
Expenses				
Band support	584,024	1,427,663	1,665,266	
Community maintenance	354,950	876,999	621,869	
Economic development	133,350	1,633,628	460,567	
Education	604,254	1,277,844	1,164,212	
Fisheries	350,325	1,574,585	1,642,602	
Health	469,810	811,887	774,015	
Housing	164,770	356,523	251,324	
L'sitkuk gas bar	1,439,030	2,057,341	2,081,979	
Social services	332,250	429,088	376,838	
Total expenses	4,432,763	10,445,559	9,038,672	
Annual surplus (deficit)	\$ 780,638	\$ (159,263)	\$ 344,885	

See accompanying notes and schedules to the consolidated financial statements.

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

2025 2024

	Net assets - externally restricted								
	Investment in Capital Assets	Unrestricted Fund	Funds on Deposit with DISC	Replacement Reserve	Operating Reserve	MCARR Reserve	Contributed Surplus	Gas Bar Replacement Reserve	Total
Accumulated surplus, opening balance	\$ 8,804,269	\$ (1,975,050)	\$ 11,514	\$ 540,175	\$ -	\$ 48,341	\$ 408,350	\$ 55,000	\$ 7,892,599
(Deficiency) excess of revenue over expenditures (-	(159,263)	-	-	-	-	-	-	(159,263)
Withdraws from replacement reserve	-	35,998	-	(35,998)	-	-	-	-	-
Transfer from reserve for matured housing units	-	-	-	-	-	-	-	-	-
Annual transfer to capital transactions	1,543,136	(1,543,136)	-	-	-	-	-	-	-
Annual transfer to replacement reserve	-	(27,867)	-	27,867	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Transfer of reserve funds-gas bar	-	(5,000)	-	-	-	-	-	5,000	-
Interest earned	-	(3,267)	1,453	-	-	1,814	-	-	-
Accumulated surplus, ending balance	\$ 10,347,405	\$ (3,677,585)	\$ 12,967	\$ 532,044	\$ -	\$ 50,155	\$ 408,350	\$ 60,000	\$ 7,733,335
									\$ 7,892,599

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

		<u>2025</u>	<u>2024</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus (deficit)	\$ 780,638	\$ (159,263)	\$ 344,885
Acquisition of tangible capital assets		(2,482,983)	(1,480,454)
Acquisition of intangible capital assets		(95,000)	(10,000)
Amortization of tangible capital assets	<u>607,146</u>	<u>546,128</u>	
	<u>\$ 780,638</u>	<u>(2,130,100)</u>	<u>(599,441)</u>
Change in inventory		15,990	(22,007)
Change in prepaid expense		-	88
Increase in net debt		(2,114,110)	(621,360)
Net debt			
Beginning of year		(1,206,392)	(585,032)
End of year	<u>\$ (3,320,502)</u>	<u>\$ (1,206,392)</u>	

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Consolidated Statement of Cash Flows

Year Ended March 31

2025

2024

Increase (decrease) in cash and cash equivalents

Operations

Annual surplus	\$ (159,263)	\$ 344,885
Amortization	607,258	546,128
Accretion	4,979	4,612
Asset retirement obligation addition (Note 9)	2,721	-
Investment loss	1,213,878	1,114,463
Allowance for bad debts (Note 6)	1,271,590	-
Change in non-cash operating net financial assets (Note 14)	132,896	335,910
	<u>3,074,059</u>	<u>2,345,998</u>

Investing

Advances to related party	(588,130)	(595,140)
Net transfer of assets	-	-
Proceeds from funds on deposit	(1,452)	-
Purchase of intangible capital assets	(95,000)	(10,000)
Purchase of tangible capital assets, net of disposal	(2,482,983)	(1,480,454)
	<u>(3,167,565)</u>	<u>(2,085,594)</u>

Financing

Repayment of long-term debt	(288,625)	(275,699)
Proceeds from issuance of long-term debt	456,075	421,300
	<u>167,450</u>	<u>145,601</u>

Increase in cash and cash equivalents 73,944 406,005

Cash and cash equivalents

Beginning of year	<u>4,824,110</u>	<u>4,418,105</u>
End of year	<u>\$ 4,898,054</u>	<u>\$ 4,824,110</u>

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2025

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.

