



Consolidated Financial Statements

Bear River First Nation

March 31, 2023

Contents

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

Independent auditor's report

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

Opinion

We have audited the consolidated financial statements of Bear River First Nation ("the First Nation"), which comprise the consolidated statement of financial position as at March 31, 2023, 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, 2023, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other matters

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The supplementary schedules on pages 25-26 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Kentville, Canada
July 18, 2023

Chartered Professional Accountants

Management's Responsibility for the Consolidated Financial Statements

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

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

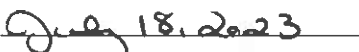
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

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

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

Chief	
Band Manager	
Councillor	
Councillor	
Councillor	

Date 

**Bear River First Nation
Consolidated Statement of Financial Position**

March 31

2023

2022

Financial assets

Cash and cash equivalents (Note 3)	\$ 4,418,105	\$ 2,739,507
Accounts receivable (Note 4)	509,057	195,871
Due from related party (Note 7)	88,316	137,086
Trust funds held by federal government (Note 5)	11,514	11,514
Due from governments and other government organizations (Note 6)	938,137	361,269

Total financial assets	<u>5,965,129</u>	<u>3,445,247</u>
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Financial liabilities

Payables and accruals (Note 8)	717,902	314,257
Deferred revenue (Note 9)	1,420,670	1,231,734
Asset retirement obligation (Note 10)	92,241	-
Investment (deficit) in partnership (Note 7)	2,560,367	677,698
Long-term debt (Note 11)	1,758,980	1,519,355

Total financial liabilities	<u>6,550,160</u>	<u>3,743,044</u>
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Net debt	<u>(585,031)</u>	<u>(297,797)</u>
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Non-financial assets

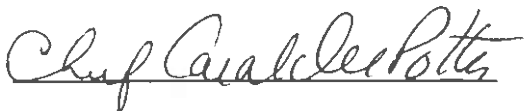
Tangible capital assets (Note 12)	7,977,875	7,275,246
Prepaid expenses	21,239	21,151
Inventory	133,629	145,583
Investments (Note 13)	2	2

Total non-financial assets	<u>8,132,745</u>	<u>7,441,982</u>
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Accumulated surplus	<u>\$ 7,547,715</u>	<u>\$ 7,144,185</u>
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Guarantee (Note 25)

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

	2023		2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Federal government transfers for operating (Note 22)	\$ 1,420,104	\$ 3,723,373	\$ 2,718,740
Federal government transfers for capital (Note 22)	-	660,205	1,208,334
Provincial government transfers for operating (Note 22)	50,000	102,002	76,844
Rent	132,196	44,125	31,290
Other investment income	1,000	72,598	4,181
Investment loss (Note 7)	-	(1,882,669)	(493,636)
Fisheries	640,000	874,293	1,125,567
L'sitkuk Gas Bar	1,444,700	1,981,445	1,723,302
Other (Note 14)	738,979	2,745,282	1,246,360
Total revenues	<u>4,426,979</u>	<u>8,320,654</u>	<u>7,640,982</u>
Expenses			
Band Support	584,024	1,597,940	1,044,840
Community Maintenance	354,950	768,451	496,583
Economic Development	133,350	212,448	168,384
Education	563,850	1,044,335	673,435
Fisheries	501,510	1,171,196	1,085,246
Health	469,810	617,536	555,275
Housing	196,284	218,904	227,382
L'sitkuk Gas Bar	1,439,030	1,925,467	1,640,538
Social Services	332,250	360,848	281,862
Total expenses	<u>4,575,058</u>	<u>7,917,125</u>	<u>6,173,545</u>
Annual surplus (deficit)	\$ <u>(148,079)</u>	\$ <u>403,529</u>	\$ <u>1,467,437</u>

See accompanying notes and schedules to the consolidated financial statements.

