

# **BERENS RIVER FIRST NATION**

**Consolidated Financial Statements**  
**For the year ended March 31, 2024**

# **BERENS RIVER FIRST NATION**

## **Consolidated Financial Statements**

**For the year ended March 31, 2024**

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## Management's Responsibility for Financial Reporting

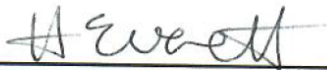
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The accompanying consolidated financial statements of **Berens River First Nation** and all the information in these consolidated financial statements are the responsibility of management and have been approved by the Chief and Council of **Berens River First Nation**. The preparation of periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depends on future events. The financial statements have been prepared by management within reasonable limits of materiality and within the framework of Canadian Public Sector Accounting Standards.

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The **Berens River First Nation** Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

BDO Canada LLP, Chartered Professional Accountants, as the First Nation's appointed external auditor, has audited the Consolidated Financial Statements. The Independent Auditor's Report is addressed to the Members and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian audit standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of operations of the First Nation in accordance with Canadian Public Sector Accounting Standards. BDO Canada LLP has full and free access to the Council.



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Chief Hartley Everett  
Elected November 15, 2023

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## Independent Auditor's Report

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To the Members of Berens River First Nation

### Qualified Opinion

We have audited the consolidated financial statements of **Berens River First Nation** and its components ("the First Nation") which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Bases for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2024 and its consolidated results of operations, its consolidated changes in its net debt and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### Bases for Qualified Opinion

The First Nation's financial system does not adequately track payables and a manual payable listing was constructed after the year end by current management from information at multiple locations. Due to the significant time involved with reconstruction of the payable information, estimates and judgements of accounts payable may not be complete and are not susceptible of satisfactory audit verification. Further we have been unable to test the completeness of accounts payable due to the significant length of the subsequent period. Therefore, we were not able to determine whether any adjustments might be necessary to expenses, annual surplus, cash flows from operations for the year ended March 31, 2024 and 2023, and to accounts payable, net debt and tangible capital assets and accumulated surplus as at March 31, 2024 and 2023. Our audit opinion on the consolidated financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

Due to weaknesses in internal controls over the reporting of cash-based revenue and expenditures in the Berens River Gaming Commission and Berens River Community Bingo operations the financial statements of these organizations were not susceptible of satisfactory audit verification. Accordingly, we were unable to verify the revenues and expenses recorded by these organizations or determine whether adjustments might be necessary to their revenues and expenditures for the years ended March 31, 2024 and 2023. Our audit opinion on the consolidated financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

Effective April 1, 2022, the First Nation was required to adopt PS 3280 Asset Retirement Obligations which requires the recognition of legal obligations associated with the retirement of tangible capital assets by public sector entities. Under the modified retroactive application method, the asset retirement obligation on transition is to be recorded using assumptions as of April 1, 2022. The corresponding asset retirement cost is added to the carrying value of the related tangible capital assets adjusted for amortization since the time the legal obligation was incurred. The net adjustment is charged to accumulated surplus. Comparative figures are to be restated to reflect this change in accounting policy. As of the audit report date, management has not completed its assessment of the First Nation's tangible capital assets for potential asset retirement obligations. As a result, it is not possible to quantify the impact of this department from Canadian public sector accounting standards on expenses and annual surplus for the years ended March 31, 2024 and 2023, tangible capital assets and the asset retirement obligation as at March 31, 2024 and 2023, and accumulated surplus as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the consolidated financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.



### **Other Matter Paragraph**

We draw attention to note 20 to the consolidated financial statements, which explains that certain comparative figures presented for the year ended March 31, 2023 have been restated. Our opinion is not modified in respect of this matter.

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 Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the 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 qualified audit opinion.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation'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 First Nation 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the First Nation 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*BDO Canada LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
May 14, 2025

# BERENS RIVER FIRST NATION

## Consolidated Statement of Financial Position

<b>March 31</b>	<b>2024</b>	<b>2023</b>
		(Restated Note 20)

### Financial Assets

Cash and bank	\$ 6,326,561	\$ 7,704,837
Restricted cash (Note 2)	5,147,554	6,786,658
Accounts receivable (Note 3)	5,418,973	946,076
Portfolio investment (Note 4)	11,451	11,451
	16,904,539	15,449,022

### Liabilities

Bank indebtedness (Note 5)	2,213,877	300,685
Accounts payable and accrued liabilities (Note 6)	3,740,253	3,519,591
Unexpended funding (Note 7)	14,170,771	17,209,454
Long-term debts and demand loans (Note 8)	8,037,232	9,169,585
	28,162,133	30,199,315