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.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2025

1. Significant accounting policies (continued)

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.

(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.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2025

1. Significant accounting policies (continued)

(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.

(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:

- 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.

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>2025</u>	<u>2024</u>
Externally restricted		
CMHC reserves	\$ 563,382	\$ 563,422
MCARR reserve	<u>50,155</u>	<u>48,341</u>
	<u>613,536</u>	<u>611,763</u>
Unrestricted		
Operating	3,679,710	3,631,642
L'situk Gas Bar operating	<u>124,782</u>	<u>137,770</u>
Housing project	<u>479,915</u>	<u>442,935</u>
	<u>4,284,408</u>	<u>4,212,347</u>
Total cash	\$ 4,897,944	\$ 4,824,110

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2025

3. Accounts receivable	<u>2025</u>	<u>2024</u>
Due from others		
Mi'kmaq Kina'matnewey	\$ 128,957	\$ 123,798
Mi'kmaq Employment/Training Secretariat	107,494	155,075
Amounts owing (net of allowance for doubtful accounts)	<u>193,908</u>	<u>100,356</u>
Total accounts receivable	\$ 430,359	\$ 379,229

4. Trust funds held by federal government

Trust fund accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

	Opening Balance	Additions	Withdrawals	Closing Balance <u>2025</u>	Closing Balance <u>2024</u>
Revenue	\$ 11,236	\$ 1,175	\$ -	\$ 12,411	\$ 11,236
Capital	<u>278</u>	<u>277</u>	<u>-</u>	<u>555</u>	<u>278</u>
Fund total	\$ 11,514	\$ 1,452	\$ -	\$ 12,966	\$ 11,514

5. Due from governments and other government organizations	<u>2025</u>	<u>2024</u>
CMHC	\$ 35,321	\$ 69,316
ACOA	76,763	25,319
Department of Indigenous Services Canada	2,813,287	2,148,792
Department of Fisheries and Oceans	<u>349,984</u>	<u>441,628</u>
	\$ 3,275,355	\$ 2,685,055

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2025

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 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, 2024 to March 31, 2025:

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ -	\$ 80,000
Receivables	14,524	65,333
Receivable from related party	-	130,883
Inventory	138,531	166,178
Prepaid expenses	21,972	13,554
Tangible capital assets	7,568,867	7,769,068
Other assets	20,000	20,000
Total assets	<u>\$ 7,763,894</u>	<u>\$ 8,245,016</u>
Liabilities		
Bank indebtedness	\$ 14,364	\$ -
Accounts payable and accrued liabilities	1,931,615	2,132,870
Sales tax payable	1,905,124	823,175
Deferred revenue	189,671	212,081
Line of credit	398,188	399,277
Notes payable to related parties	1,724,467	1,128,216
Capital leases	129,707	191,164
Long-term debt	8,433,630	8,706,433
Deficit	<u>(6,962,872)</u>	<u>(5,348,200)</u>
Total liabilities and equity	<u>\$ 7,763,894</u>	<u>\$ 8,245,016</u>
	<u>2025</u>	<u>2024</u>
Revenue	\$ 7,099,589	\$ 7,388,933
Expenses	<u>8,718,093</u>	<u>8,874,884</u>
Net income (loss)	<u>\$ (1,618,504)</u>	<u>\$ (1,485,951)</u>
Bear River First Nation Share of loss (75%)	<u>\$ (1,213,878)</u>	<u>\$ (1,114,463)</u>
Investment (deficit), beginning of year	<u>(3,674,830)</u>	<u>(2,560,367)</u>
Investment (deficit), end of year	<u>\$ (4,888,708)</u>	<u>\$ (3,674,830)</u>

As a result of significant adverse conditions impacting the ability of the Partnership to continue as a going concern (Note 25) the band has recognized an allowance for doubtful accounts of \$1,271,590 related to advances made to the Partnership to support cashflows and ongoing operations.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2025