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

2023 2022

	Investment in Capital Assets	Unrestricted Fund	Net assets - externally restricted						Total	Total
			Funds on Deposit with DISC	Replacement Reserve	Operating Reserve	MCARR Reserve	Contributed Surplus	Gas Bar Replacement Reserve		
Accumulated surplus, opening balance	\$ 6,462,702	\$ (50,399)	\$ 11,514	\$ 211,083	\$ -	\$ 55,935	\$ 408,350	\$ 45,000	\$ 7,144,185	\$ 5,676,748
Excess of revenue over expenditures (Page 5)	-	403,529	-	-	-	-	-	-	403,529	1,467,437
Withdraws from replacement reserve	-	6,396	-	(6,396)	-	-	-	-	-	-
Transfer from reserve for matured housing units	-	35,443	-	(35,443)	-	-	-	-	-	-
Annual transfer to capital transactions	1,233,228	(1,233,228)	-	-	-	-	-	-	-	-
Annual transfer to replacement reserve	-	(344,826)	-	344,826	-	-	-	-	-	-
Transfers	-	10,612	-	-	-	(10,612)	-	-	-	-
Transfer of reserve funds- Gas Bar	-	(5,000)	-	-	-	-	-	5,000	-	-
Interest earned	-	(986)	-	-	-	986	-	-	-	-
Accumulated surplus, ending balance	\$ 7,695,930	\$ (1,178,459)	\$ 11,514	\$ 514,070	\$ -	\$ 48,309	\$ 408,350	\$ 50,000	\$ 7,547,714	\$ 7,144,185

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

	2023		2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus (deficit)	\$ (148,079)	\$ 403,529	\$ 1,467,437
Acquisition of tangible capital assets	-	(1,230,703)	(1,586,158)
Proceeds of disposal of tangible capital assets	-	10,000	-
Loss (gain) on disposal of tangible capital assets	-	17,820	-
Amortization of tangible capital assets	-	500,254	497,455
	<u>\$ (148,079)</u>	<u>(299,100)</u>	<u>378,733</u>
Change in inventory		11,954	(20,184)
Change in prepaid expense		<u>(89)</u>	<u>-</u>
(Increase) decrease in net debt		(287,235)	358,549
Net debt			
Beginning of year		<u>(297,797)</u>	<u>(656,346)</u>
End of year		<u>\$ (585,032)</u>	<u>\$ (297,797)</u>

See accompanying notes and schedules to the consolidated financial statements.

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

2023

2022

Increase (decrease) in cash and cash equivalents

Operations

Annual surplus	\$ 403,529	\$ 1,467,437
Amortization	500,254	497,455
Accretion	4,392	-
Asset retirement obligation addition (Note 10)	87,849	-
Investment loss	1,882,669	493,636
Change in non-cash operating net financial assets (Note 15)	<u>(285,606)</u>	<u>(906,669)</u>
	2,593,087	1,551,859

Investing

Advances to related party	48,769	1,657,529
Net transfer of assets	27,820	-
Proceeds from funds on deposit	-	-
Purchase of tangible capital assets, net of disposal	<u>(1,230,703)</u>	<u>(1,586,158)</u>
	(1,154,114)	71,371

Financing

Repayment of long-term debt	(146,130)	(1,842,230)
Proceeds from issuance of long-term debt	<u>385,755</u>	<u>261,900</u>
	239,625	(1,580,330)

Increase in cash and cash equivalents **1,678,598** **42,899**

Cash and cash equivalents

Beginning of year	<u>2,739,507</u>	<u>2,696,608</u>
End of year	\$ 4,418,105	\$ 2,739,507

See accompanying notes and schedules to the consolidated financial statements.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

1. Significant accounting policies

(a) Basis of accounting

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

(b) Reporting entity

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

(c) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise or partnership, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

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

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

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(e) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the assets.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Bear River First Nation's incremental cost of borrowing.

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

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:

Buildings	25 years
Roads	30 years
Underground networks	50 years
Furniture and equipment	10 years
Pool	20 years
Computer equipment	4 years
Motor vehicles	5 years
Fishing Vessel	20 years

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

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

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

(f) Inventory

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

(g) Revenue recognition

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

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

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

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

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

1. Significant accounting policies (continued)

(h) Measurement uncertainty

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

(i) Revenues and expenditures – CMHC Housing Projects

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

(j) Replacement Reserve

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

(k) Operating Reserve

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

(l) RRAP expenditures

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

(m) Budget

As recommended by the Public Sector Accounting Board of CPA Canada, the consolidated financial statements show a comparison of the actual results with the budget. Budgeted figures have not been audited.

(n) Pension plan

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

(o) Asset retirement obligation

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

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

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

(p) Financial instruments

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

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

Bear River First Nation
Notes to the Consolidated Financial Statements
 March 31, 2023

2. Adoption of accounting policies

PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation

On April 1, 2022, the First Nation adopted Public Accounting Standards PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions. Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Organization's accounting policy choices.