### Net debt

	(11,257,594)	(14,750,293)
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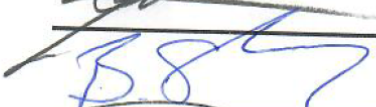




### Non-Financial Assets

Tangible capital assets (Note 9)	54,217,210	35,190,233
Inventories (Note 10)	139,068	136,764
Prepaid expenses	400	400
	54,356,678	35,327,397

Accumulated surplus (Note 13)	\$ 43,099,084	\$ 20,577,104
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### Contingent liabilities (Note 15)

Approved by the First Nation:

 _____ Chief	 _____ Councillor
 _____ Councillor	 _____ Councillor
 _____ Councillor	 _____ Councillor
 _____ Councillor	 _____ Councillor

# BERENS RIVER FIRST NATION

## Consolidated Statement of Operations

**For the year ended March 31**

**2024**

**2023**

(Restated Note 20)

	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenue</b>			
First Peoples Development Inc.	\$ 631,163	\$ 956,746	\$ 812,190
Health Canada (Note 11)	8,245,974	13,797,514	9,908,932
Indigenous Services Canada (Note 11)	18,437,091	46,866,871	25,028,235
Canada Mortgage and Housing Corporation	-	484,845	767,300
Gaming revenue	-	996,444	731,460
Province of Manitoba	180,000	4,621,215	68,188
Rental income	296,000	936,247	652,444
Fuel, gravel, barge fees, and sundry	314,336	7,122,612	10,020,227
	<b>28,104,564</b>	<b>75,782,494</b>	<b>47,988,976</b>
<b>Expenses (Note 18)</b>			
ASETS Training & Employment	633,437	1,084,936	913,118
Arena	233,346	207,647	29,320
B.R Child & Family Services	-	6,624,722	2,027,713
Band employee benefits	73,908	79,446	66,826
Band support and administration	2,027,221	(1,319,412)	(638,411)
COVID-19	-	-	299,590
Capital and set programs	136,383	(198,553)	927,269
Chess Program	112,216	170,124	59,080
Cultural Spaces	-	135,600	-
Community Health Liaison	66,652	(3,936)	26,200
Community bingo	-	597,187	666,685
Community contributions	645,096	427,846	658,911
Community water and waste services	2,082,350	3,116,596	3,064,182
DPN	82,062	730,863	633,252
Economic Development	161,615	136,383	167,324
Education local services	508,205	1,217,428	893,655
Education student services	1,868,667	3,711,205	3,608,385
Gaming Commission	390,800	127,027	106,989
Housing Authority	496,007	1,216,252	1,229,514
Lateral Violence	105,842	389,385	-
ISC Community Based Initiative	80,429	(2,863)	(388)
Indian registry	57,456	30,547	33,911
Log Inn	-	100,091	88,103
Medical services	6,812,951	15,115,847	10,512,521
Mee-Mee-Wee-Seepi Development Corp.	-	9,473,638	8,063,435
Nation Treaty Day	-	166,079	249,756
Urban Jordan's Principle	1,221,333	(111,897)	-
Safety Officer	50,714	513	127,707
Social services and development	3,345,587	6,908,363	6,504,884
Special funding	1,389,743	2,877,923	1,255,171
Student services	42,094	88,108	47,468
Student transportation	-	-	501,692
Summer students	195,310	163,419	248,431
	<b>22,819,424</b>	<b>53,260,514</b>	<b>42,372,293</b>
<b>Annual surplus</b>	<b>\$ 5,285,140</b>	<b>22,521,980</b>	<b>5,616,683</b>
<b>Accumulated surplus, beginning of year</b>		<b>20,577,104</b>	<b>14,960,421</b>
<b>Accumulated surplus, end of year</b>		<b>\$ 43,099,084</b>	<b>\$ 20,577,104</b>



## BERENS RIVER FIRST NATION Consolidated Statement of Changes in Net Debt

For the year ended March 31	2024		2023
	Budget	Actual	Actual (Restated Note 20)
Annual surplus	\$ 5,285,140	\$ 22,521,980	\$ 5,616,683
Acquisition of tangible capital assets	-	(21,566,596)	(7,439,358)
Amortization of tangible capital assets	-	2,539,619	2,413,107
	5,285,140	3,495,003	590,432
Prepaid expenses	-	-	95,172
Inventories	-	(2,304)	1,108
Decrease in net debt	<u>\$ 5,285,140</u>	3,492,699	686,712
Net debt, beginning of year		<u>(14,750,293)</u>	(15,437,005)
Net debt, end of year		<u>\$ (11,257,594)</u>	<u>\$ (14,750,293)</u>