7. Payables and accruals	2025	2024
Trade payables	\$ 462,828	\$ 386,008
Accrued salaries and employee benefits payable	86,551	73,342
Other accrued liabilities	84,713	130,812
	\$ 634,092	\$ 590,162

8. Deferred revenue	Balance 31-Mar 2024	Funding Received 2025	Revenue Recognized 2025	Funds Repaid 2025	Balance 31-Mar 2025
Federal Government					
Department of Indigenous Services Canada (ISC)					
Child & family	\$ 347,533	\$ 333,069	\$ 272,254	\$	\$ 408,348
Planning and design	-	140,000	94,647		45,353
Community building	809,973	-	48,000		761,973
Roads and bridges	86,753	-	15,000		71,753
Housing renovations	397,000	1,188,000	397,000		1,188,000
Other infrastructure	429,877	-	69,227		360,650
Summer student	32,400	40,506	54,346		18,560
Renovations	180,040	168,571	205,984		142,627
Comprehensive community plan	65,000	-	605		64,395
Community development infrastructure plan	15,000	-	-		15,000
Clean energy	55,708	-	-	(55,708)	-
EMO service agreement	-	60,000	37,300		22,700
PNID	41,454	91,118	56,833		75,739
Health	21,200	107,245	2,655		125,790
Aquaculture	-	53,741	15,040		38,701
Department of Fisheries & Oceans	330,000	-	300,000		30,000
CMHC - RRAP	-	28,100	-		28,100
CMHC - housing co-investment fund	45,000	-	-		45,000
Mi'kmaq Kina'matnewey	420,428	398,304	225,235		593,497
Other	196,463	194,600	241,324	-	149,739
	\$ 3,473,829	\$ 2,803,254	\$ 2,035,450	\$ (55,708)	\$ 4,185,924

9. 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.

	2025	2024
Opening balance	\$ 96,853	\$ 92,241
Additions to retirement obligations	2,721	-
Accretion expense	4,979	4,612
Closing balance	\$ 104,553	\$ 96,853

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2025

10. Long-term debt	2025	2024
RBC prime + 0.5% loan amortized to 2025, payable in monthly instalments of \$357, including principal and interest.	5,353	9,756
RBC 4.2% loan, amortized to 2027, payable in monthly instalments of \$349, including principal and interest.	8,601	12,347
CMHC 0.80% loan, amortized to 2028, payable in monthly instalments of \$293, including principal and interest.	12,974	16,369
CMHC 3.84% loan, amortized to 2029, payable in monthly instalments of \$330, including principal and interest.	15,215	18,539
CMHC 0.76% loan, amortized to 2030, payable in monthly instalments of \$289, including principal and interest.	19,256	22,570
CMHC 1.88% loan, amortized to 2032, payable in monthly instalments of \$309, including principal and interest.	23,787	27,022
CMHC 1.88% loan, amortized to 2032, payable in monthly instalments of \$322, including principal and interest.	24,779	28,148
CMHC 3.7% loan, amortized to 2032, payable in monthly instalments of \$358, including principal and interest.	28,676	31,859
CMHC 3.7% loan, amortized to 2032, payable in monthly instalments of \$355, including principal and interest.	28,715	31,864
CMHC 0.80% loan, amortized to 2034, payable in monthly instalments of \$303, including principal and interest.	31,042	34,421
CMHC 0.80% loan, amortized to 2034, payable in monthly instalments of \$304, including principal and interest.	31,122	34,510
CMHC 0.68% loan, amortized to 2035, payable in monthly instalments of \$297, including principal and interest.	33,848	37,166
CMHC 0.74% loan, amortized to 2036, payable in monthly instalments of \$298, including principal and interest.	37,170	40,454
CMHC 1.50% loan, amortized to 2037, payable in monthly instalments of \$311, including principal and interest.	40,390	43,489
CMHC 1.88% loan, amortized to 2037, payable in monthly instalments of \$321, including principal and interest.	41,081	44,132
CMHC 3.24% loan, amortized to 2038, payable in monthly instalments of \$357, including principal and interest.	45,003	47,795
CMHC 0.68% loan, amortized to 2038, payable in monthly instalments of \$307, including principal and interest.	48,353	51,697
Balance carried forward	475,365	532,138