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

PS 3280 - Asset retirement obligations

On April 1, 2022, the First Nation also adopted Public Accounting Standard PS 3280 – Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability. The standard was adopted on the prospective basis at the date of adoption. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

In accordance with the provisions of this new standard, the First Nation reflected the following adjustment at April 1, 2022:

- Well obligations: an asset retirement obligation in the amount of \$87,849, representing the original \$1,341,758 obligation discounted to the present value amount using a rate of 5%.

3. Cash and cash equivalents

Under the terms of an agreement with CMHC, Bear River First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the CMHC with any interest earned to be credited as revenue to the Housing Project Replacement Reserve.

Cash is comprised of the following:

	<u>2023</u>	<u>2022</u>
Externally restricted		
CMHC reserves	\$ 499,767	\$ 213,384
MCARR reserve	<u>46,308</u>	<u>55,935</u>
	<u>546,075</u>	<u>269,319</u>
Unrestricted		
Operating	3,412,683	2,139,548
L'sitkuk Gas Bar Operating	251,969	274,004
Housing Project	<u>207,378</u>	<u>56,636</u>
	<u>3,872,030</u>	<u>2,470,188</u>
Total cash	<u>\$ 4,418,105</u>	<u>\$ 2,739,507</u>

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

4. Accounts receivable	<u>2023</u>	<u>2022</u>
Due from others		
Mi'kmaq Kina'matnewey	\$ 120,817	\$ 65,569
Mi'kmaq Employment/Training Secretariat	119,322	49,876
Amounts owing (net of allowance for doubtful accounts)	<u>268,918</u>	<u>80,426</u>
Total accounts receivable	<u>\$ 509,057</u>	<u>\$ 195,871</u>

5. Trust funds held by federal government

Trust fund accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the

	<u>Opening Balance</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>Closing Balance 2023</u>	<u>Closing Balance 2022</u>
Revenue	\$ 11,236	\$ -	\$ -	\$ 11,236	\$ 11,236
Capital	<u>278</u>	<u>-</u>	<u>-</u>	<u>278</u>	<u>278</u>
Fund total	<u>\$ 11,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,514</u>	<u>\$ 11,514</u>

6. Due from governments and other government organizations	<u>2023</u>	<u>2022</u>
CMHC	\$ 370,006	\$ 25,192
ACOA	24,176	9,309
Department of Indigenous Services Canada	278,288	120,706
Department of Fisheries and Oceans	<u>265,667</u>	<u>206,062</u>
	<u>\$ 938,137</u>	<u>\$ 361,269</u>

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

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

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

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

The following table presents condensed financial information for the Digby Pines Golf Resort and Spa for the period April 1, 2022 to March 31, 2023:

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 127,804	\$ 735,581
Receivables	212,958	36,925
Receivable from related party	130,883	1,478,455
Sales tax receivable	22,168	116,850
Inventory	174,620	97,201
Prepaid expenses	34,344	131,248
Tangible capital assets	7,979,683	3,022,051
Other assets	<u>20,000</u>	<u>20,000</u>
Total assets	<u>\$ 8,702,460</u>	<u>\$ 5,638,311</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 2,299,805	\$ 425,787
Deferred revenue	308,146	272,957
Line of credit	373,413	398,412
Notes payable to related parties	214,656	99,350
Capital leases	59,924	148,383
Long-term debt	9,231,126	5,567,807
Deficit	<u>(3,784,610)</u>	<u>(1,274,385)</u>
Total liabilities and equity	<u>\$ 8,702,460</u>	<u>\$ 5,638,311</u>
	<u>2023</u>	<u>2022</u>
Revenue	\$ 6,987,645	\$ 4,389,064
Expenses	<u>9,497,870</u>	<u>5,047,245</u>
Net income (loss)	<u>\$ (2,510,225)</u>	<u>\$ (658,181)</u>
Bear River First Nation Share of loss (75%)	\$ (1,882,669)	\$ (493,636)
Investment (deficit), beginning of year	<u>(677,698)</u>	<u>(184,062)</u>
Investment (deficit), end of year	<u>\$ (2,560,367)</u>	<u>\$ (677,698)</u>

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

8. Payables and accruals

	<u>2023</u>	<u>2022</u>
Trade payables	\$ 488,321	\$ 109,454
Accrued salaries and employee benefits payable	66,316	45,375
Other accrued liabilities	<u>163,265</u>	<u>159,428</u>
	<u>\$ 717,902</u>	<u>\$ 314,257</u>

