

Bearspaw First Nation

Consolidated Financial Statements

March 31, 2024

Bearspaw First Nation

Consolidated Financial Statements

March 31, 2024

Page

Management's Responsibility for Financial Reporting	6
------------------------------------------------------------	----------

Independent Auditors' Report	7 - 8
-------------------------------------	--------------

Financial Statements

Consolidated Statement of Financial Position	9
Consolidated Statement of Remeasurement Gains and Losses	10
Consolidated Statement of Operations and Accumulated Surplus	11
Consolidated Statement of Change in Net Financial Assets	12
Consolidated Statement of Cash Flow	13
Notes to Consolidated Financial Statements	14 - 35

Consolidated Schedules of Operations by Program

Consolidated Summary Schedule of Operations by Program	36 - 39
CFA Continuing Education - BP	40
Skills Link (CFA) - BP	41
Ozija Thiha Education Trust (OTET) - BP	42
OT Education Trust - BP	43
Student Support Utilities - BP	44
CFA Continuing Education - EV	45
Continuing Education - EV	46
STUDENT SUPPORT UTILITIES - EV	47
COVID-19 Emergency Response -BP	48
COVID-19 Emergency Response - EV	49
Eden Valley Medical Services	50
Bearspaw Group of Companies	51
Economic Development - BP	52
Economic Development - Other - BP	53
Economic Development - EV	54
Eden Valley Gas Bar - EV	55
CFA Housing - BP	56
5-Unit Renovation Project - BP	57
MTF New Housing 2021-22 (3 Units) - BP	58

Bears paw First Nation

Consolidated Financial Statements

March 31, 2024

Page

Consolidated Schedules of Operations by Program (continued)

Housing Policy - BP	59
Housing - BP	60
Band Member Utilities - BP	61
FN Community Needs Assessment - BP	62
Housing New Const/lot Serv - BP	63
MTF Housing Initiative - BP	64
Ozija Thiha Education Trust - BP	65
CMHC Homes 2022 - 2023 - EV	66
Housing - EV	67
CFA Housing - EV	68
Band Member Utilities - EV	69
CUZS5 - 5 Unit Renovation Project - EV	70
Equestrian Program - BP	71
Star Ranch - BP	72
Community Wellness - BP	73
CFA Youth Centre - BP	74
Youth Centre - BP	75
Arena - BP	76
Rights and Reconciliation - BP	77
NCB Program - EV	78
Daycare - EV	79
Children's Cultural Camp - EV	80
Eden Valley Days - EV	81
Healing Gardens Projects - EV	82
Sport Support Program SSP - EV	83
CFS - Prevention Funding - BP	84
Adult and Elder Care - BP	85
CFA Adult and Elder Care - BP	86
Empowerment Employment (NCB) - BP	87
CRF Additional Funding - BP	88
Child and family representative services - BP	89
Bears paw Council - BP	90

Bearspaw First Nation

Consolidated Financial Statements

March 31, 2024

Page

Consolidated Schedules of Operations by Program (continued)

Bearspaw Election Code Revision - BP	91
Gahnha Changua - Local Issues (CFA) - EV	92
Bearspaw Council - EV	93
CMHC Special Contribution - 2023 - BP	94
EV Firehall Renovation (CFA) - EV	95
CFA Arena O&M - EV	96
Multipurpose building - EV	97
CFA Water Treatment Plant O&M - EV	98
O & M Grant - CFA - EV	99
Drinking Water Settlement - EV	100
FN Drinking Water Settlement - BP	101
CFA Administration - BP	102
Administration - BP	103
Administration - EV	104
CFA Administration - EV	105
Capital Transactions - BP	106
Capital Transactions - EV	107
Capital Projects - BP	108
Arrowmite (Literacy) - BP	109
Bearspaw Boxing Club - BP	110
TC Energy Community Initiatives - BP	111
EV Land Dev & Conceptual Plans - EV	112
Hospitality Program - EV	113
Capital Projects -EV	114
Phones4Homes - EV	115
Skills Link (Service Canada) Intake 1 - BP	116
Human Resources Development - BP	117
CFA Summer Employment - BP	118
Summer Employment - BP	119
Employment - EV	120
Human Resources Development - EV	121
Summer Employment - EV	122

Bearspaw First Nation

Consolidated Financial Statements

March 31, 2024

Page

Consolidated Schedules of Operations by Program (continued)

Youth Employment - EV	123
CRF Additional Funding - EV	124
EV Career & Employment centre	125
Skill Link Eden Valley	126
Ozija Thiha Legacy Trust	127

Bearspaw First Nation

Management's Responsibility for Financial Reporting

March 31, 2024

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments 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 Council is responsible for ensuring that management fulfills 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, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Bearspaw First Nation and meet when required.

On behalf of Bearspaw First Nation:



Chief


Chief Executive Officer

Dec 12, 2024
Date
Dec 12, 2024
Date

Independent Auditors' Report

To the Members of Bears paw First Nation

Qualified Opinion

We have audited the consolidated financial statements of Bears paw First Nation, which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2024, and the results of its consolidated operations, its remeasurement gains and losses, its changes in its consolidated net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As discussed in Note 17 to the consolidated financial statements, asset retirement obligations have not been estimated and recorded on the consolidated statement of financial position as at March 31, 2024. The First Nation's tangible capital assets represent a significant amount of the assets of the consolidated financial statements as at March 31, 2024 and we were unable to obtain sufficient information regarding the effect of the asset retirement obligations on the consolidated financial statements. Therefore we were unable to determine whether any adjustments might be necessary to expenses, excess of revenue over expenses and cash flows from operating activities for the year ended March 31, 2024, and net financial assets, non-financial assets and accumulated surplus as at April 1, 2023 and March 31, 2024. Our audit opinion of the consolidated financial statements for the year ended March 31, 2023, was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the 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 qualified opinion.