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2025

10. Long-term debt (continued)	<u>2025</u>	<u>2024</u>
Balance carried forward	475,365	532,138
CMHC 0.68% loan, amortized to 2040, payable in monthly instalments of \$304, including principal and interest.	52,309	55,593
CMHC 1.51% loan, amortized to 2041, payable in monthly instalments of \$322, including principal and interest.	56,895	59,878
CMHC 3.96% loan, amortized to 2043, payable in monthly instalments of \$413, including principal and interest.	64,710	67,081
CMHC 3.23% loan, amortized to 2045, payable in monthly instalments of \$565, including principal and interest.	99,627	103,745
CMHC 0.80% loan, amortized to 2045, payable in monthly instalments of \$469, including principal and interest.	104,791	109,563
CMHC 1.13% loan, amortized to 2036, payable in monthly instalments of \$797, including principal and interest.	100,983	109,357
CMHC 3.52% loan, amortized to 2038, payable in monthly instalments of \$1,858, including principal and interest.	235,027	248,864
CMHC 4.18% loan, amortized to 2038, payable in monthly instalments of \$1,304, including principal and interest.	163,749	172,436
CMHC 3.37% loan, amortized to 2040, payable in monthly instalments of \$1,249, including principal and interest.	175,055	-
CMHC Loan advances, terms to be determined on interest adjustment dates.	150,521	294,650
CMHC 3.84% loan, amortized to 2039, payable in monthly instalments of \$2,151 including principal and interest.	281,020	-
Peace Hills Trust loan prime + 1%, amortized to June 2026, payable in monthly instalments of \$3,770, including principal and interest.	54,617	99,854
0% tractor loan, amortized to May 2027, payable in monthly instalments of \$1,353.	35,185	51,424
0% promissory notes payable to the Receiver General for Canada at the office of the Minister of Crown-Indigenous Relations. Payable in payments of \$18,020 on March 31, 2027, \$50,041 on March 31, 2028 and \$3,615 on March 31, 2029.	71,676	49,500
	\$ 2,121,530	\$ 1,954,083

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:

2026	\$ 189,715
2027	\$ 159,894
2028	\$ 133,317
2029	\$ 116,782
2030	\$ 110,356

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2025

11. Tangible capital assets

	Cost			Accumulated Amortization			Net Book Value		
	Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Amortization	Disposals, Write-offs & Other Adjustments	Closing Balance	2025
									2024
Land	\$ 17,240	\$ -	\$ 459,996	\$ 717,850	\$ 17,240	\$ -	\$ 10,314	\$ -	\$ 17,240
Commercial buildings	2,904,771	-	-	2,904,771	1,552,977	108,315	1,661,292	630,620	180,958
Residential buildings	1,634,702	-	-	1,634,702	493,180	54,490	547,670	1,087,032	1,141,522
Roads	368,959	2,721	-	371,680	64,390	5,622	70,012	301,668	304,569
Underground networks	760,171	18,331	-	778,502	644,312	25,302	665,614	108,888	115,859
Furniture and equipment	31,683	-	-	31,683	30,942	371	31,313	370	741
Pool	17,575	-	-	17,575	15,134	2,425	17,559	16	2,441
Computer equipment	184,266	-	-	184,266	135,576	29,055	164,631	19,635	48,680
Motor vehicles	4,051,277	-	-	4,951,228	1,847,698	220,350	(64,889)	2,004,159	2,948,069
Housing project buildings	11,745	66,831	-	78,576	-	-	-	78,576	11,745
Lots under development	1,490,686	1,607,948	(899,951)	2,198,683	-	-	-	-	2,198,683
House(s), in progress	2,327,168	327,156	-	2,654,324	1,288,032	83,880	1,436,801	1,217,523	1,039,136
Band buildings	1,354,435	-	-	1,354,435	351,174	67,022	418,196	935,239	1,003,261
Total	\$ 15,412,531	\$ 2,482,983	\$ -	\$ -	\$ 17,895,514	\$ 6,600,331	\$ 607,146	\$ -	\$ 10,788,037
								\$ 7,107,477	\$ 8,912,201

Bear River First Nation**Notes to the Consolidated Financial Statements**March 31, 2025

12. 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 (2024 - \$55,401) from 'Mi'kmaq Resource Development Partnership which has been included in other revenue (Note 14).