9. Deferred revenue

	Balance 31-Mar <u>2022</u>	Funding Received <u>2023</u>	Revenue Recognized <u>2023</u>	Balance 31-Mar <u>2023</u>
Federal Government				
Department of Indigenous Services Canada (ISC)				
Waste water	\$ 201,709	\$ -	\$ 147,040	\$ 54,669
COVID	54,584	-	54,584	-
Child & family	-	255,565	123,045	132,520
Community readiness program	-	80,000	65,588	14,412
Capacity support	4,990	-	4,990	-
Planning and design	25,000	235,000	213,617	46,383
Community building	89,973	-	-	89,973
Roads and bridges	86,753	-	-	86,753
Housing renovations	50,000	54,290	-	104,290
Other infrastructure	138,625	-	28,750	109,875
Summer student	-	21,123	10,826	10,297
Renovations	55,000	296,782	101,513	250,269
Community Opportunity Readiness	16,128	-	16,128	-
Comprehensive community plan	50,000	50,000	36,665	63,335
EMAP (COVID)	49,540	-	49,540	-
Community development infrastructure plan	-	15,000	-	15,000
CMHC - RRAP	9,609	57,015	33,550	33,074
CMHC - Rapid Housing Initiative	24,217	-	24,217	-
CMHC - housing co-investment fund	-	286,000	217,000	69,000
CMHC - SEED funding	-	40,000	5,585	34,415
Mi'kmaq Kina'matnewey	172,530	65,215	117,552	120,193
Mi'kmaq Employment/Training Secretariat	70,646	217,114	251,400	36,360
Government of Canada - Accessibility	32,418	-	32,418	-
Other	<u>100,012</u>	<u>266,985</u>	<u>217,145</u>	<u>149,852</u>
	<u>\$ 1,231,734</u>	<u>\$ 1,940,089</u>	<u>\$ 1,751,153</u>	<u>\$ 1,420,670</u>

10. Asset retirement obligation

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

	<u>2023</u>	<u>2022</u>
Opening balance	\$ -	\$ -
Liability recognized on adoption of PS 3280	87,849	-
Accretion expense	<u>4,392</u>	<u>-</u>
Closing balance	<u>\$ 92,241</u>	<u>\$ -</u>

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

11. Long-term debt	<u>2023</u>	<u>2022</u>
CMHC 2.63% loan, repaid during the year	\$ -	\$ 2,810
CMHC 1.25% loan, repaid during the year	-	3,776
CMHC 2.63% loan, repaid during the year	-	3,353
RBC 1.46% loan, amortized to 2023, payable in monthly instalments of \$334, including principal and interest.	2,652	6,590
RBC 2.35% loan, amortized to 2024, payable in monthly instalments of \$347, including principal and interest.	13,322	17,127
RBC 4.12% loan, amortized to 2027, payable in monthly instalments of \$349, including principal and interest.	15,937	19,407
CMHC 0.80% loan, amortized to 2028, payable in monthly instalments of \$293, including principal and interest.	19,737	23,078
CMHC 1.86% loan, amortized to 2029, payable in monthly instalments of \$314, including principal and interest.	21,925	25,251
CMHC 0.76% loan, amortized to 2030, payable in monthly instalments of \$289, including principal and interest.	25,858	29,121
CMHC 1.88% loan, amortized to 2032, payable in monthly instalments of \$309, including principal and interest.	30,194	33,309
CMHC 1.88% loan, amortized to 2032, payable in monthly instalments of \$322, including principal and interest.	31,452	34,697
CMHC 3.7% loan, amortized to 2032, payable in monthly instalments of \$358, including principal and interest.	34,923	38,101
CMHC 3.7% loan, amortized to 2032, payable in monthly instalments of \$355, including principal and interest.	34,894	38,039
CMHC 0.80% loan, amortized to 2034, payable in monthly instalments of \$303, including principal and interest.	37,772	41,096
CMHC 0.80% loan, amortized to 2034, payable in monthly instalments of \$304, including principal and interest.	37,869	41,203
CMHC 0.68% loan, amortized to 2035, payable in monthly instalments of \$297, including principal and interest.	40,460	43,733
CMHC 0.74% loan, amortized to 2036, payable in monthly instalments of \$298, including principal and interest.	43,713	46,948
CMHC 1.50% loan, amortized to 2037, payable in monthly instalments of \$311, including principal and interest.	46,539	49,545
CMHC 1.88% loan, amortized to 2037, payable in monthly instalments of \$321, including principal and interest.	47,123	50,060
CMHC 3.24% loan, amortized to 2038, payable in monthly instalments of \$357, including principal and interest.	50,491	53,337
CMHC 0.68% loan, amortized to 2038, payable in monthly instalments of \$307, including principal and interest.	55,017	58,316
Balance carried forward	<u>589,878</u>	<u>658,897</u>