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

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

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

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

Auditors' 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 auditors' 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Edmonton, Canada
December 13, 2024



Chartered Professional Accountants

Bearspaw First Nation

Consolidated Statement of Financial Position

March 31

	2024	2023 Restated (Note 3)
--	------	------------------------------

Financial Assets

Cash (Note 4)	\$ 21,773,113	\$ 18,882,854
Accounts receivable (Note 5)	3,924,974	4,337,692
Due from other First Nation entities (Note 6)	466,923	-
Investment in business partnerships (Note 7)	14,390,456	12,844,888
Investment in Stoney Nakoda Telecom (Note 8)	8,880	(237,977)
Trust funds (Note 9)	60,198,215	50,237,161
	<u>100,762,561</u>	<u>86,064,618</u>

Liabilities

Accounts payable and accrued liabilities (Note 11)	2,695,653	2,746,378
Deferred revenue (Note 12)	19,229,454	12,200,350
Due to other First Nation entities (Note 6)	-	88,915
Long-term debt (Note 13)	222,240	363,870
	<u>22,147,347</u>	<u>15,399,513</u>

Net financial assets	78,615,214	70,665,105
----------------------	------------	------------

Non-financial Assets

Tangible capital assets (Note 14)	29,483,939	27,072,754
Prepaid expenses	60,906	84,688
Inventory (Note 15)	999,182	985,260
	<u>30,544,027</u>	<u>28,142,702</u>


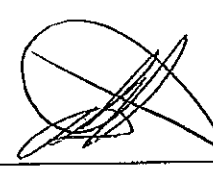
Accumulated Surplus (Note 16)	\$ 109,159,241	\$ 98,807,807
-------------------------------	----------------	---------------

Accumulated Surplus consists of

Accumulated operating surplus	103,641,203	96,492,896
Accumulated remeasurement gains, end of year	5,518,038	2,314,911
Accumulated Surplus	<u>109,159,241</u>	<u>98,807,807</u>

Contingent liabilities (Note 17)

Approved on behalf of the Chief and Council

 , Chief	 , Councillor
---------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------

Bearspaw First Nation**Consolidated Statement of Remeasurement Gains and Losses**

For the year ended March 31	2024	2023 Restated (Note 3)
Accumulated remeasurement gains and (losses), beginning of year	\$ 2,314,911	\$ (5,181,527)
Unrealized gains attributable to:		
Trust funds - portfolio investments	3,203,127	7,496,438
Net remeasurement gains	3,203,127	7,496,438
Accumulated remeasurement gains, end of year	\$ 5,518,038	\$ 2,314,911

Bearspaw First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31

	2024 Budget	2024 Actual	2023 Actual Restated (Note 3)
Revenue			
ISC - Fixed	\$ -	\$ 2,633,561	\$ 2,939,948
ISC - Set	-	11,718	69,680
ISC - Flex	-	1,000,000	523,833
Ottawa trust capital funds	-	-	66,568
Ottawa trust revenue funds	-	-	544,430
Health Canada	-	5,103,497	4,868,632
HRD funds	-	659,307	514,374
CMHC	-	60,005	197,842
Provincial funding	-	223,369	121,983
OTLT distributions	-	3,696,000	3,868,988
Mini Thni Foundation	-	378,190	521,810
Economic development	-	39,811,960	46,426,667
Interest, investment and royalties income	-	7,210,639	3,414,455
Other income (Note 18)	-	8,315,392	7,723,769
	-	69,103,638	71,802,979
Expenses (Note 19)			
Education	-	641,104	901,604
Health	-	5,291,202	5,099,266
Economic Development	-	38,593,537	44,195,518
Housing	-	3,287,084	3,549,338
Community Services	-	1,151,284	1,333,571
Social Services	-	245,309	703,083
Band Government	-	599,583	886,172
Public Works	-	1,125,140	754,730
Administration	-	4,979,060	5,125,766
Tangible Capital Assets	-	566,594	692,437
Other	-	332,942	150,873
Employment Programs	-	783,460	760,969
Ozija Thiha Legacy Trust	-	4,359,032	4,425,855
	-	61,955,331	68,579,182
Excess of revenue over expenses	-	7,148,307	3,223,797
Accumulated surplus, beginning of year			
As previously stated	-	96,259,825	89,769,964
Prior period adjustment (Note 3)	-	233,071	3,499,135
As restated	-	96,492,896	93,269,099
Accumulated surplus, end of year	\$ -	\$ 103,641,203	\$ 96,492,896

Bearspaw First Nation**Consolidated Statement of Change in Net Financial Assets**

For the year ended March 31**2024
Budget****2024
Actual****2023
Actual
Restated
(Note 3)**

Excess of revenue over expenses	\$ -	\$ 7,148,307	\$ 3,223,797
Acquisition of tangible capital assets	-	(5,354,371)	(3,489,905)
Amortization of tangible capital assets	-	2,898,062	2,864,415
(Gain) loss on disposal of tangible capital assets	-	(20,875)	7,650
Proceeds on disposition of tangible capital assets	-	66,000	-
	-	(2,411,184)	(617,840)
Acquisition of prepaid asset	-	-	(17,021)
Use of prepaid asset	-	23,782	-
	-	23,782	(17,021)
Acquisition of inventory	-	(13,923)	(186,591)
Net remeasurement gains on trust funds	-	3,203,127	7,496,438
Net remeasurement loss as a result of change in accounting policy	-	-	(5,181,527)
	-	3,203,127	2,314,911
Increase in net financial assets	-	7,950,109	4,717,256
Net financial assets, beginning of year			
As previously stated	-	70,665,105	62,448,714
Adjustment of prior year	-	-	3,499,135
As restated	-	70,665,105	65,947,849
Net financial assets, end of year	\$ -	\$ 78,615,214	\$ 70,665,105