	<u>2025</u>	<u>2024</u>
E'sukitmkewey Limited Partnership	\$ 1	\$ 1
Mi'kmaq Resource Development Partnership	<u>1</u>	<u>1</u>
	<u>\$ 2</u>	<u>\$ 2</u>

13. Other

Other revenue includes amounts received as follows:

	<u>2025</u>	<u>2024</u>
Administration fees	\$ 31,537	\$ 27,515
Sponsorships and donations	31,064	25,152
Program funding		
Mi'kmaq Employment/Training Secretariat	348,864	438,885
Confederacy of Mainland Mi'kmaq	144,480	69,947
Mi'kmaq Kina'matnewey	1,413,919	1,040,115
Investment income	57,524	55,401
Insurance proceeds (Note 26)	-	59,129
Other	<u>722,212</u>	<u>727,881</u>
	<u>\$ 2,749,601</u>	<u>\$ 2,444,025</u>

14. Supplemental cash flow information

	<u>2025</u>	<u>2024</u>
Change in non-cash operating net financial assets		
Accounts receivable and due from governments and other government organizations	\$ (641,430)	\$ (1,617,090)
Payables and accruals	46,243	(127,740)
Deferred revenue	712,095	2,102,659
Prepaid expenses	-	88
Inventory	<u>15,988</u>	<u>(22,007)</u>
	<u>\$ 132,896</u>	<u>\$ 335,910</u>

15. 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, \$27,867 (2024 - \$55,537) was transferred from the operating account to the Replacement Reserve and \$35,998 (2024 - \$29,432) was withdrawn from the Replacement Reserve.

16. 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, 2025

17. 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, 2025, was \$134,233 (2024 - \$97,020).

18. Non-compliance

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

19. 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, a house with a net book value of \$31,135 (2024 \$Nil) matured and was transferred from the housing project to band buildings.

20. 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 \$15,196 (2024 - \$10,393) for retirement benefits. As at March 31, 2025, Bear River First Nation had obligations to the pension plan of \$562 (2024 - \$Nil).

21. Government transfers

	2025			2024		
	<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	\$ 2,209,666	\$ 619,216	\$ 2,828,882	\$ 2,269,012	\$ 292,281	\$ 2,561,293
Health Canada	699,987	-	699,987	768,721	-	768,721
Canada Mortgage and Housing Corporation	131,832	-	131,832	233,284	-	233,284
Other	575,734	300,000	875,734	447,414	330,000	777,414
	3,617,219	919,216	4,536,435	3,718,432	622,281	4,340,713
Provincial government transfers	286,046	-	286,046	282,594	-	282,594
Total	\$ 3,903,265	\$ 919,216	\$ 4,822,481	\$ 4,001,026	\$ 622,281	\$ 4,623,307

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2025

22. 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

22. Segment disclosure (continued)

	Education		Health		Economic Development		Housing		Community Maintenance	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenues										
Federal government	\$ -	\$ -	\$ 699,987	\$ 768,721	\$ 290,984	\$ 430,284	\$ 1,667,540	\$ 1,062,785		
Provincial government					28,670		30,981			
Other revenue	<u>1,439,763</u>	<u>1,365,331</u>	<u>177,167</u>	<u>8,439</u>	<u>224,891</u>	<u>161,694</u>	<u>48,249</u>	<u>156,090</u>		<u>437</u>
Total revenue	<u>1,439,763</u>	<u>1,365,331</u>	<u>877,154</u>	<u>777,160</u>	<u>544,545</u>	<u>161,694</u>	<u>180,082</u>	<u>430,284</u>	<u>1,854,611</u>	<u>1,063,222</u>
Expenses										
Salaries and benefits	<u>662,711</u>	<u>606,910</u>	<u>422,739</u>	<u>339,596</u>	<u>85,925</u>	<u>111,394</u>	<u>198,015</u>	<u>162,017</u>	<u>188,201</u>	<u>161,732</u>
Amortization				<u>5,922</u>						
Accretion				<u>-</u>						
Debt servicing										
Other expenses	<u>615,133</u>	<u>557,302</u>	<u>385,561</u>	<u>428,497</u>	<u>276,113</u>	<u>349,173</u>	<u>43,265</u>	<u>33,056</u>		
Total expenses	<u>1,277,844</u>	<u>1,164,212</u>	<u>811,887</u>	<u>774,015</u>	<u>362,039</u>	<u>460,567</u>	<u>356,523</u>	<u>251,324</u>	<u>2,148,588</u>	<u>460,137</u>
Annual surplus (deficit)	<u>\$ 161,919</u>	<u>\$ 201,119</u>	<u>\$ 65,267</u>	<u>3,145</u>	<u>\$ 182,506</u>	<u>(298,873)</u>	<u>\$ (176,441)</u>	<u>178,960</u>	<u>\$ (293,977)</u>	<u>441,353</u>