## BERENS RIVER FIRST NATION Consolidated Statement of Cash Flows

For the year ended March 31	2024	2023
		(Restated Note 20)
<b>Cash Flows from Operating Activities</b>		
Annual surplus	\$ 22,521,980	\$ 5,616,683
Adjustment for non-cash items:		
Amortization of tangible capital assets	2,539,619	2,413,107
	<u>25,061,599</u>	8,029,790
Changes in non-cash working capital balances:		
Accounts receivable	(4,472,897)	558,569
Inventories	(2,304)	1,108
Prepaid expenses	-	95,172
Accounts payable	220,662	47,313
Unexpended funding	(3,038,683)	8,165,304
	<u>17,768,377</u>	16,897,256
<b>Cash Flows to Capital Activities</b>		
Purchase and construction of capital assets	<u>(21,566,596)</u>	(7,439,358)
<b>Cash Flows to (from) Financing Activities</b>		
Repayment of long-term debt	(1,132,353)	(1,152,600)
Net advances from line of credit	1,913,192	467,841
	<u>780,839</u>	(684,759)
<b>Increase (decrease) in cash</b>	<u>(3,017,380)</u>	8,773,139
<b>Cash, beginning of year</b>	<u>14,491,495</u>	5,718,356
<b>Cash, end of year</b>	<u>\$ 11,474,115</u>	\$ 14,491,495
<b>Represented by</b>		
Cash and bank	\$ 6,326,561	\$ 7,704,837
Restricted cash	5,147,554	6,786,658
	<u>\$ 11,474,115</u>	\$ 14,491,495

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# BERENS RIVER FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

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### 1. Nature of Entity and Summary of Significant Accounting Policies

#### Nature of Entity

The First Nation is a non-profit, non-taxable entity and is engaged in the social, cultural and economic development of First Nation citizens of Berens River First Nation.

#### Basis of Accounting

These financial statements were prepared using the accrual basis of accounting in accordance with Canadian Public Sector Accounting Standards. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

#### Basis of Consolidation

The Berens River First Nation reporting entity includes the Berens River First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by Berens River First Nation.

These financial statements consolidate the assets, liabilities and results of operations for Berens River First Nation and use accounting principles which lend themselves to consolidation. All inter-entity balances have been eliminated on consolidation.

The following entities' financial position and results of operations are included in these financial statements:

#### *Subsidiaries*

Mee-Mee-Wee-Seepi Development Corporation	100% owned
Nipi Marine Service Ltd.	100% owned
Berens River Housing Authority Inc.	100% owned
Berens River Log Inn Inc.	100% owned
7269251 Manitoba Ltd.	100% owned
1017001 Manitoba Ltd.	100% owned

#### *Limited Partnerships*

Berens River Balmoral House Limited Partnership	100% owned
Berens River Empress House Limited Partnership	100% owned

#### *Unincorporated Departments*

Berens River Community Bingo  
Berens River Gaming Commission

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# BERENS RIVER FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

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### **1. Nature of Entity and Summary of Significant Accounting Policies (continued)**

#### 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 the 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.

Fuel and gravel revenue is recognized when the title of the product passes to the customer and collectibility is reasonably assured. Reasonable assurance is based on the First Nation's past experience with collections.

#### Inventory

Raw materials and supplies are stated at the lower of cost and replacement cost. Cost is generally determined on the first-in first-out basis.

#### Replacement Reserves

The reserves are required by agreements with funders for the replacement of tangible capital assets. This balance consists of a net accumulation of the levy on operations and expenditures paid for by the reserve since inception and are included in accumulated surplus.

#### Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization based on the estimated useful life of the asset is recorded once the asset is available for productive use as follows:

Infrastructure	20 - 50 years straight-line basis
Buildings	20 - 40 years straight-line basis
Equipment	10 - 20 years straight-line basis
Automotive	10 years straight-line basis

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# BERENS RIVER FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

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### **1. Nature of Entity and Summary of Significant Accounting Policies (continued)**

#### Pension Plans

The First Nation also maintains defined contribution pension plans for its personnel. Expenses for this plan is equal to the First Nation's required contribution for the year.

#### Measurement Uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Measurement uncertainty exists specifically in the determination of accounts receivable, useful life of capital assets and unexpended funding.

#### Restricted Cash

Restricted cash balances represent assets segregated for use for replacement reserves with CMHC (Canada Mortgage and Housing Corp) and FNIHB (Health Canada) operating agreements. Restricted cash also includes trust funds held by ISC.

#### Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

# BERENS RIVER FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

### 1. Nature of Entity and Summary of Significant Accounting Policies (continued)

#### Portfolio Investment

The investment in the loan to Shawano Wapunong Building Inc. is recorded at cost.

### 2. Restricted Cash

Under the terms of the agreements with CMHC, the replacement reserve account is to be credited in the amount of \$73,980 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 (CDIC) or as may otherwise be approved by CDIC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are charged to interest first and then principal. The restricted cash is comprised of Externally Restricted Reserves as follows:

	<b>2024</b>	2023
CMHC Replacement Reserve (Note 12)	<b>\$ 896,146</b>	\$ 22,275
ISC Trust, including Water Treatment Plant account	<b>4,251,408</b>	6,764,383
	<b>\$ 5,147,554</b>	\$ 6,786,658

The CMHC replacement reserve account is underfunded by \$465,373 (underfunded by \$977,764 in 2023).

#### Funds Held in Trust

The restricted cash balance contains the surplus of monies held in trust for Berens River First Nation by Indigenous Services Canada (ISC). The change in the trust balance during the year was as follows:

	<b>2024</b>	2023
Trust balance, beginning of year	<b>\$ 6,764,383</b>	\$ 187,357
Net deposits (withdrawals)	<b>(2,601,948)</b>	6,573,074
Interest and fees earned	<b>88,973</b>	3,952
Trust balance, end of year	<b>\$ 4,251,408</b>	\$ 6,764,383

## BERENS RIVER FIRST NATION Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

### 3. Accounts Receivable

	2024	2023
Trade	\$ 368,732	\$ 586,550
Allowance for doubtful accounts	(273,579)	(273,579)
Member receivables	196,762	36,597
	<b>291,915</b>	<b>349,568</b>
Indigenous Services Canada		
Basic Needs	1,585,678	-
Roads and Bridges	114,561	114,561
Provincial School Tuition	62,429	62,429
Minor Project	1,250,000	-
Water and Sewer	803,104	-
Service Delivery and Band Support	486,208	-
Winter Roads and Bridges	415,561	-
Pension Plans and Administration	220,534	-
Canada Mortgage and Housing Corporation (CMHC)	40,404	327,904
Goods and Services Tax (GST)	148,579	91,614
	<b>5,127,058</b>	<b>596,508</b>
	<b>\$ 5,418,973</b>	<b>\$ 946,076</b>

### 4. Portfolio Investment

The investment balance reported represents the following holdings:

	2024	2023
Shawano Wapunong Building Inc. loan at cost	\$ 11,451	\$ 11,451

The investment in Shawano Wapunong Building Inc. ("SWIC") represents a loan receivable, and accrues interest at 10% per annum. There are no set terms of repayment. SWIC was incorporated as a private corporation under the Corporation Act of Manitoba, and is owned and operated by Southeast Resource Development Council where the First Nation is a member.

## BERENS RIVER FIRST NATION Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

### 5. Bank Indebtedness

Included in bank indebtedness is a credit facility with an interest rate of prime plus 3.7% (effective rate 7.20%) and a limit of \$400,000. This credit facility was utilized at year-end (unutilized in 2023) and the balance at year end is due to outstanding cheques issued.

### 6. Accounts Payable and Accrued Liabilities

	2024	2023
Trade	\$ 513,873	\$ 2,035,199
Accrued liabilities	3,119,663	659,107
Canada Revenue Agency	250,724	770,243
Others	(144,007)	55,042
Total accounts payable	<b>\$ 3,740,253</b>	<b>\$ 3,519,591</b>

### 7. Unexpended Funding

This balance represents unspent program funds provided to Berens River First Nation by the Department of Indigenous Services Canada and the Government of Canada (ISC).

	ISC	2024	2023
Deferred revenue, beginning of year	\$ 17,209,454	\$ 17,209,454	\$ 9,094,150
Add: Current year monies unspent	22,249,332	22,249,332	24,284,288
Less: Previous year revenue recognized	(25,288,015)	(25,288,015)	(16,168,984)
Deferred revenue, end of year	<b>\$ 14,170,771</b>	<b>\$ 14,170,771</b>	<b>\$ 17,209,454</b>



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## BERENS RIVER FIRST NATION Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

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### **7. Unexpended Funding (continued)**

The balance of deferred revenue consists of the following:

Indigenous Services Canada	
2023 Cultural Spaces	\$ 717,215
2024 Basic Needs	1,433,978
2024 Service Delivery	126,858
2024 Minor Projects	1,250,000
2024 Band Support Funding	266,886
2024 Pension Plans and Administration	97,865
2024 Water and Sewer	803,104
2024 Winter Roads and Bridges	72,772
2024 Post Secondary	635,000
2024 Provincial School Accommodations	2,487,387
2024 MA CA Administration	99,091
2024 Child and Family Services	3,261,781
2024 First Nation Representative Service	1,750,278
Health Canada	
2024 Jordans Principle	1,145,000
2024 Adi-Abor Diabetes Initiative	23,556
	<hr/>
	<b>\$ 14,170,771</b>

## BERENS RIVER FIRST NATION Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

### 8. Long-term Debts and Demand Loans

	<u>2024</u>	<u>2023</u>
Mortgage payable at 1.13%, due June 1, 2026, repayable in monthly installments of \$2,046 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	\$ 159,485	\$ 182,093
Mortgage payable at 0.76%, due December 1, 2025, repayable in monthly installments of \$3,124 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	572,974	605,969
Mortgage payable at 0.82%, due September 1, 2024, repayable in monthly installments of \$4,596 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	27,511	82,190
Mortgage payable at 3.47%, due June 1, 2027, repayable in monthly installments of \$5,157 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	190,029	244,331
Mortgage payable at 3.45%, due August 1, 2027, repayable in monthly installments of \$3,202 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	266,138	294,890
Mortgage payable at 1.30%, due April 1, 2026, repayable in monthly installments of \$2,360 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	<u>298,376</u>	<u>322,650</u>
Carried forward	\$ 1,514,513	\$ 1,732,123

## BERENS RIVER FIRST NATION Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

### 8. Long-term Debts and Demand Loans (continued)

	2024	2023
Brought forward	\$ 1,514,513	\$ 1,732,123
Mortgage payable at 2.50%, due June 1, 2033, repayable in monthly installments of \$1,658 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	164,262	179,852
Mortgage payable at 2.22%, due December 1, 2033, repayable in monthly installments of \$3,612 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	380,644	414,299
Mortgage payable at 3.81%, due March 1, 2028, repayable in monthly installments of \$3,877 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	502,920	529,831
Mortgage payable at 1.22%, due July 1, 2026, repayable in monthly installments of \$3,073 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	575,946	605,596
Mortgage payable at 2.68%, due October 1, 2038, repayable in monthly installments of \$4,694 principal and interest, secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	683,153	717,617
First Nation Bank term facility at 5.90%, due December 1, 2032 repayable in monthly principal and interest payments of \$9,369.	775,296	830,725
CMHC project advances, non-interest bearing and unsecured.	495,048	495,048
Carried forward	\$ 5,091,782	\$ 5,505,091

## BERENS RIVER FIRST NATION Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

### 8. Long-term Debts and Demand Loans (continued)

	2024	2023
Brought forward	\$ 5,091,782	\$ 5,505,091
First Nation Bank term facility at fixed rate of 5.93% due November 1, 2027, repayable in monthly principal and interest payments of \$5,562.	220,602	269,358
First Nation Bank term facility at fixed rate of 5.70% due May 1, 2024, repayable in monthly principal and interest payments of \$42,429.	86,179	575,073
First Nation Bank term facility at variable rate of prime plus 2.15% (effective rate 8.85%) due March 1, 2025, repayable in monthly principal and interest payments of \$4,507.	865,263	919,342
First Nation Bank term facility at fixed rate of 5.70% due January 1, 2025, repayable in monthly principal and interest payments of \$9,369.	419,562	475,294
Mortgage payable at 2.06%, due January 1, 2025 repayable in monthly instalments of \$8,352 principal and interest, secured by an INAC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	1,353,844	1,425,427
	<b>\$ 8,037,232</b>	<b>\$ 9,169,585</b>

The future minimum payments for the next five years and thereafter assuming callable debt is not demanded are:

2025	\$ 2,790,407
2026	1,236,198
2027	647,354
2028	397,345
2029	671,378
Thereafter	2,294,550
	<b>\$ 8,037,232</b>

## BERENS RIVER FIRST NATION Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

### 9. Tangible Capital Assets

	<b>2024</b>				
	<b>Infrastructure</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Automotive</b>	<b>Total</b>
Cost, beginning of year	\$ 19,749,276	\$ 64,413,194	\$ 8,971,072	\$ 4,713,059	\$ 97,846,601
Additions	18,361,230	282,310	1,216,681	1,706,375	21,566,596
Cost, end of year	38,110,506	64,695,504	10,187,753	6,419,434	119,413,197
Accumulated amount, beginning of year	(7,545,868)	(45,684,666)	(6,103,701)	(3,322,133)	(62,656,368)
Amortization	(470,213)	(1,500,899)	(235,504)	(333,003)	(2,539,619)
Accumulated amount, end of year	(8,016,081)	(47,185,565)	(6,339,205)	(3,655,136)	(65,195,987)
Net carrying amount, end of year	\$ 30,094,425	\$ 17,509,939	\$ 3,848,548	\$ 2,764,298	\$ 54,217,210