Bears paw First Nation**Consolidated Statement of Cash Flow**

For the year ended March 31, 2024**2024****2023
Restated
(Note 3)****Cash flows from****Operating activities**

Excess of revenue over expenses	\$ 7,148,307	\$ 3,223,797
Items not affecting cash		
Amortization	2,898,062	2,864,415
(Gain) loss on disposal of tangible capital assets	(20,875)	7,650

10,025,494

6,095,862

Change in non-cash operating working capital

Accounts receivable	412,718	(1,749,073)
Inventory	(13,923)	(186,590)
Prepaid expenses	23,782	(17,021)
Accounts payable and accrued liabilities	(50,725)	160,149
Deferred revenue	7,029,104	4,224,229

17,426,450

8,527,556**Capital activities**

Purchase of tangible capital assets	(5,354,371)	(3,489,905)
Proceeds on disposition of tangible capital assets	66,000	-

(5,288,371)

(3,489,905)**Financing activities**

Transfers between First Nation entities	(555,838)	3,106,096
Repayment of long-term debt	(141,630)	(165,173)
Repayment of capital lease obligation	-	(12,821)

(697,468)

2,928,102**Investing activities**

Change in trust funds	(6,757,927)	7,133,821
Change in long-term investments	(1,792,425)	(1,411,224)

(8,550,352)

5,722,597**Increase in cash and cash equivalents**

2,890,259

13,688,350**Cash and cash equivalents, beginning of year**

18,882,854

5,194,504**Cash and cash equivalents, end of year**

\$ 21,773,113

\$ 18,882,854

Bears paw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

1. Changes in Accounting Policy from Changes in Accounting Standards

The Nation adopted the following new accounting policies due to changes in the Public Sector Accounting Standards of the CPA Canada Handbook. The new standards are effective for years beginning on or after April 1, 2023 (the transition date):

Revenue

On April 1, 2023, the Nation adopted Section PS 3400 "Revenue". The new standard establishes standards on how to account for and report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions).

Revenue from transactions with performance obligations should be recognized when (or as) the Nation satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when the Nation:

- has the authority to claim or retain an inflow of economic resources; and
- identifies a past transaction or event that gives rise to an asset.

The Nation has applied the change prospectively on the transition date in accordance with the applicable transitional provisions.

The adoption of the new requirements had no significant impact on the Nation's consolidated financial statements.

2. Basis of Presentation and Significant Accounting Policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of Chartered Professional Accountants of Canada.

(a) Reporting entity

These consolidated financial statements report only on the activities of Bears paw First Nation.

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

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

2. Basis of Presentation and Significant Accounting Policies (continued)

(b) Principles of consolidation

The Bearspaw First Nation has fully consolidated the assets, liabilities, revenues and expenditures of all controlled entities on a line-by-line basis.

Inter-entity balances and transactions are eliminated upon consolidation.

Entities consolidated in Bearspaw First Nation's financial statements include:

1. Bearspaw First Nation
2. Eden Valley Reserve
3. Ozija Thiha Education Trust
4. Ozija Thiha Legacy Trust
5. Eden Valley Medical Services
6. Bearspaw Telecom Limited Partnership
7. Bearspaw Subway
8. Bearspaw Service Centre
9. Bearspaw Kananaskis Travel Centre
10. Bearspaw Oil and Gas
11. Bearspaw First Nation Development Corporation

Government business partnerships accounted for on a modified equity basis include:

12. Nakoda Contracting Ltd.
13. 1117123 Alberta Ltd.
14. Stoney Nakoda Holdings Ltd.
15. Mini Thni Casino Corp. Trust (Stoney Nakoda Resort)
16. Horse Shoe Land Developments
17. Stoney Nakoda Telecom

Under the modified equity method of accounting, only Bearspaw First Nation's investment in the government business partnerships and the partnership's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the partnerships that are different from those of Bearspaw First Nation. Inter-entity transactions and balances are not eliminated, except for any profit or loss on sale of assets that remain within the Nation.

Bears paw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

2. Basis of Presentation and Significant Accounting Policies (continued)

(c) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues and the entity expects to obtain future economic benefits. All revenues are recorded on an accrual basis, when a reasonable estimate can be determined.

Revenue from transactions with no performance obligations are recognized at the realizable value when the Nation has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor.

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

Sales of goods or services are recognized when goods are delivered or services are rendered.

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. Transfers are 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.

Income from investments is recorded on the accrual basis.

(d) Cash

Cash includes cash on hand and balances in bank accounts net of bank overdrafts, and short-term deposits held at year end.

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

2. Basis of Presentation and Significant Accounting Policies (continued)

(e) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are 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 asset.

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 Bearspaw First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	20 years Straight line
Automotive equipment	3 years Straight line
Computer equipment	3 years Straight line
Equipment	5 years Straight line
Leasehold improvements	7 years Straight line
Buildings in progress	0 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Bearspaw 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, including recognized interest in reserve lands and natural resources, as well as 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

Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the first-in first-out method.

(g) Use of estimates

The preparation of financial statements in accordance with Public Sector Accounting Board Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and as adjustments becomes necessary, they are reported in earnings in the period in which they become known.

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

2. Basis of Presentation and Significant Accounting Policies (continued)

(h) Financial Instruments

Measurement

The First Nation measures all its financial assets and financial liabilities at cost or amortized cost, except for the following, which are measured at fair value without any adjustment for transaction costs: derivatives, portfolio investments in equity instruments that are quoted in an active market and portfolio investments that the Nation has elected to measure at fair value. The effective interest rate method is used to determine interest revenue or expenses for financial instruments measured at amortized cost.