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

22. Segment disclosure (continued)

	Social Services		Band Government		Fisheries		Gas Bar		Consolidated Totals	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenues										
Federal government	\$ 443,141	\$ 442,735	\$ 670,856	\$ 858,772	\$ 632,796	\$ 777,414	\$ -	\$ -	\$ 4,537,137	\$ 4,340,711
Provincial government	-	-	226,395	282,594	-	-	-	-	286,046	282,594
Economic activities	-	-	(1,213,878)	(999,496)	1,686,467	1,142,414	-	-	472,589	142,918
Income - gas bar	96,208	-	773,086	1,030,706	-	1,995,770	2,050,727	1,995,770	2,050,727	2,566,607
Other revenue	-	-	-	-	79,300	-	-	-	2,994,754	-
Total revenue	539,349	442,735	456,459	1,172,576	2,398,563	1,919,828	1,995,770	2,050,727	10,286,296	9,383,557
Expenses										
Salaries and benefits	61,026	40,068	688,373	621,008	767,444	628,439	162,047	135,106	3,038,466	2,644,253
Amortization	-	-	295,000	289,693	85,422	64,222	25,122	24,274	607,146	546,128
Accretion	-	-	4,979	4,612	-	-	-	-	4,979	4,612
Debt servicing	-	-	-	-	-	-	-	-	43,265	33,056
Other expenses	368,062	336,770	439,313	749,954	721,719	949,941	1,870,172	1,922,599	6,751,703	5,810,623
Total expenses	429,088	376,838	1,427,665	1,665,267	1,574,585	1,642,602	2,057,341	2,081,979	10,445,559	9,038,672
Annual surplus (deficit)	\$ 110,261	\$ 65,897	\$ (971,206)	\$ (492,691)	\$ 823,978	\$ 277,226	\$ (61,571)	\$ (31,252)	\$ (159,263)	\$ 344,885

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2025

23. Expenses by object

2025

2024

The following is a summary of expenses by object:

Salaries and wages	\$ 2,956,756	\$ 2,564,843
Employee benefits	81,711	79,413
Supplies and services	1,913,935	1,968,669
Interest	43,664	42,315
Professional services	338,626	522,848
Fees and contract services	438,061	491,200
Other	4,060,681	2,818,644
Accretion	4,979	4,612
Amortization	607,146	546,128
	<hr/>	<hr/>
	\$ 10,445,559	\$ 9,038,672

24. 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 \$8,432,130 (2024 - \$8,526,007) of loans outstanding to which the guarantee applies.

Several adverse conditions cast significant doubt on the ability of the Partnership's ability to continue as a going concern. The Partnership will require, and management is actively seeking, additional financing through various means including but not limited to bank financing. The Partnership will continue to rely on external and partner financing until it becomes profitable. The Partnership's ability to continue as a going concern is dependent upon the successful results from its operations, securing additional revenue, increased investment from partners, and financing in the form of government assistance or other external sources. As the outcome of management's actions is dependent on future events, there is no certainty that management will be able to successfully resolve these issues. Should the Partnership be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

25. 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 \$nil (2024 - \$59,129) were received in the year and recognized as other revenue on the statement of operations.

26. Comparative figures

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