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Consolidated Financial Statements

Bear River First Nation

March 31, 2022

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Independent auditor's report

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

Opinion

We have audited the consolidated financial statements of Bear River First Nation ("the First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, 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, 2022, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

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

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

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is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Other matters

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The supplementary schedules on pages 24-25 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Kentville, Canada
June 28, 2022

Chartered Professional Accountants

Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

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

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

Chief

Band Manager

Councillor

Councillor

Councillor

Date June 28/22.

Bear River First Nation
Consolidated Statement of Financial Position

March 31	2022	2021
Financial assets		
Cash and cash equivalents (Note 2)	**$ 2,739,507**	$ 2,696,608
Accounts receivable (Note 3)	**195,871**	123,869
Due from related party (Note 6)	**137,086**	1,794,615
Trust funds held by federal government (Note 4)	**11,514**	11,514
Due from governments and other government organizations (Note 5)	**361,269**	334,321
Total financial assets	**3,445,247**	4,960,927
Financial liabilities		
Payables and accruals (Note 7)	**314,257**	458,564
Deferred revenue (Note 8)	**1,231,734**	1,874,962
Investment (deficit) in partnership (Note 6)	**677,698**	184,062
Long-term debt (Note 9)	**1,519,355**	3,099,685
Total financial liabilities	**3,743,044**	5,617,273
Net debt	**(297,797)**	(656,346)
Non-financial assets		
Tangible capital assets (Note 10)	**7,275,246**	6,186,543
Prepaid expenses	**21,151**	21,151
Inventory	**145,583**	125,399
Investments (Note 11)	**2**	2
Total non-financial assets	**7,441,982**	6,333,095
Accumulated surplus	**$ 7,144,185**	$ 5,676,748

Guarantee (Note 24)

On behalf of the Band

Chief

Councillor

See accompanying notes and schedules to the consolidated financial statements

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

	Budget	2022 Actual	2021 Actual
Revenue			
Federal government transfers for operating (Note 20)	$ 1,420,104	$ 2,718,740	$ 2,514,660
Federal government transfers for capital (Note 20)	-	1,208,334	309,170
Provincial government transfers for operating (Note 20)	50,000	76,844	76,512
Rent	132,196	31,290	35,102
Other investment income	1,000	4,181	2,310
Investment income (loss) (Note 6)	-	(493,636)	(218,276)
Fisheries	640,000	1,125,567	656,337
L'sitkuk Gas Bar	1,444,700	1,723,302	1,448,203
Other (Note 12)	738,979	1,246,360	1,006,670
Total revenues	4,426,979	7,640,982	5,830,691
Expenses			
Band Support	584,024	1,044,840	978,195
Community Maintenance	354,950	496,583	303,172
Economic Development	133,350	168,384	208,333
Education	563,850	673,435	522,919
Fisheries	501,510	1,085,246	734,155
Health	469,810	555,275	459,206
Housing	196,284	227,382	222,151
L'sitkuk Gas Bar	1,439,030	1,640,538	1,348,548
Social Services	332,250	281,862	237,596
Total expenses	4,575,058	6,173,545	5,014,275
Annual surplus (deficit)	$ (148,079)	$ 1,467,437	$ 816,416

See accompanying notes and schedules to the consolidated financial statements.

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

			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**	**2022**	2021
Accumulated surplus, opening balance	$ 5,127,995	$ (194,586)	$ 11,514	$ 201,621	$ -	$ 76,854	$ 408,350	$ 45,000	**$ 5,676,748**		$ 4,860,332
Excess of revenue over expenditures (Page 5)	-	1,467,437	-	-	-	-	-	-	**1,467,437**		816,416
Withdraws from replacement reserve	-	16,718	-	(16,718)	-	-	-	-	**-**		-
Annual transfer to capital transactions	1,334,707	(1,334,707)	-	-	-	-	-	-	**-**		-
Annual transfer to replacement reserve	-	(26,180)	-	26,180	-	-	-	-	**-**		-
Transfers	-	21,329	-	-	-	(21,329)	-	-	**-**		-
Interest earned	-	(410)	-	-	-	410	-	-	**-**		-
Accumulated surplus, ending balance	$ 6,462,702	$ (50,399)	$ 11,514	$ 211,083	$ -	$ 55,935	$ 408,350	$ 45,000	**$ 7,144,185**		$ 5,676,748