The First Nation measures the following financial assets and liabilities at amortized cost: cash, accounts receivable, accounts payable and accrued liabilities and long-term debt. Amounts due from other First Nation entities are measured at cost.

Financial assets measured at fair value include Trust funds held in equity instruments. The Nation has also elected to measure at fair value instruments for which it defines and implements a risk management or investment strategy to manage and evaluate the performance on a fair value basis alongside its equity instruments. Those instruments are fixed income securities managed and evaluated alongside equity instruments under one portfolio.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy used has the following levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly, such as prices, or indirectly, such as those derived from prices; and

Level 3 – Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Statement of Remeasurement Gains and Losses and recognized in the Statement of Operations. Interest and dividends attributable to financial instruments are reported in the Statement of Operations.

Transaction costs

Transaction costs attributable to financial instruments measured at fair value are recognized in the Statement of Operations in the period incurred. Transaction costs for financial instruments measured at cost or amortized cost are recognized in the original cost of the instrument.

Impairment

At the end of each reporting period, management assesses financial assets or groups of financial assets for evidence of objective impairment. An impairment loss is recognized in the Statement of Operations when there is a loss in value that is other than temporary. Future recoveries of impaired financial assets are recognized in the Statement of Operations when received, except for recoveries of impaired portfolio investments. Future recoveries of impaired portfolio investments are not recognized. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses.

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

3. Prior period restatement

During the year, it was determined that Bearspaw First Nation understated the amortization expense for tangible capital assets in the fiscal 2023 year. This resulted in an increase in amortization expense and decrease in tangible capital assets for the fiscal 2023 year. The impact on the current year is a decrease in opening accumulated surplus and decrease in opening tangible capital assets by \$245,339.

During the year, it was determined that the investment in business partnerships and other income was understated in the fiscal 2022 year. This resulted in an increase in investment in business partnerships and accumulated surplus for the fiscal 2023 year. The adjustment increased the opening 2023 investment in business partnerships and accumulated surplus amounts by \$3,499,135.

During the year, it was determined that Bearspaw First Nation understated revenues and overstated deferred revenue for the fiscal 2023 year. This resulted in an increase in revenues and decrease in deferred revenue for the fiscal 2023 year. The impact on the current year is an increase in opening accumulated surplus and decrease in opening deferred revenues by \$478,410.

4. Cash

	2024	2023
Cash	\$ 6,099,812	\$ 12,107,535
Guaranteed investment certificates	15,673,301	6,775,319
	\$ 21,773,113	\$ 18,882,854

Guaranteed investment certificates earn interest from 5.10% to 5.81% and mature between April and August 2024 (2023 - 5.04% to 5.25% and mature between April and May 2023).

5. Accounts receivable

	2024	2023
Accounts receivable - other	\$ 511,453	\$ 849,544
Indigenous Services Canada	918,978	48,607
CMHC mortgage draws	806,732	1,089,899
Human Resource Development	143,790	51,538
Royalty receivable	123,636	399,650
Dividend receivable	21,863	22,277
Tsuut'ina Tribal Council Ltd.	-	7,609
Health Canada	375,991	343,291
AITE	6,057	43,597
Gas station sales	416,234	658,399
Customer Loans Receivable	286,122	315,206
Mini Thni Foundation	178,550	378,810
Government of Alberta	135,568	129,265
	\$ 3,924,974	\$ 4,337,692

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

6. Due from (to) other First Nation entities

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

The Stoney First Nation and related entities are related through common management.

	2024	2023
Tribal Common	\$ (453,660)	\$ (148,766)
Chiniki First Nation	1,183	1,823
Education Authority	5,153	-
Morley Common	29,173	-
Nakoda Contracting Ltd.	(71,185)	(110,070)
Social Housing	312,875	575,380
Stoney Nakoda Holdings	-	150
Stoney Nakoda Telecom	676,478	153,967
Child and Family Services	-	19,800
Capital Projects	(150,175)	(609,655)
Goodstoney First Nation	117,081	28,456
	\$ 466,923	\$ (88,915)

During the year, the Nation paid fees of \$153,700 (2023 - \$153,700) to Tribal Common for administration services. The fees were recorded at the exchange amount which is the amount agreed upon by the related parties.

7. Investment in business partnerships

Bearspaw First Nation holds interest in business partnerships as detailed below:

	2024	2023 Restated
Stoney Nakoda Resort (33.33%)	\$ 7,383,224	\$ 6,876,398
1117123 Alberta Ltd. (33.33%)	134,925	138,979
Stoney Nakoda Holdings Ltd. (33.33%)	1,709,436	638,993
Horse Shoe Land Developments (33.33%)	4,978,420	5,030,588
Nakoda Contracting Ltd. (33.33%)	184,451	159,930
	\$ 14,390,456	\$ 12,844,888

During the year, Eden Valley Reserve received land from Woste Igic Nabi Ltd. in exchange for its shares it held in Woste Igic Nabi Ltd. Eden Valley Reserve then transferred the land to Bearspaw Development Corp. and has a receivable from Eden Valley. Woste Igic Nabi Ltd. is owned 100% by Stoney Nakoda Holdings Ltd.