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

11. Long-term debt (continued)	<u>2023</u>	<u>2022</u>
Balance carried forward	589,878	658,897
CMHC 0.68% loan, amortized to 2040, payable in monthly instalments of \$304, including principal and interest.	58,852	62,090
CMHC 1.51% loan, amortized to 2041, payable in monthly instalments of \$322, including principal and interest.	62,813	65,706
CMHC 2.35% loan, amortized to 2043, payable in monthly instalments of \$358, including principal and interest.	69,495	72,133
CMHC 1.73% loan, amortized to 2045, payable in monthly instalments of \$493, including principal and interest.	107,826	111,841
CMHC 0.80% loan, amortized to 2045, payable in monthly instalments of \$469, including principal and interest.	114,293	118,988
CMHC 1.13% loan, amortized to 2036, payable in monthly instalments of \$797, including principal and interest.	117,633	125,818
CMHC Loan advances, terms to be determined on interest adjustment dates.	434,560	130,000
0% vehicle loan, repaid during the year	-	2,621
Peace Hills Trust loan Prime + 1%, amortized to June 2026, payable in monthly instalments of \$3,770, including principal and interest.	135,967	171,261
0% tractor loan, amortized to May 2027, payable in monthly instalments of \$1,353.	67,663	-
	\$ 1,758,980	\$ 1,519,355

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:

2024	\$ 139,740
2025	\$ 140,506
2026	\$ 143,930
2027	\$ 110,931
2028	\$ 81,889

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

12. Tangible capital assets

	Cost				Accumulated Amortization				Net Book Value		
	Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Opening Balance	Disposals, Write-offs & Other Adjustments		Closing Balance	2023	2022
							Amortization				
Land	\$ 17,240	\$ -	-	-	\$ 17,240	\$ -	-	-	\$ -	\$ 17,240	\$ 17,240
Commercial buildings	108,553	103,181	-	-	211,734	58,133	8,469	-	-	145,132	50,420
Residential buildings	2,506,892	-	-	370,352	2,877,244	1,085,157	88,771	274,575	-	1,428,741	1,421,735
Roads	1,634,702	-	-	-	1,634,702	384,200	54,490	-	-	1,196,012	1,250,502
Underground networks	281,111	87,848	-	-	368,959	46,666	8,649	-	-	313,644	234,445
Furniture and equipment	829,476	100,373	(180,468)	-	749,381	771,704	22,390	(173,251)	-	128,538	57,772
Pool	31,683	-	-	-	31,683	30,200	371	-	-	1,112	1,483
Computer equipment	108,558	9,700	(100,683)	-	17,575	85,692	4,761	(80,080)	-	7,202	22,865
Motor vehicles	103,071	81,195	-	-	184,266	77,466	29,055	-	-	77,745	25,605
Housing Project buildings	3,684,813	-	-	(370,352)	3,314,461	1,812,896	147,359	(274,575)	-	1,628,781	1,871,917
Lots under development	11,745	-	-	-	11,745	-	-	-	-	11,745	11,745
House(s), in progress	440,674	764,866	-	-	1,205,540	-	-	-	-	1,205,540	440,674
Band buildings	2,029,820	83,540	(90,247)	-	2,023,113	1,222,882	71,717	(90,247)	-	818,961	807,138
Fishing vessel	1,284,435	-	-	-	1,284,435	222,730	64,222	-	-	997,483	1,061,705
Total	\$ 13,072,772	\$ 1,230,703	\$ (371,398)	\$ -	\$ 13,932,077	\$ 5,797,526	\$ 500,254	\$ (343,578)	\$ 5,954,202	\$ 7,977,875	\$ 7,275,246

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

13. Investments

The First Nation, together with 12 other First Nation entities in the Province of Nova Scotia, has entered into the following limited partnerships. No First Nation within the group controls the Partnerships, as such the investments are accounted for as portfolio investments and are carried at cost in these financial statements. Revenue is recorded only to the extent that distributions are received or receivable. During the year, the First Nation received \$58,365 (2022 - \$123,082) from Mi'kmaq Resource Development Partnership which has been included in other revenue (Note 14).