	<b>2023</b>				
	<b>Infrastructure</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Automotive</b>	<b>Total</b>
Cost, beginning of year	\$ 14,797,658	\$ 63,922,220	\$ 7,491,440	\$ 4,195,925	\$ 90,407,243
Additions	4,951,618	490,974	1,479,632	517,134	7,439,358
Cost, end of year	19,749,276	64,413,194	8,971,072	4,713,059	97,846,601
Accumulated amount, beginning of year	(7,075,656)	(44,214,493)	(5,901,355)	(3,051,757)	(60,243,261)
Amortization	(470,212)	(1,470,173)	(202,346)	(270,376)	(2,413,107)
Accumulated amount, end of year	(7,545,868)	(45,684,666)	(6,103,701)	(3,322,133)	(62,656,368)
Net carrying amount, end of year	\$ 12,203,408	\$ 18,728,528	\$ 2,867,371	\$ 1,390,926	\$ 35,190,233

Included in building are tangible capital assets under construction in the amount of \$23,867,786 (\$5,362,068 in 2023) that are not being amortized as they are not in use.

### 10. Inventories

	<b>2024</b>	<b>2023</b>
Materials and supplies	\$ 1,390	\$ 1,390
Fuel	137,678	135,374
	<b>\$ 139,068</b>	<b>\$ 136,764</b>

## BERENS RIVER FIRST NATION Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

### 11. Indigenous Services Canada (ISC) Revenue Reconciliation

	ISC	Health	2024 Total
ISC cash release confirmation	\$ 42,359,155	\$ 14,766,070	\$ 57,125,225
Add: prior year deferrals and adjustments	17,509,931	200,000	17,709,931
Less: current year deferrals	(13,002,215)	(1,168,556)	(14,170,771)
Total ISC revenue reported	<b>\$ 46,866,871</b>	<b>\$ 13,797,514</b>	<b>\$ 60,664,385</b>

	ISC	Health	2023 Total
ISC cash release confirmation	\$ 33,605,130	\$ 10,010,440	\$ 43,615,570
Add: prior year deferrals	8,432,559	611,589	9,044,148
Less: current year deferrals	(17,009,454)	(200,000)	(17,209,454)
Total ISC revenue reported	<b>\$ 25,028,235</b>	<b>\$ 9,908,932</b>	<b>\$ 35,450,264</b>

### 12. Replacement Reserves

	CMHC	FNIHB MAR	2024	2023
Balance, beginning of year	\$ 1,287,539	\$ 200,096	\$ 1,487,635	\$ 1,091,941
Allocations	73,980	35,241	109,221	395,694
Expenses net of interest income	(2,428)	(2,500)	(4,928)	-
Adjustment (phase 1)	(154,993)	-	(154,993)	-
Balance, end of year	<b>\$ 1,204,098</b>	<b>\$ 232,837</b>	<b>\$ 1,436,935</b>	<b>\$ 1,487,635</b>

The replacement reserve balance consists of a net accumulation of the levy on operations, recoveries collected and expenditures paid for by the reserve since inception in accordance with the agreement with Canada Mortgage and Housing Corporation (CMHC). The First Nation plans to fund the replacement reserve by making monthly deposits of \$5,132 into the replacement reserve bank account.

# BERENS RIVER FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

### 13. Accumulated Surplus

The First Nation segregates its accumulated surplus in the following categories:

	2024	2023
		(Restated Note 20)
Investment in tangible capital assets	\$ 46,179,978	\$ 26,020,648
Current Funds (deficit)	(4,517,829)	(6,931,179)
Reserve Funds (Note 12)		
CMHC	1,204,098	1,287,539
MAR	232,837	200,096
	<b>\$ 43,099,084</b>	<b>\$ 20,577,104</b>

### 14. Defined Contribution Pension Plan

The expense for the First Nation's pension plan for the year was \$77,804 (\$75,165 in 2023). The plan is funded equally by the First Nation and the First Nation's employees at rates of 3.0% to 5.5% of the employee's salary. The funds are invested in mutual funds as directed by the First Nation's individual employees' investment directives.