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

7. Investment in business partnerships , continued

	Stoney Nakoda Resort	1117123 Alberta Ltd.	Stoney Nakoda Holdings Ltd.	Horse Shoe Land Developments	Nakoda Contracting Ltd.	2024 Total
Total current assets	\$ 2,298,779	\$ -	\$ 2,801,395	\$ 19,504	\$ 528,400	\$ 5,648,078
Total long-term assets	13,613,508	206,806	984,344	4,963,333	8,728	19,776,719
Total assets	\$15,912,287	\$ 206,806	\$ 3,785,739	\$ 4,982,837	\$ 537,128	\$25,424,797
Total current liabilities	\$ 4,129,452	\$ 71,881	\$ 2,046,260	\$ 4,417	\$ 352,677	\$ 6,604,687
Total long-term liabilities	4,399,611	-	30,043	-	-	4,429,654
Total liabilities	8,529,063	71,881	2,076,303	4,417	352,677	11,034,341
Equity	7,383,224	134,925	1,709,436	4,978,420	184,451	14,390,456
Total liabilities and equity	\$15,912,287	\$ 206,806	\$ 3,785,739	\$ 4,982,837	\$ 537,128	\$25,424,797
	Stoney Nakoda Resort	1117123 Alberta Ltd.	Stoney Nakoda Holdings Ltd.	Horse Shoe Land Developments	Nakoda Contracting Ltd.	2024 Total
Revenue	\$ 5,195,433	\$ -	\$ 2,828,789	\$ 6,956	\$ 63,059	\$ 8,094,237
Expenses	4,688,607	4,054	960,066	59,124	38,538	5,750,389
	\$ 506,826	\$ (4,054)	\$ 1,868,723	\$ (52,168)	\$ 24,521	\$ 2,343,848

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

7. Investment in business partnerships , continued

	Stoney Nakoda Resort	1117123 Alberta Ltd.	Stoney Nakoda Holdings Ltd.	Horse Shoe Land Developments	Nakoda Contracting Ltd.	2023 total
Total current assets	\$ 2,401,052	\$ -	\$ 1,715,155	\$ 67,255	\$ 637,688	\$ 4,821,150
Total long-term assets	13,766,330	206,806	1,926,729	4,963,333	25,987	20,889,185
Total assets	\$16,167,382	\$ 206,806	\$ 3,641,884	\$ 5,030,588	\$ 663,675	\$25,710,335
Total current liabilities	\$ 4,096,318	\$ 67,827	\$ 2,342,657	\$ -	\$ 503,745	\$ 7,010,547
Total long-term liabilities	5,194,666	-	660,234	-	-	5,854,900
Total liabilities	9,290,984	67,827	3,002,891	-	503,745	12,865,447
Equity	6,876,398	138,979	638,993	5,030,588	159,930	12,844,888
Total liabilities and equity	\$16,167,382	\$ 206,806	\$ 3,641,884	\$ 5,030,588	\$ 663,675	\$25,710,335
	Stoney Nakoda Resort	1117123 Alberta Ltd.	Stoney Nakoda Holdings Ltd.	Horse Shoe Land Developments	Nakoda Contracting Ltd.	2023 total
Revenue	\$ 4,569,067	\$ -	\$ 1,358,271	\$ 7,857	\$ 375,561	\$ 6,310,756
Expenses	4,003,208	7,143	543,843	9,360	437,626	5,001,181
	\$ 565,859	\$ (7,143)	\$ 814,428	\$ (1,503)	\$ (62,065)	\$ 1,309,575

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

8. Investment in Stoney Nakoda Telecom

Bearspaw First Nation holds a 50% interest in Stoney Nakoda Telecom. Stoney Nakoda Telecom is an unincorporated entity owned and operated by Bearspaw First Nation and Chiniki First Nation to provide telecommunications infrastructure and service to the Stoney First Nation.

	2024	2023
Investment in Stoney Nakoda Telecom, beginning of year	\$ (237,977)	\$ (160,256)
Investment earnings (loss)	246,857	(77,721)
Investment in Stoney Nakoda Telecom, end of year	\$ 8,880	\$ (237,977)

	2024 Total	2023 Total
Current assets	\$ 408,730	\$ 563,825
Long-term assets	2,061,603	1,554,040
Total assets	\$ 2,470,333	\$ 2,117,865

Current liabilities	\$ 718,359	\$ 1,200,560
Long-term liabilities	1,743,094	1,155,282
Total liabilities	2,461,453	2,355,842
Total equity	8,880	(237,977)
Total liabilities and equity	\$ 2,470,333	\$ 2,117,865

	2024 Total	2023 Total
Revenue	\$ 920,419	\$ 637,732
Expenses	673,562	715,453
Net income	\$ 246,857	\$ (77,721)

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

9. Trust funds

	March 31, 2023	Distributions, 2024	Net change, 2024	March 31, 2024
Ozija Thiha Legacy Trust	\$ 50,185,787	\$ (3,696,000)	\$ 13,588,532	\$ 60,078,319
Ozija Thiha Education Trust	51,374	-	68,522	119,896
	<u>\$ 50,237,161</u>	<u>\$ (3,696,000)</u>	<u>\$ 13,657,054</u>	<u>\$ 60,198,215</u>

Ozija Thiha Legacy Trust consists of equity instruments and pooled funds earning dividend income.

The distributions represent the fixed annual amount of \$3,696,000 to Bearspaw First Nation.

The net change represents the investment income net of any losses in the Trust.

Ozija Thiha Education Trust holds investment in Canadian equity, US equity, and International equity.

The net change represents the investment income net of any losses in the Trust.

10. Portfolio investments

The funds held by Ozija Thiha Legacy Trust and Ozija Thiha Education Trust are invested in Canadian and foreign equities. The allocation of investments at March 31 is as follows:

	2024	2023
Securities held at fair value		
Cash and cash equivalents (Level 1)	\$ 1,323,737	\$ 2,499,424
Canadian equities (Level 1)	15,184,958	10,270,136
Foreign equities (Level 1)	21,716,668	17,851,165
Securities designated to fair value		
Pooled Funds (Level 2)	21,972,852	19,616,436
	<u>\$ 60,198,215</u>	<u>\$ 50,237,161</u>

The cost of the investments held as at March 31, 2024 is \$54,680,177 (2023 - \$47,922,250).