	<u>2023</u>	<u>2022</u>
E'sukitimkewey Limited Partnership	\$ 1	\$ 1
Mi'kmaq Resource Development Partnership	<u>1</u>	<u>1</u>
	<u>\$ 2</u>	<u>\$ 2</u>

14. Other

Other revenue includes amounts received as follows:

	<u>2023</u>	<u>2022</u>
Administration fees	\$ 43,634	\$ 109,277
Sponsorships and donations	13,536	4,483
Program funding		
Mi'kmaq Employment/Training Secretariat	270,760	191,078
Confederacy of Mainland Mi'kmaq	72,070	85,046
Mi'kmaq Kina'matnewey	1,008,041	651,018
Investment income	58,365	123,082
Insurance proceeds (Note 26)	943,703	
Other	<u>335,173</u>	<u>82,376</u>
	<u>\$ 2,745,282</u>	<u>\$ 1,246,360</u>

15. Supplemental cash flow information

Change in non-cash operating net financial assets

	<u>2023</u>	<u>2022</u>
Accounts receivable and due from governments and other government organizations	\$ (890,054)	\$ (98,950)
Payables and accruals	403,646	(144,307)
Deferred revenue	188,936	(643,228)
Prepaid expenses	(88)	-
Inventory	<u>11,954</u>	<u>(20,184)</u>
	<u>\$ (285,606)</u>	<u>\$ (906,669)</u>

16. Replacement and Operating Reserves

Under the terms of the agreement with CMHC, the Replacement Reserve account is to be credited annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by the CMHC from time to time. The First Nation bank interest is earned on a global basis and an allocation has been made to the Reserve. The funds in the account may only be used as approved by CMHC. During the year, \$344,826 (2022 - \$26,180) was transferred from the operating account to the Replacement Reserve and \$41,839 (2022 - \$16,718) was withdrawn from the Replacement Reserve. During the year, \$nil (2022 - \$913) was transferred from the Operating Account to the Surplus Reserve.

17. Economic dependence

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

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

18. Federal assistance payments

The Housing Projects have received assistance through CMHC pursuant to Section 56.1 of the *National Housing Act* to reduce mortgage interest expense to enable the project to provide housing to low-income individuals. The amount of assistance received in the year ended March 31, 2023, was \$76,246 (2022 - \$76,165).

19. Non-compliance

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

20. Matured units

At the year end, adjustments are required where units have matured based on information provided by CHMC to the First Nation. During the year, \$35,443 (2022 - \$Nil) was transferred from the Replacement Reserve and \$71,237 (2022 - \$Nil) was transferred from the surplus.

21. Pension plan

Bear River First Nation provides a defined contribution plan for eligible members of its staff. Members can contribute up to a maximum of 5.5% of their basic salary. Bear River First Nation contributes 5.5% which contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Bear River First Nation contributed during the year \$9,020 (2022 - \$7,776) for retirement benefits. As at March 31, 2023, Bear River First Nation had obligations to the pension plan of \$2,055 (2022 - \$3,050).

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

22. Government transfers

	2023			2022		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Federal government transfers						
Department of Indigenous Services Canada	\$ 2,376,988	\$ 93,403	\$ 2,470,391	\$ 1,446,229	\$ 91,120	\$ 1,537,349
Health Canada	717,340	-	717,340	750,577	-	750,577
Canada Mortgage and Housing Corporation	121,864	566,802	688,666	100,053	1,117,214	1,217,267
Other	507,181	-	507,181	421,881	-	421,881
	3,723,373	660,205	4,383,578	2,718,740	1,208,334	3,927,074
Provincial government transfers	102,002	-	102,002	76,844	-	76,844
Total	\$ 3,825,375	\$ 660,205	\$ 4,485,580	\$ 2,795,584	\$ 1,208,334	\$ 4,003,918

23. Segment disclosure

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

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

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

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

Social Services – social assistance provided to qualifying members.

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

Economic Development – activities related to job training and skills.

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

Housing Project – Section 95 housing and related expenditures.

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

Fisheries – fishing lobster, scallops and tuna licenses used in fishing activities.