### 15. Contingent Liabilities

Berens River First Nation holds two quarry leases in relation to the work performed by Pigeon River Contractors Ltd. As the leases are in the name of the First Nation, they are liable for any rehabilitation costs related to these sites. Rehabilitation fees are paid to the Province of Manitoba for these costs when material is removed from the quarry. These fees are placed in a trust account and are to be used in the future to rehabilitate the sites upon closure. There is the potential that additional monies would be required to rehabilitate the quarries but we are unable to determine the additional costs, if any, that may be required. As a result, no payables related to these costs have been recorded in the First Nation's records.

The First Nation, in the course of its operations, is subject to lawsuits. As a policy, management will accrue for losses in instances where it is probable that liabilities will be incurred and where such liabilities can be reasonably estimated. At present, management has been given notice of a potential claim against the First Nation by a customer. At the date of the audit report, the amount of the claim is undeterminable.

### 16. Comparative Figures

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

## BERENS RIVER FIRST NATION

### Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

#### 17. Budget

The Management Action Plan (Budget) adopted by Council was not prepared on a basis consistent with that used to report actual results (public sector accounting standards). The budget was prepared on a modified accrual basis while public sector accounting standards now require a full accrual basis including amortization.

#### 18. Expense by Object

The following is a summary of expenses by object:

	<b>2024</b>	2023
		(Restated Note 20)
Amortization	<b>\$ 2,539,619</b>	\$ 2,413,107
Interest	<b>446,654</b>	390,333
Others (Admin fees, utilities, burials, others)	<b>2,865,990</b>	9,887,304
Professional services	<b>931,052</b>	1,011,385
Rent	<b>2,917,420</b>	165,169
Salaries and benefits	<b>13,967,283</b>	10,990,678
Repairs and maintenance	<b>8,503,502</b>	4,203,742
Program supplies	<b>11,338,789</b>	5,022,193
Social assistance	<b>500,372</b>	353,493
Training and development	<b>1,188,192</b>	1,165,105
Contractors	<b>2,078,449</b>	1,309,856
Post secondary	<b>2,139,819</b>	2,525,408
Insurance	<b>841,749</b>	705,305
Travel and fuel	<b>3,001,624</b>	2,229,215
	<b><u>\$ 53,260,514</u></b>	<b><u>\$ 42,372,293</u></b>



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## **BERENS RIVER FIRST NATION**

### **Notes to Consolidated Financial Statements**

**For the year ended March 31, 2024**

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#### **19. Financial Instrument Risk Management**

The First Nation is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the First Nation's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these consolidated financial statements.

##### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The First Nation is exposed to credit risk through its cash and bank, restricted cash and accounts receivable. The First Nation is exposed to credit risk through the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The First Nation is exposed to credit risk through its bank accounts that are held with RBC and First Nation Bank due to limited insurability of \$100,000 through CDIC, however management does not feel any added risk is warranted for balances in excess of insured amount.

The First Nation's maximum exposure to credit risk at the financial statement date is the carrying value of its cash and bank, restricted cash and accounts receivable as presented on the consolidated statement of financial position.

Credit risk is measured through monitoring and evaluation of accounts receivable. If the evaluations indicate the other party may be unable to meet their obligations the First Nation will recognize an allowance. Allowances on accounts receivable is disclosed in Note 3 of the consolidated financial statements.

The First Nation does not believe that it is exposed to significant risk on receivables from the Federal Governments.

##### **Liquidity Risk**

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation is exposed to liquidity risk through its bank indebtedness, accounts payable and accrued liabilities and long-term debt. Management feels the First Nation will continue to generate sufficient operating cash flows to cover these debts as they come due.

The First Nation manages its liquidity risk by monitoring its cash activities and expected outflows through budgeting and maintaining sufficient cash if unexpected cash flows arise.

A maturity of debt is disclosed in Note 8 of the consolidated financial statements. The bank indebtedness and accounts payable and accrued liabilities are short-term in nature, with payment due within 30 days after receipt of goods and services and related invoices.

# BERENS RIVER FIRST NATION

## Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

### 19. Financial Risk Management (continued)

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The First Nation is mainly exposed to interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The First Nation is exposed to interest rate risk through its future cash flow risk due to its long-term debt where a fluctuation in interest rates on renewal of fixed rate term loans, would cause a change in the cash flow available to reduce the balance outstanding.