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

11. Accounts payable and accrued liabilities

	2024	2023
Trade payables	\$ 927,534	\$ 901,725
Accrued liabilities	285,776	407,805
Holdbacks	30,428	36,551
Purchases clearing	562,285	420,535
Health Canada	182,252	182,252
Parkland forgivable loan	286,545	326,677
Husky forgivable loan	420,833	470,833
	\$ 2,695,653	\$ 2,746,378

In fiscal 2017, as part of the retail facilities agreement with Parkland Fuel Corporation, Bearspaw Kananaskis Travel Centre was extended a \$450,000 forgivable loan. Under the terms of the agreement, the distributor will forgive an amount equal to \$0.0072 per litre for every litre of Parkland fuel delivered to Bearspaw Kananaskis Travel Centre.

In fiscal 2023, as part of the retail facilities agreement with Husky Canadian Petroleum, Bearspaw Kananaskis Travel Centre was extended a \$500,000 forgivable loan. Under the terms of the agreement, the distributor will forgive an amount equal to \$0.0060 per litre for every litre of Husky fuel delivered to Bearspaw Kananaskis Travel Centre.

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

12. Deferred revenue

Deferred revenue represents funding amounts that are carried forward and will be recognized as revenue when the matching expenditures are incurred.

	March 31, 2023 Restated	Funding received, 2024	Revenue recognized, 2024	March 31, 2024
Federal government				
Indigenous Services Canada - Fixed	\$ 2,813,450	\$ 6,936,530	\$ (2,633,561)	\$ 7,116,419
Indigenous Services Canada - Set	147,976	-	(11,718)	136,258
Indigenous Services Canada - Flexible	2,466,437	1,472,051	(1,000,000)	2,938,488
Health Canada - Fixed	1,353,578	626,602	(1,649,413)	330,767
Health Canada - Flexible	3,899,508	3,657,515	(3,066,193)	4,490,830
Health Canada - Set	-	387,890	(387,890)	-
CMHC	-	323,775	(60,005)	263,770
Other Federal funding	121,939	1,181,525	(1,089,525)	213,939
	10,802,888	13,998,586	(9,898,305)	15,490,471
Provincial Government				
Alberta Health Services	25,000	261,500	(223,369)	63,131
Other				
Human Resources Development	147,868	708,478	(659,307)	197,039
Other	1,224,594	2,988,866	(734,647)	3,478,813
	1,372,462	3,697,344	(1,393,954)	3,675,852
	\$ 12,200,350	\$ 17,957,430	\$ (11,515,628)	\$ 19,229,454

13. Long-term debt

	2024	2023
BDC loans payable bearing interest between 9.30 - 12.59% (2023 - 8.99 - 12.09%) repayable in blended monthly installments between \$848 and \$5,981 (2023 - \$848 and \$5,981) including interest, maturing January 2027.	\$ 222,240	\$ 358,580
Vehicle and equipment loans repaid during the year.	-	5,290
	222,240	363,870
Current portion	110,300	141,630
	\$ 111,940	\$ 222,240

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

13. Long-term debt, continued

Estimated principal repayments are as follows:

2025	\$	110,300
2026		105,900
2027		6,040

	\$	222,240
--	----	---------

Bears paw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

14. Tangible Capital Assets

	Cost				Accumulated amortization				2024 net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	
Land	\$ -	\$ 2,505,438	\$ -	\$ 2,505,438	\$ -	\$ -	\$ -	\$ -	\$ 2,505,438
Buildings	52,336,931	1,408,739	-	53,745,670	33,215,800	1,920,958	-	35,136,758	18,608,912
Automotive equipment	2,163,968	130,105	(90,249)	2,203,824	1,823,431	154,894	(45,125)	1,933,200	270,624
Computer equipment	130,622	5,989	-	136,611	104,340	16,380	-	120,720	15,891
Equipment	9,385,772	95,433	-	9,481,205	4,922,572	804,929	-	5,727,501	3,753,704
Leasehold improvements	109,511	-	-	109,511	103,510	901	-	104,411	5,100
Buildings in progress	3,115,603	1,208,667	-	4,324,270	-	-	-	-	4,324,270
	\$ 67,242,407	\$ 5,354,371	\$ (90,249)	\$ 72,506,529	\$ 40,169,653	\$ 2,898,062	\$ (45,125)	\$ 43,022,590	\$ 29,483,939

	Cost				Accumulated amortization				2023 Net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	
Buildings	\$ 49,805,793	\$ 2,531,138	\$ -	\$ 52,336,931	\$ 31,281,764	\$ 1,934,036	\$ -	\$ 33,215,800	\$ 19,121,131
Automotive equipment	1,939,691	254,728	(30,451)	2,163,968	1,712,740	133,492	(22,801)	1,823,431	340,537
Computer equipment	108,822	21,800	-	130,622	90,827	13,513	-	104,340	26,282
Equipment	8,973,576	412,198	-	9,385,772	4,140,257	782,315	-	4,922,572	4,463,200
Leasehold improvements	109,511	-	-	109,511	102,451	1,059	-	103,510	6,001
Buildings in progress	2,845,560	270,043	-	3,115,603	-	-	-	-	3,115,603
	\$ 63,782,953	\$ 3,489,905	\$ (30,451)	\$ 67,242,407	\$ 37,328,039	\$ 2,864,415	\$ (22,801)	\$ 40,169,653	\$ 27,072,754

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

15. Inventory

	2024	2023
Grocery	\$ 254,785	\$ 257,438
Tobacco	317,260	341,597
Gasoline	332,711	298,075
Other	94,426	88,150
	<u>\$ 999,182</u>	<u>\$ 985,260</u>

Total inventory expensed to cost of goods sold during the year was \$32,806,015 (2023 - \$38,855,534).

