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Bear River First Nation
PO Box 210
BEAR RIVER NS B0S 1B0

Dear Council:

Subject: Results / Detailed Review of your 2016-2017 Financial Report

This letter is to share with you the results of Indigenous and Northern Affairs Canada's (INAC) detailed review of Bear River's 2016-2017 financial report for programs and activities funded by the Department, as well as your financial situation as of March 31, 2017.

Presentation of Financial Statements

INAC received your Annual Audited Financial Statement (F-0080) on July 22nd which was before the July 29th due date and we thank you for your cooperation in respecting this deadline.

Financial Indicators

In accordance with the *Directive on Financial Assessment*, the Department has to assess the financial situation of every recipient's Funding Agreement by using financial indicators measuring Liquidity, Sustainability and Working Capital ratios.

The following table indicates the calculation results of the three indicators for the fiscal years 2014-2015 to 2016-2017. For each ratio, the threshold is established by INAC based on its risk level tolerance. Assessment results (C) are based on the comparison between the calculation results (A) and the threshold (B).

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Financial Indicators	Calculation Results (A)			Threshold (B)	Assessment Results (C)*
	2016-17	2015-16	2014-15		
Liquidity Ratio	1.19	2.14	2.08	0.90 or higher	Favourable
Sustainability Ratio	0.68	0.59	0.77	0.50 or higher	Favourable
Working Capital Ratio	0.07	0.22	0.16	(0.08) or higher	Favourable

* For more information, see the Audit Committee Report (enclosed). Assessment Results can be: Favourable, Unfavourable or Warning / possibility of problem.

Financial Situation

After analysing your financial statements, we note the excellent financial situation of your organization and we encourage you to continue in this direction.

2016-2017 Block, Fixed and Flexible Contributions

You will find, in the Summary of Contributions Surpluses and Deficits for Fiscal Year 2016-2017 report attached, the result of the detailed analysis for the funding that were allocated under the Block, Fixed and Flexible Contribution authority as of March 31, 2017. The recoverable surplus and unexpended funds to reinvest are detailed as follows:

Program	Funding Authority	Recoverable surplus	Unexpended Funds	Notes
Aboriginal Economic Development	Fixed	N/A	\$ 20,105	Note 1
Community Infrastructure				
NTFY	Flexible	N/A	\$155,967	Note 1
NTLC	Flexible	N/A	\$13,300	Note 1
NTMB	Flexible	N/A	\$16,697	Note 2
NTM8	Flexible	N/A	\$19,240	Note 1
NTNJ	Flexible	N/A	\$31,000	Note 1

Note 1: This amount needs to be reinvested in the same program in 2017-2018.

Note 2: Carry forward from 2015-2016 fiscal year.

Note 3: Overall block deficit for year ended 2017 = (\$637,712).

2016-2017 Set Contributions

As itemized in the Summary of Contributions Surpluses and Deficits for Fiscal Year 2016-2017 report attached, the result of INAC's analysis concerning the funding allocated for 2016-2017 under "Set Contribution" is a recoverable surplus of \$2,071.

Please contact your Funding Services Officer to arrange a repayment plan within 30 days of this letter. If no action is taken on the above, the amount of \$2,071 will be taken from your 2017-2018 funding arrangement.

Outstanding Reports

Currently there are 2 overdue reports for 2016-2017:

- 460671 – Capital Projects Report – Amend # 0011 – Capacity Development - \$10,904
- 472939 – Land and Economic Development Programs Project Status Report – Amend # 0013 – Seven Paddles Outfitters & Equipment - \$30,893

Conclusion

Based on the results of this detailed review and the information within the attached reports, INAC considers that programs and services were delivered in compliance with the terms and conditions of the Funding Agreement.

For any additional information, do not hesitate to contact Marilyn Porter Funding Services Officer at 902-669-6323 or by e-mail at Marilyn.Porter@aandc-aadnc.gc.ca.

Sincerely,



Barbara Robinson
Director, Funding Services
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PO Box 160
AMHERST NS B4H 3Z3

Encl.

cc: Kerry Payson, Band Manager
Melanie Wright, Finance
Marilyn Porter, FSO