### 20. Correction of Error

A prior period adjustment as outlined in the table below have been made and comparative amounts have been restated to correct for stale-dated cheques reissued that over recorded expenses. The resulting adjustment was an understatement of bank indebtedness, overstatement of expenses and a resulting understatement in accumulated surplus for fiscal years 2022 and 2023. The restatement resulted in the following changes to the March 31, 2023 comparative amounts presented in these financial statement

	2023 Previously Reported	2023 Increase/ (decrease)	2023 As restated
<u>Consolidated Statement of Financial Position</u>			
Bank indebtedness	\$ 973,539	\$ (672,854)	\$ 300,685
Net debt, end of year	(15,423,147)	672,854	(14,750,293)
<u>Consolidated Statement of Operations</u>			
Expenses	42,969,841	(597,548)	42,372,293
Annual surplus	5,019,135	597,548	5,616,683
Accumulated Surplus, beginning of year	14,885,116	75,305	14,960,421
Accumulated Surplus, end of year	19,904,251	672,853	20,577,104

### 21. Segmented Information

The First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes the Berens River First Nation's operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations.

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## BERENS RIVER FIRST NATION Notes to Consolidated Financial Statements

**For the year ended March 31, 2024**

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### **21. Segmented Information** (continued)

The services are provided by the several entities of Berens River First Nation. These activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed:

#### Public Works

Public Works contains all activities that relate to the maintenance of buildings and land of the First Nation.

#### Social Development

Social Development contains activities that provide financial support or support by other means to band members that is aimed at developing both the individual as well as the community.

#### Finance and Administration

Finance and Administration contains activities that are needed to run the Berens River Band organization.

#### Health Services

Health Services contains activities that provide medical services to band members.

#### Education

Education Services contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

#### Training and Development

Training and Development contains activities that provide financial support or support by other means to band members and organizations situated on the First Nation reserve that is aimed at developing personal skills and businesses.

#### Housing

Housing contains activities that provide housing and repairs and maintenance to band members' housing.

#### Gaming

Gaming contains activities that provide gaming services to both band members and non-band members.

## BERENS RIVER FIRST NATION

### Notes to Consolidated Financial Statements

For the year ended March 31, 2024

#### 21. Segmented Information (continued)

	2024									
	Mee-mee-wee-seepi & Public Works	Social Development	Finance and Administration	Health Services	Education	Training and Development	Housing	Gaming	Eliminations	Total
Revenue										
Federal	\$ 27,931,326	\$ 12,377,424	\$ 1,703,876	\$ 13,838,408	\$ 5,845,103	\$ -	\$ -	\$ -	\$ (3,865,921)	\$ 57,830,216
Sundry	8,502,927	2,137,941	4,636,676		149,989	1,117,321	1,249,594	597,591	(439,761)	17,952,278
Total revenue	36,434,253	14,515,365	6,340,552	13,838,408	5,995,092	1,117,321	1,249,594	597,591	(4,305,682)	75,782,494
Expenses	12,755,768	11,930,426	2,656,288	9,158,609	4,461,442	467,130	982,835	574,886	(4,305,682)	38,681,702
Salaries & other	4,746,350	546,383	1,439,448	5,957,239	718,718	787,930	233,417	149,327	-	14,578,812
Total expenses	17,502,118	12,476,809	4,095,736	15,115,848	5,180,160	1,255,060	1,216,252	724,213	(4,305,682)	53,260,514
Annual surplus (deficit)	\$ 18,932,135	\$ 2,038,556	\$ 2,244,816	\$ (1,277,440)	\$ 814,932	\$ (137,739)	\$ 33,342	\$ (126,622)	\$ -	\$ 22,521,980

	2023 (Restated - Note 20)									
	Public Works	Social Development	Finance and Administration	Health Services	Education	Training and Development	Housing	Gaming	Eliminations	Total
Revenue										
Federal	\$ 13,294,289	\$ 8,515,194	\$ 2,409,504	\$ 10,810,363	\$ 4,648,209	\$ 386,018	\$ -	\$ -	\$ (2,892,531)	\$ 37,171,046
Sundry	5,186,667	1,655,421	1,135,445	-	32,706	912,190	1,303,598	731,460	(139,557)	10,817,930
Total revenue	18,480,956	10,170,615	3,544,949	10,810,363	4,680,915	1,298,208	1,303,598	731,460	(3,032,088)	47,988,976
Expenses	12,410,832	9,318,478	564,762	6,553,736	4,309,484	137,228	981,725	655,459	(3,032,088)	31,899,616
Salaries & other	2,822,296	781,511	960,694	3,984,985	306,850	1,250,337	247,789	118,215	-	10,472,677
Total expenses	15,233,128	10,099,989	1,525,456	10,538,721	4,616,334	1,387,565	1,229,514	773,674	(3,032,088)	42,372,293
Annual surplus (deficit)	\$ 3,247,828	\$ 70,626	\$ 2,019,493	\$ 271,642	\$ 64,581	\$ (89,357)	\$ 74,084	\$ (42,214)	\$ -	\$ 5,616,683