16. Accumulated Surplus

	2024	2023 Restated (Note 3)
Operating fund	\$ 292,875	\$ (316,000)
Capital fund	29,261,699	26,708,884
Investment fund	14,399,336	12,606,911
Enterprise fund	3,164,869	3,384,253
Ozija Thiha Education Trust	138,968	38,543
Ozija Thiha Legacy Trust	56,383,456	54,070,305
Remeasurement gains	5,518,038	2,314,911
	<u>\$109,159,241</u>	<u>\$ 98,807,807</u>

17. Contingent Liabilities

Bearspaw First Nation has been named as a defendant in certain legal proceedings. The Nation is actively defending all lawsuits. Since the amount of loss, if any, cannot be reasonably estimated, no provision has been recorded in these financial statements. Should a loss be incurred, it will be expensed in the year the liability is determined.

Government contributions related to the projects of the First Nation are subject to conditions regarding the expenditure of funds. The First Nation's accounting records are subject to audit by the various funding agencies. Should any instances be identified in which the amounts charged to projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective funding agencies. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

Asset retirement obligations have not been estimated and recorded in the financial statements due to the difficulty in determining the amount of obligation. In addition, management believes that the Nation will receive government funding sufficient to cover any asset retirement obligations as they arise, resulting in the net effect to the consolidated statement of financial position to be \$nil.

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

18. Other income

	2024	2023
Government of Canada	\$ 1,089,525	\$ 1,132,824
Investment income	4,051,006	1,473,438
Interest income	18,541	144,819
Other income - Ozija Thiha Education Trust	159,472	100,793
Other income - Eden Valley Medical Services	503,618	410,496
Other income - Bearspaw First Nation	2,250,441	3,024,170
Other income - Eden Valley Reserve	129,589	631,126
Rental income	113,200	56,864
Stoney Nakoda Tsuut'ina Tribal Council Ltd.	-	749,239
	\$ 8,315,392	\$ 7,723,769

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

19. Expenses by Object

For the year ended March 31	2024 Budget	2024 Actual	2023 Actual Restated
Administration fees	\$ -	\$ 237,591	\$ 153,988
Advertising	-	-	3,450
Amortization	-	2,898,061	2,864,415
Bad debts	-	62,639	-
Bank charges and interest	-	87,949	49,602
Community wellness	-	100,925	134,517
Contracted services	-	3,463,838	2,999,531
Cultural events	-	924,507	1,358,848
Economic development	-	37,426,299	43,070,148
Equipment purchase	-	126,880	23,068
Equipment rental and leases	-	1,378	31,654
Funerals	-	170,761	150,281
Garbage	-	6,659	11,123
Insurance	-	349,746	347,260
Meetings	-	39,748	68,607
OTLT distributions	-	3,696,000	3,695,997
Other expenses	-	3,616	76,006
Per capita distribution	-	1,898,400	1,744,625
Professional fees	-	699,548	534,776
Repairs and maintenance	-	850,719	1,128,368
Salaries, wages and benefits	-	4,913,851	5,896,926
Scholarships and incentive payments	-	18,750	34,850
Supplies	-	755,066	722,848
Training and professional development	-	171,800	115,558
Travel	-	834,253	870,436
Tuition and student allowances	-	685,187	1,002,775
Utilities	-	1,531,160	1,489,525
	\$ -	\$ 61,955,331	\$ 68,579,182

20. Employment Retirement Plan

The Nation has a defined contribution plan for its employees. Participation in the pension plan is available to full-time employees. Employees may contribute between 3.5% and 7.5% of their gross pay with the organization making a matching contribution to the plan. Any voluntary amounts paid by the employee are not matched. Total employer contributions for 2024 were \$413,348 (2023 - \$373,148).

Bears paw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

21. Risk Management

Transacting in and holding of financial instruments exposes the First Nation to certain financial risks and uncertainties. Qualitative and quantitative analysis of the significant risks are as follows:

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The First Nation's exposure to credit risk relates to accounts receivable and due from other First Nation entities and arises from the possibility that a debtor does not fulfil its obligations. A significant portion of the First Nation's accounts receivable is from the federal and provincial government, which minimizes credit risk. Management mitigates credit risk through continuously monitoring its financial assets; consistent collection efforts; and maintaining regular contact with funders and other credit applicants. The maximum exposure to credit risk is the carrying value of these assets.

There are no aged financial assets that are past due but not impaired and material to the financial statements.

There have been no significant changes to the credit risk from the previous year.

(b) Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting its obligations associated with financial liabilities. The First Nation's exposure to liquidity risk relates to accounts payable and accrued liabilities and long-term debt and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. Management believes this risk is minimized through support from related parties; active working capital management including monitoring current and future cash flow requirements; management of expenses; accounts receivable management; and cash and cash on hand management. Accounts payable and accrued liabilities are due within 30 days of receipt of an invoice. The contractual maturities of long-term debt are disclosed in note 13.

There have been no significant changes to the liquidity risk from the previous year.

(c) Market Risk

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

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The First Nation's interest-bearing financial instruments include fixed rate term deposits and long-term debt. The fair values of fixed rate financial instruments fluctuate as market rates of interest change. The entity does not employ derivative financial instruments to hedge its exposure to interest rate risk.

There have been an increase in interest rate risk from the previous year due to investments in guaranteed investment certificates.

