

**BEAVER FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

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FOR THE YEAR ENDED MARCH 31, 2017

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Year Ended March 31, 2017

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

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

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

The financial statements have been audited by Doyle & Company in accordance with Canadian auditing standards on behalf of the members.



Chief



Administrator

Allan J. Grykuliak, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*

* Operates as a Professional Corporation

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INDEPENDENT AUDITORS' REPORT

To the Chief and Council
Beaver First Nation

We have audited the accompanying consolidated financial statements of Beaver First Nation, which comprise the statement of financial position as at March 31, 2017 and the statements of changes in accumulated surplus, equity in trust funds, operations, changes in net financial assets and cash flows for the year then ended and notes to the financial statements and other explanatory information.

Management's Responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian Audit Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

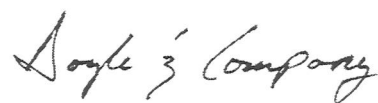
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Beaver First Nation as at March 31, 2017, its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Edmonton, Alberta
July 24, 2017





Chartered Professional Accountants

BEAVER FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash (Note 3)	1,741,828	877,737
Accounts receivable (Note 4)	354,190	442,029
Funds held in trust	394,407	387,229
Investment in UFA Cooperative Ltd.	33,287	33,265
	2,523,712	1,740,260
LIABILITIES		
Accounts payable (Note 6)	209,616	332,084
Source deductions and penalties payable (Note 6)	698,223	698,223
Deferred revenue (Note 7)	466,648	268,566
	1,374,487	1,298,873
NET FINANCIAL ASSETS	1,149,225	441,387
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5 & Schedule 2)	14,880,192	15,464,709
ACCUMULATED SURPLUS		
ACCUMULATED SURPLUS	15,635,010	15,518,867
EQUITY IN TRUST FUNDS	394,407	387,229
	16,029,417	15,906,096

Approved by the First Nation:

 Chief
 Councilor

BEAVER FIRST NATION
STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
	\$	\$
BALANCE, BEGINNING OF YEAR	15,518,867	15,548,190
Excess of revenue over expenditures	-	-
Acquisition of tangible capital assets	116,143	(29,323)
Annual amortization expense	(681,000)	-
	1,265,517	-
Change in Accumulated Surplus	700,660	(584,517)
BALANCE, END OF YEAR	14,880,192	15,518,867

The accompanying notes form part of these financial statements.

BEAVER FIRST NATION
STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED MARCH 31, 2017

	Capital \$	Revenue \$	Total \$
<u>EQUITY IN TRUST FUNDS</u>			
Balance - Beginning of year	214,806	172,423	387,229
Trust income	-	7,178	7,178
	-	-	-
Balance - end of year	214,806	179,601	394,407

The accompanying notes form part of these financial statements.

BEAVER FIRST NATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
REVENUE			
Indigenous and Northern Affairs Canada (INAC)	3,002,915	3,002,915	2,668,570
Tribal Council Funding	1,490,000	1,709,465	1,505,844
Health and Welfare Canada	812,627	812,627	766,398
ASETS	275,387	276,165	264,923
First Nation Development Fund	463,047	463,047	579,368
Other	2,198,907	2,208,625	1,050,650
Health Canada - 2015/2016 funding recovery	-	(26,337)	-
INAC - 2014/2015 funding recovery	-	-	(17,625)
Revenue carried forward to 2015/2016	-	-	385,756
Revenue carried forward to 2016/2017	268,566	268,566	(268,566)
Revenue carried forward to 2017/2018	-	(466,648)	-
	8,511,449	8,248,425	6,935,318
EXPENSES			
Administration	686,875	186,531	331,606
Specific and Special Claims	38,739	38,739	25,113
Treaty Land Entitlement	325,620	325,620	39,455
Education	1,665,741	1,908,730	1,641,637
Summer Student Canada	10,060	10,131	-
FNIYES	40,080	40,044	20,711
Economic Development	75,216	75,319	186,861
Public Works	622,437	630,544	609,267
Fire Protection	43,382	43,390	68,555
Housing	736,020	546,527	1,899
Social Services	718,216	673,879	750,521
Social Services - Delivery	75,000	75,037	87,670
Health Canada Summary	888,272	761,235	729,643
ASETS - CRF and EI	165,264	140,318	149,866
ASETS - Child Care	110,123	114,105	115,929
Government of Alberta Training Programs	132,235	147,271	-
Family and Community Safety	142,487	114,015	34,919
Child Welfare Designate	37,391	37,401	37,403
Consultation	120,000	120,277	107,253
First Nation Development Fund	602,184	473,942	485,806
Education - Building & Capital	100,000	62,248	-
Family Violence	6,868	6,868	-
Fire Smart	14,030	14,037	-
Heavy Equipment Purchase	675,000	-	-
Community Garden	-	64,259	-
Youth Summer Employment	-	15,755	-
Band Enterprises and Other	480,209	240,543	226,648
PID	-	-	65,411
Fuel Storage Tanks	-	-	-
Alberta Future Leaders	-	-	35,464
Prescription Misuse	-	-	10,557
Livelihood and Needs Assessment	-	-	13,765
Youth Initiative	-	-	4,425
	8,511,449	6,866,765	5,780,384
EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER	-	1,381,660	1,154,934
Amortization	-	(1,265,517)	(1,184,257)
	-	116,143	(29,323)