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

	Budget	2022 Actual	2021 Actual
Annual surplus (deficit)	$ (148,079)	$ 1,467,437	$ 816,416
Acquisition of tangible capital assets	-	(1,586,158)	(851,979)
Net transfer of capital assets	-	-	-
Amortization of tangible capital assets	-	497,455	424,264
	$ (148,079)	378,733	388,701
Change in inventory		(20,184)	(16,612)
Change in prepaid expense		-	-
Decrease in net debt		358,549	372,089
Net debt			
Beginning of year		(656,346)	(1,028,435)
End of year		$ (297,797)	$ (656,346)

See accompanying notes and schedules to the consolidated financial statements.

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

	2022	2021
Increase (decrease) in cash and cash equivalents		
Operations		
Excess of revenue over expenditures	**$ 1,467,437**	$ 816,416
Amortization	**497,455**	424,264
Investment (income) loss	**493,636**	218,276
Change in non-cash operating net financial assets (Note 12)	**(906,669)**	1,377,443
	1,551,859	2,836,399
Investing		
Advances to related party	**1,657,529**	(140,474)
Purchase of investment in Digby Pines	**-**	(200,000)
Net transfer of assets	**-**	-
Proceeds from funds on deposit	**-**	-
Purchase of tangible capital assets, net of disposal	**(1,586,158)**	(851,979)
	71,371	(1,192,453)
Financing		
Repayment of long-term debt	**(1,842,230)**	(98,298)
Proceeds from issuance of long-term debt	**261,900**	282,973
	(1,580,330)	184,675
Increase in cash and cash equivalents	**42,899**	1,828,621
Cash and cash equivalents		
Beginning of year	**2,696,608**	867,987
End of year	**$ 2,739,507**	$ 2,696,608

See accompanying notes and schedules to the consolidated financial statements.

1. Significant accounting policies

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

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

(c) Principles of consolidation
All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise 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.

1. Significant accounting policies (continued)

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

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

Tangible capital assets are written down when conditions indicate that they no longer contribute to Bear River First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

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

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

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

(g) Revenue recognition
Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

1. Significant accounting policies (continued)

(h) Measurement uncertainty

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

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

(j) Replacement Reserve

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

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

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

(m) Budget
The budget was approved by Chief and Council on April 13, 2021.

(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) New accounting standards
As of the date of authorization of these financial statements, several new, but not yet effective standards have been published by the PSAB. None of these standards have been adopted early by the First Nation.

Effective for the fiscal period beginning on April 1, 2022, the First Nation is required to adopt the following Public Sector Accounting standards:

•section 3280 asset retirement obligations, which establishes the recognition, measurement and disclosure requirements for reporting liabilities associated with the retirement of capital assets
•Section 3400 revenues, which establishes standards for how to account for and report revenues for which specific standards do not already exist
•Section 3450 financial instruments, which establishes standards for recognizing and measuring financial assets, financial liabilities, and non-financial derivatives
•Section 2601 foreign currency translation, 1201 financial statement presentation, and 3041 portfolio investments

The First Nation is in the process of determining the impact of these new sections on the financial statements.

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:

	2022	2021
Externally restricted		
CMHC reserves	**$ 213,384**	$ 199,531
MCARR reserve	**55,935**	61,140
	269,319	260,671
Unrestricted		
Operating	**2,139,548**	2,257,820
L'sitkuk Gas Bar Operating	**274,004**	133,374
Housing Project	**56,636**	44,744
	2,470,188	2,435,937
Total cash	**$ 2,739,507**	$ 2,696,608

3. Accounts receivable

	2022	2021
Due from others		
Mi'kmaq Kina'matnewey	**$ 65,569**	$ 8,394
Mi'kmaq Employment/Training Secretariat	**49,876**	44,309
Amounts owing (net of allowance for doubtful accounts)	**80,426**	71,166
Total accounts receivable	**$ 195,871**	$ 123,869

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 2022**	Closing Balance 2021
Revenue	$ 11,236	$ -	$ -	**$ 11,236**	$ 11,236
Capital	278	-	-	**278**	278
Fund total	$ 11,514	$ -	$ -	**$ 11,514**	$ 11,514