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

(ii) Other price risk - Investments

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk, whether those changes are caused by factors specific to the individual financial instrument or issuers, or factors affecting all similar financial instruments or issuers. The First Nation's investments in equities expose the First Nation to price risk as these instruments are subject to price changes in an open market for a variety of reasons including, investor sentiment and expectations, changes in market rates of interest, general economic indicators and restrictions of credit markets. The Nation does not employ derivative financial instruments to hedge its exposure to other price risk. Management mitigates this risk by limiting investments to Canadian financial institutions, and continuous monitoring of the financial markets.

As at March 31, 2024, an increase of 0.25% in the price of the equities would result in an increase in the fair value of the portfolio investments and increase remeasurement gains by \$147,186. Respectively, a 0.25% decrease in the price of the equities would result in a decrease in the fair value of the portfolio investments and decrease remeasurement gains by the same amount.

(iii) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at year end the First Nation has portfolio investments denominated in US dollar of \$21,823,363 and is thus exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of the exchange rates. Management manages this risk by continuously monitoring the financial markets, by diversifying its portfolio investments through investing in securities denominated in multiple currencies and maintaining a mix of equities and fixed income securities.

As at March 31, 2024, an appreciation of 5% in the Canadian dollar versus the US dollar exchange rates would decrease the portfolio investments and decrease the remeasurement gains by \$1,091,168 while a depreciation would increase portfolio investments and increase the remeasurement gains by the same amount.

There have been no significant changes to currency risk from the previous year and no significant changes to the methods and assumptions used in the sensitivity analysis.

22. Budget Information

A budget was not provided by management to present in the financial statements.

23. Comparative Amounts

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current period.

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

24. Segmented information

	Education	Health & Social Services	Economic Development & Employment	Band & Government Admin	Housing	Community Services	Public Works & Capital Assets	Ozija Thiha Legacy Trust & Other	2024 Total
Revenue									
ISC	\$ 578,257	\$ 178,959	\$ 24,557	\$ 1,075,625	\$ 732,772	\$ 180,340	\$ 820,028	\$ 54,741	\$ 3,645,279
Health Canada	-	5,103,497	-	-	-	-	-	-	5,103,497
CMHC	-	-	-	-	(131,905)	-	191,910	-	60,005
HRD	-	-	552,585	-	-	106,722	-	-	659,307
Other Revenue	159,472	1,631,541	44,769,772	4,509,768	1,177,232	343,786	93,595	6,950,384	59,635,550
Total Revenue	737,729	6,913,997	45,346,914	5,585,393	1,778,099	630,848	1,105,533	7,005,125	69,103,638
Expenses									
Amortization	-	259,590	1,125,676	-	-	-	1,512,795	-	2,898,061
Contracted Services	2,159	1,405,452	84,346	466,655	513,680	337,344	357,954	66,980	3,234,570
Economic Development	-	-	37,426,299	-	-	-	-	-	37,426,299
Salaries & Wages	67,928	2,307,417	407,275	965,079	214,800	366,388	277,733	134,734	4,741,354
Utilities	21,850	50,705	4,525	63,902	1,346,371	22,107	19,843	-	1,529,303
Other Expenses	549,167	1,513,347	328,876	4,083,007	1,212,233	425,445	(476,591)	4,490,260	12,125,744
Total Expenses	641,104	5,536,511	39,376,997	5,578,643	3,287,084	1,151,284	1,691,734	4,691,974	61,955,331
Excess/(Deficiency)	\$ 96,625	\$ 1,377,486	\$ 5,969,917	\$ 6,750	\$ (1,508,985)	\$ (520,436)	\$ (586,201)	\$ 2,313,151	\$ 7,148,307

Bearspaw First Nation

Notes to Consolidated Financial Statements

March 31, 2024

24. Segmented information (continued)

	Education	Health & Social Services	Economic Development & Employment	Band & Government Admin	Housing	Community Services	Public Works & Capital Assets	Ozija Thiha Legacy Trust & Other	2023 Total
Revenue									
ISC	\$ 824,066	\$ 613,781	\$ 44,917	\$ 40,257	\$ 834,333	\$ 467,549	\$ 676,598	\$ 31,960	\$ 3,533,461
Health Canada	-	4,818,632	-	-	-	50,000	-	-	4,868,632
CMHC	-	-	-	-	197,842	-	-	-	197,842
HRD	-	11,535	402,897	-	-	99,942	-	-	514,374
Other Revenue	95,815	2,461,963	48,155,619	5,804,970	2,193,445	379,519	78,132	3,519,208	62,688,671
Total Revenue	919,881	7,905,911	48,603,433	5,845,227	3,225,620	997,010	754,730	3,551,168	71,802,980
Expenses									
Amortization	-	219,645	1,110,571	-	-	-	1,534,200	-	2,864,416
Contracted Services	16,420	1,272,564	63,165	496,068	347,775	335,391	191,267	59,864	2,782,514
Economic Development	-	-	43,070,147	-	-	-	-	-	43,070,147
Salaries & Wages	56,309	2,277,898	366,960	1,726,772	242,591	485,914	219,402	190,481	5,546,327
Utilities	6,619	64,027	4,252	57,071	1,301,214	35,921	20,423	-	1,489,527
Other Expenses	822,256	1,968,215	341,392	3,732,028	1,657,758	496,345	(518,125)	4,326,383	12,826,252
Total Expenses	901,604	5,802,349	44,956,487	6,011,939	3,549,338	1,333,571	1,447,167	4,576,728	68,579,183
Excess/(Deficiency)	\$ 18,277	\$ 2,103,562	\$ 3,646,946	\$ (166,712)	\$ (323,718)	\$ (336,561)	\$ (692,437)	\$ (1,025,560)	\$ 3,223,797