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

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

23. Segment disclosure (continued)

	Education		Health		Economic Development		Housing		Community Maintenance	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues										
Federal Government	\$ -	\$ -	\$ 717,340	\$ 750,577	\$ 16,128	\$ 105,800	\$ 664,449	\$ 76,165	\$ 956,964	\$ 1,667,398
Provincial Government	-	-	-	-	-	-	-	-	-	-
Other revenue	1,170,077	731,916	10,650	29,121	155,350	155,448	-	-	-	-
Total Revenue	1,170,077	731,916	727,990	779,698	171,478	261,248	664,449	76,165	956,964	1,667,398
Expenses										
Salaries and benefits	515,842	462,053	304,790	281,839	99,550	112,668	-	-	131,900	156,056
Amortization	-	-	5,922	20,492	-	-	147,359	147,359	-	-
Accretion	-	-	-	-	-	-	-	-	-	-
Debt Servicing	-	-	-	-	-	-	16,644	16,634	-	-
Other expenses	528,493	211,382	306,824	252,944	112,898	55,716	54,901	63,389	636,551	340,527
Total Expenses	1,044,335	673,435	617,536	555,275	212,448	168,384	218,904	227,382	768,451	496,583
Annual Surplus (Deficit)	\$ 125,742	58,481	\$ 110,454	224,423	\$ (40,970)	92,864	\$ 445,545	(151,217)	\$ 188,513	1,170,815

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

23. Segment disclosure (continued)

	Social Services		Band Government		Fisheries		Gas Bar		Consolidated Totals	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues										
Federal Government	\$ 581,335	\$ 447,025	\$ 1,060,220	\$ 527,110	\$ 387,142	\$ 352,998	\$ -	\$ -	\$ 4,383,578	\$ 3,927,073
Provincial Government	-	-	102,002	76,844	-	-	-	-	102,002	76,844
Economic Activities	-	-	(1,780,179)	(339,264)	874,293	1,125,567	-	-	(905,886)	786,303
Income - Gas Bar	-	-	-	-	-	-	1,981,445	1,723,302	1,981,445	1,723,302
Other revenue	-	-	1,423,438	210,974	-	-	-	-	2,759,515	1,127,460
Total Revenue	581,335	447,025	805,481	475,664	1,261,435	1,478,565	1,981,445	1,723,302	8,320,654	7,640,982
Expenses										
Salaries and benefits	33,659	55,606	643,355	174,724	520,845	524,228	133,057	130,855	2,382,998	1,898,029
Amortization	-	-	261,401	254,431	64,222	64,222	21,350	10,951	500,254	497,455
Accretion	-	-	4,392	-	-	-	-	-	4,392	-
Debt Servicing	-	-	-	-	-	-	-	-	16,644	16,634
Other expenses	327,189	226,256	688,792	615,685	586,129	496,796	1,771,060	1,498,732	5,012,837	3,761,427
Total Expenses	360,848	281,862	1,597,940	1,044,840	1,171,196	1,085,246	1,925,467	1,640,538	7,917,125	6,173,545
Annual Surplus (Deficit)	\$ 220,487	\$ 165,163	\$ (792,459)	\$ (569,176)	\$ 90,239	\$ 393,319	\$ 55,978	\$ 82,764	\$ 403,529	\$ 1,467,437

Bear River First Nation
Notes to the Consolidated Financial Statements
March 31, 2023

24. Expenses by object

2023

2022

The following is a summary of expenses by object:

Salaries and wages	\$ 2,318,713	\$ 2,025,911
Employee benefits	64,285	72,314
Supplies and services	1,878,319	1,568,525
Interest	30,660	22,953
Professional services	182,389	160,964
Fees and contract services	382,109	165,192
Other	2,556,004	1,660,231
Accretion	4,392	-
Amortization	500,254	497,455
	\$ 7,917,125	\$ 6,173,545

25. Guarantee

The First Nation has provided a guarantee and postponement of claim of up to 75% of the balance of a line of credit and loan held by a related company, Digby Pines Resorts Limited Partnership. As security the First Nation has provided a priority GSA and specific assignment of fisheries and gas bar revenues. As at March 31, 2023, Digby Pines Resorts Limited Partnership had \$8,505,014 (2022 - \$5,014,835) of loans outstanding to which the guarantee applies.

26. Insurance proceeds

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

27. Comparative figures

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