5. Due from governments and other government organizations	2022	2021
CMHC	$ 25,192	$ 39,349
ACOA	9,309	9,309
Department of Indigenous Services Canada	120,706	111,206
Department of Fisheries and Oceans	206,062	174,457
	$ 361,269	$ 334,321

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 it's 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, 2021 to March 31, 2022:

	2022	2021
Assets		
Cash and cash equivalents	$ 735,581	$ 5,829
Receivables	36,925	1,990
Receivable from related party	1,478,455	-
Sales tax receivable	116,850	46,805
Inventory	97,201	80,498
Prepaid expenses	131,248	22,277
Tangible capital assets	3,022,051	2,318,833
Other assets	20,000	304,417
Total assets	$ 5,638,311	$ 2,780,649
Liabilities		
Accounts payable and accrued liabilities	$ 425,787	$ 1,033,142
Deferred revenue	272,957	157,349
Line of credit	398,412	-
Notes payable to related parties	99,350	1,627,283
Capital leases	148,383	423,000
Long-term debt	5,567,807	156,079
Equity	(1,274,385)	(616,204)
Total liabilities and equity	$ 5,638,311	$ 2,780,649

	2022	2021
Revenue	$ 4,389,064	$ 3,032,108
Expenses	5,047,245	3,323,142
Net income (loss)	$ (658,181)	$ (291,034)
Bear River First Nation Share of loss (75%)	$ (493,636)	$ (218,276)
Investment (deficit), beginning of year	(184,062)	(165,786)
Purchase of partnership units	-	200,000
Investment (deficit), end of year	$ (677,698)	$ (184,062)

7. Payables and accruals

	2022	2021
Trade payables	$ 133,373	$ 313,641
Accrued salaries and employee benefits payable	78,173	52,463
Other accrued liabilities	102,711	92,460
	$ 314,257	$ 458,564

8. Deferred revenue

	Balance 31-Mar 2021	Funding Received 2022	Revenue Recognized 2022	Balance 31-Mar 2022
Federal Government				
Department of Indigenous Services Canada (ISC)				
Waste water	$ 205,486	$ 101,547	$ 105,324	$ **201,709**
COVID	-	80,945	26,361	**54,584**
Daycare - reopening	17,688	-	17,688	**-**
LEDSP	25,635	-	25,635	**-**
Capacity support	10,875	-	5,885	**4,990**
Planning and design	-	25,000	-	**25,000**
Community building	89,973	-	-	**89,973**
Roads and bridges	137,753	-	51,000	**86,753**
Housing renovations	-	50,000	-	**50,000**
Other infrastructure	-	138,625	-	**138,625**
Summer student	4,001	29,108	33,109	**-**
Renovations	28,991	75,000	48,991	**55,000**
Community Opportunity Readiness	-	16,128	-	**16,128**
Comprehensive community plan	-	50,000	-	**50,000**
EMAP (COVID)	-	49,540	-	**49,540**
CMHC - RRAP	18,737	-	9,128	**9,609**
CMHC - Rapid Housing Initiative	1,141,431	-	1,117,214	**24,217**
Mi'kmaq Kina'matnewey	74,810	149,225	51,505	**172,530**
Mi'kmaq Employment/Training Secretariat	13,284	137,453	80,091	**70,646**
Government of Canada - Accessibility	100,000	-	67,582	**32,418**
Other	6,298	109,550	15,836	**100,012**
	$ 1,874,962	$ 1,012,121	$ 1,655,349	$ **1,231,734**

9. Long-term debt	2022	2021
CMHC 2.63% loan, amortized to 2022, payable in monthly instalments of $315, including principal and interest.	$ **2,810**	$ 6,470
CMHC 1.25% loan, amortized to 2023, payable in monthly instalments of $317, including principal and interest.	**3,776**	7,511
CMHC 2.63% loan, amortized to 2022, payable in monthly instalments of $842, including principal and interest.	**3,353**	13,234
RBC 1.46% loan, amortized to 2023, payable in monthly instalments of $334, including principal and interest.	**6,590**	10,470
RBC 3.63% loan, amortized to 2026, payable in monthly instalments of $357, including principal and interest.	**17,127**	20,759
RBC 2.56% loan, amortized to 2027, payable in monthly instalments of $334, including principal and interest.	**19,407**	22,872
CMHC 0.80% loan, amortized to 2028, payable in monthly instalments of $293, including principal and interest.	**23,078**	26,392
CMHC 1.86% loan, amortized to 2029, payable in monthly instalments of $314, including principal and interest.	**25,251**	28,515
CMHC 0.76% loan, amortized to 2030, payable in monthly instalments of $289, including principal and interest.	**29,121**	32,360
CMHC 1.88% loan, amortized to 2032, payable in monthly instalments of $309, including principal and interest.	**33,309**	36,435
CMHC 1.88% loan, amortized to 2032, payable in monthly instalments of $322, including principal and interest.	**34,697**	37,954
CMHC 1.97% loan, amortized to 2032, payable in monthly instalments of $330, including principal and interest.	**38,101**	41,281
CMHC 1.97% loan, amortized to 2032, payable in monthly instalments of $303, including principal and interest.	**38,039**	41,187
CMHC 0.80% loan, amortized to 2034, payable in monthly instalments of $303, including principal and interest.	**41,096**	44,395
CMHC 0.80% loan, amortized to 2034, payable in monthly instalments of $304, including principal and interest.	**41,203**	44,509
CMHC 0.68% loan, amortized to 2035, payable in monthly instalments of $297, including principal and interest.	**43,733**	46,984
CMHC 0.74% loan, amortized to 2036, payable in monthly instalments of $298, including principal and interest.	**46,948**	50,160
CMHC 1.50% loan, amortized to 2037, payable in monthly instalments of $311, including principal and interest.	**49,545**	52,510
CMHC 1.88% loan, amortized to 2037, payable in monthly instalments of $321, including principal and interest.	**50,060**	53,041
CMHC 2.04% loan, amortized to 2038, payable in monthly instalments of $329, including principal and interest.	**53,337**	56,165
CMHC 0.68% loan, amortized to 2038, payable in monthly instalments of $307, including principal and interest.	**58,316**	61,592
Balance carried forward	**658,897**	734,797

9. Long-term debt (continued)	2022	2021
Balance carried forward	**658,897**	734,797
CMHC 0.68% loan, amortized to 2040, payable in monthly instalments of $304, including principal and interest.	**62,090**	65,306
CMHC 1.51% loan, amortized to 2041, payable in monthly instalments of $322, including principal and interest.	**65,706**	68,657
0% vehicle loan, amortized to 2022, payable in monthly instalments of $655, including principal and interest.	**2,621**	10,484
CMHC 2.35% loan, amortized to 2043, payable in monthly instalments of $358, including principal and interest.	**72,133**	74,711
CMHC 1.73% loan, amortized to 2045, payable in monthly instalments of $493, including principal and interest.	**111,841**	115,787
CMHC 0.80% loan, amortized to 2045, payable in monthly instalments of $469, including principal and interest.	**118,988**	123,645
CMHC Loan advance, terms to be determined on interest adjustment date.	**130,000**	-
CMHC 1.13% loan, amortized to 2035, payable in monthly instalments of $797, including principal and interest.	**125,818**	-
Peace Hills Trust loan Prime + 1%, repaid in the year	**-**	1,706,297
Peace Hills Trust loan Prime + 1%, amortized to June 2026, payable in monthly instalments of $3,770, including principal and interest.	**171,261**	- 200,000
	$ **1,519,355**	$ 3,099,685

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:

2023	$ 131,568
2024	$ 123,501
2025	$ 124,267
2026	$ 127,691
2027	$ 93,469

10. Tangible capital assets

	Cost					Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Other Adjustments	Closing Balance	2022	2021
Land	$ -	$ 17,240			$ 17,240	$ -	$		$ -	$ 17,240	$ -
Commercial buildings	108,553				108,553	53,791	4,342		58,133	**50,420**	54,762
Residential buildings	1,201,620	1,217,241		88,031	2,506,892	984,881	100,276		1,085,157	**1,421,735**	216,739
Roads	1,634,702				1,634,702	329,710	54,490		384,200	**1,250,502**	1,304,992
Underground networks	281,111				281,111	41,044	5,622		46,666	**234,445**	240,067
Furniture and equipment	814,049	15,427			829,476	757,912	13,792		771,704	**57,772**	56,137
Pool	31,683				31,683	29,829	371		30,200	**1,483**	1,854
Computer equipment	108,558				108,558	60,549	25,143		85,692	**22,866**	48,008
Motor vehicles	103,071				103,071	64,650	12,816		77,466	**25,605**	38,421
Housing Project buildings	3,424,244			260,569	3,684,813	1,665,537	147,359		1,812,896	**1,871,917**	1,758,707
Lots under development	11,745				11,745	-			-	**11,745**	11,745
House(s), in progress	518,213	271,060		(348,600)	440,673	-			-	**440,673**	518,213
Band buildings	1,964,630	65,190			2,029,820	1,153,660	69,022		1,222,682	**807,138**	810,970
Fishing vessel	1,284,435				1,284,435	158,508	64,222		222,730	**1,061,705**	1,125,927
Total	$ 11,486,614	$ 1,586,158	$ -	$ -	$ 13,072,772	$ 5,300,071	$ 497,455	$ -	$ 5,797,526	**$ 7,275,246**	$ 6,186,543

11. 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 $123,082 from 'Mi'kmaq Resource Development Partnership which has been included in other revenue (Note 12).

	2022	2021
E'sukitimkewey Limited Partnership	$ 1	$ 1
Mi'kmaq Resource Development Partnership	1	1
	$ 2	$ 2

12. Other

Other revenue includes amounts received as follows:

	2022	2021
Administration fees	$ 109,277	$ 63,857
Sponsorships and donations	4,483	13,148
Program funding		
Mi'kmaq Employment/Training Secretariat	191,078	225,111
Confederacy of Mainland Mi'kmaq	85,046	66,086
Mi'kmaq Kina'matnewey	651,018	481,322
Investment income	123,082	-
Other	82,376	157,146
	$ 1,246,360	$ 1,006,670

13. Supplemental cash flow information

	2022	2021
Change in non-cash operating net financial assets		
Accounts receivable and due from governments and other government organizations	$ (98,950)	$ 252,539
Payables and accruals	(144,307)	127,581
Deferred revenue	(643,228)	1,013,936
Prepaid expenses	-	(1)
Inventory	(20,184)	(16,612)
	$ (906,669)	$ 1,377,443

14. 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, $26,180 (2021 - $25,180) was transferred from the operating account to the Replacement Reserve and $16,718 (2021 – $13,090) was withdrawn from the Replacement Reserve. During the year, $913 (2021 - $nil) was transferred from the Operating Account to the Surplus Reserve.

15. Economic dependence

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

16. 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, 2022, was $76,165 (2021 - $69,752).

17. Non-compliance

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

18. Matured units

At the year end, adjustments are required where units have matured based on information provided by CHMC to the First Nation. During the year, $Nil (2021 - $Nil) was transferred from the Replacement Reserve and $Nil (2021 - $Nil) was transferred from the deficit.

19. Pension plan

Bear River First Nation provides a defined contribution plan for eligible members of its staff. Members can contribute up to a maximum of 5.5% of their basic salary. Bear River First Nation contributes 5.5% which contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Bear River First Nation contributed during the year $7,776 (2021 - $6,837) for retirement benefits. As at March 31, 2022, Bear River First Nation had obligations to the pension plan of $3,050 (2021 - $974).

20. Government transfers

	2022			2021		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers						
Department of Indigenous Services Canada	$ 1,446,229	$ 91,120	$ 1,537,349	$ 1,360,540	$ 88,689	$ 1,449,229
Health Canada	750,577	-	750,577	662,778	2,100	664,878
Canada Mortgage and Housing Corporation	100,053	1,117,214	1,217,267	91,516	88,031	179,547
Other	421,881	-	421,881	399,826	130,350	530,176
	2,718,740	1,208,334	3,927,074	2,514,660	309,170	2,823,830
Provincial government transfers	76,844	-	76,844	76,512	-	76,512
Total	$ 2,795,584	$ 1,208,334	$ 4,003,918	$ 2,591,172	$ 309,170	$ 2,900,342

21. Segment disclosure

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

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

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

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

Social Services – social assistance provided to qualifying members.

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

Economic Development – activities related to job training and skills.

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

Housing Project – Section 95 housing and related expenditures.

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

Fisheries – fishing lobster and tuna licenses

21. Segment disclosure (continued)

	Education		Health		Economic Development		Housing		Community Maintenance	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Revenues										
Federal Government	**$ -**	$ -	**$ 750,577**	$ 664,878	**$ 105,800**	$ 33,945	**$ 76,165**	$ 69,752	**$ 1,667,398**	$ 488,684
Provincial Government	**-**	-	**-**	57,500	**-**	15,000	**-**	-	**-**	-
Other revenue	**731,916**	601,797	**29,121**	10,957	**155,448**	160,726	**-**	-	**-**	1,422
Total Revenue	**731,916**	601,797	**779,698**	733,335	**261,248**	209,671	**76,165**	69,752	**1,667,398**	490,106
Expenses										
Salaries and benefits	**462,053**	329,142	**281,839**	249,144	**112,668**	154,827	**-**	-	**156,056**	114,945
Amortization	**-**	-	**20,492**	14,809	**-**	-	**147,359**	139,364	**-**	-
Debt Servicing	**-**	-	**-**	-	**-**	-	**16,634**	19,699	**-**	-
Other expenses	**211,382**	193,777	**252,944**	195,253	**55,716**	53,506	**63,389**	63,088	**340,527**	188,227
Total Expenses	**673,435**	522,919	**555,275**	459,206	**168,384**	208,333	**227,382**	222,151	**496,583**	303,172
Annual Surplus (Deficit)	**$ 58,481**	78,878	**$ 224,423**	274,129	**$ 92,864**	1,338	**$ (151,217)**	(152,399)	**$ 1,170,815**	186,934

21. Segment disclosure (continued)

	Social Services		Band Government		Fisheries and Aquaculture		Consolidated Totals	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Revenues								
Federal Government	**$ 447,025**	$ 416,722	**$ 527,110**	$ 644,985	**$ 352,998**	$ 410,983	**$ 3,927,074**	$ 2,729,949
Provincial Government	**-**	-	**76,844**	(1,688)	**-**	5,700	**76,844**	76,512
Economic Activities	**-**	-	**(339,264)**	(183,175)	**1,125,567**	656,337	**786,303**	473,162
Income - Gas Bar	**-**	-	**1,723,302**	1,448,203	**-**	-	**1,723,302**	1,448,203
Other revenue	**-**	-	**210,974**	327,964	**-**	-	**1,127,459**	1,102,865
Total Revenue	**447,025**	416,722	**2,198,966**	2,236,289	**1,478,565**	1,073,020	**7,640,982**	5,830,691
Expenses								
Salaries and benefits	**55,606**	35,541	**505,775**	496,564	**524,228**	369,679	**2,098,225**	1,749,842
Amortization	**-**	-	**265,382**	262,808	**64,222**	7,302	**497,455**	424,283
Debt Servicing	**-**	-	**-**	-	**-**	-	**16,634**	19,699
Other expenses	**226,256**	202,055	**1,914,221**	1,567,371	**496,796**	357,174	**3,561,231**	2,820,451
Total Expenses	**281,862**	237,596	**2,685,378**	2,326,743	**1,085,246**	734,155	**6,173,545**	5,014,275
Annual Surplus (Deficit)	**$ 165,164**	$ 179,126	**$ (486,412)**	$ (90,454)	**$ 393,319**	$ 338,865	**$ 1,467,437**	$ 816,416

22. Expenses by object

	2022	2021
The following is a summary of expenses by object:		
Salaries and wages	$ 2,025,911	$ 1,749,840
Employee benefits	72,314	39,145
Supplies and services	1,568,525	1,182,768
Interest	22,953	22,255
Professional services	160,964	81,471
Fees and contract services	165,192	86,502
Other	1,660,231	1,428,011
Amortization	497,455	424,283
	$ 6,173,545	$ 5,014,275

23. Subsequent event

Subsequent to year end, a fire destroyed the Band Hall building, which had already been fully depreciated. At this time no reasonable estimate can be made as to the extent of any insurance proceeds which may be received or the cost to rebuild.

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, 2022, Digby Pines Resorts Limited Partnership had $5,014,835 of loans outstanding to which the guarantee applies.

25. Comparative figures

Certain of the comparative figures have been reclassified to conform to the consolidated financial statement presentation