The accompanying notes form part of these financial statements.

BEAVER FIRST NATION
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
	\$	\$
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	116,143	(29,323)
Acquisition of tangible capital assets	(681,000)	(637,389)
Amortization of tangible capital assets	1,265,517	1,182,957
Decrease (Increase) in net equity funds	7,178	9,344
	591,695	554,912
INCREASE (DECREASE) IN NET ASSETS	707,838	525,589
NET FINANCIAL ASSETS, BEGINNING OF YEAR	441,387	(84,202)
NET FINANCIAL ASSETS, END OF YEAR	1,149,225	441,387

The accompanying notes form part of these financial statements.

BEAVER FIRST NATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
	\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from funding agencies and customers	8,492,752	6,660,429
Cash paid to suppliers and employees	(6,840,791)	(5,614,706)
Interest paid	(106,870)	(116,217)
	1,545,091	929,506
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase (Decrease) in bank indebtedness	-	-
Decrease (Increase) in loans and advances receivable		11,889
		11,889
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of capital assets	(681,000)	(637,389)
Decrease (Increase) in advances to affiliated companies	-	293,394
	(681,000)	(343,995)
NET INCREASE IN CASH	864,091	597,400
CASH AND TERM DEPOSITS - Beginning of year	877,737	280,337
CASH AND TERM DEPOSITS - End of year	1,741,828	877,737

The accompanying notes form part of these financial statements.

BEAVER FIRST NATION
SCHEDULE 1- INDIVIDUAL PROGRAMS
FOR THE YEAR ENDED MARCH 31, 2017

	INAC Funds	Tribal Council Funds	Other Revenue	Deferred Revenue From Prior Year	Deferred Revenue To Next Year	Total Revenue	Operating Expenditures	Capital Expenditures and Loan Principal Repayments	Total Expenditures	Net Transfer In/Out	Current Year's Surplus (Deficit)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration	438,084	29,567	879	-	-	468,530	186,531	6,000	192,531	-	275,999
Specific and Special Claims	38,739	-	-	-	-	38,739	38,739	-	38,739	-	-
Treaty Land Entitlement	-	-	325,620	-	-	325,620	325,620	-	325,620	-	-
Education	235,741	1,679,898	-	-	-	1,915,639	1,908,730	-	1,908,730	(7,000)	(91)
Summer Student Canada	-	-	10,102	-	-	10,102	10,131	-	10,131	-	(29)
FNIVES	20,080	-	19,868	-	-	39,948	40,044	-	40,044	-	(96)
Economic Development	75,216	-	-	-	-	75,216	75,319	-	75,319	-	(103)
Public Works	622,437	-	-	-	-	622,437	630,544	-	630,544	-	(8,107)
Fire Protection	43,382	-	-	-	-	43,382	43,390	-	43,390	-	(8)
Housing	736,020	-	-	-	(190,094)	545,926	546,527	-	546,527	(44,337)	(601)
Social Services	718,216	-	-	-	-	718,216	673,879	-	673,879	-	(601)
Social Services - Delivery	75,000	-	-	-	-	75,000	75,037	-	75,037	-	(37)
Health Canada	-	-	786,290	75,645	(100,000)	761,935	761,235	-	761,235	(700)	700
Aboriginal Skills and Employment Training Strategy (ASETS)	-	-	165,264	-	-	165,264	140,318	-	140,318	(24,946)	-
ASETS - Childcare	-	-	114,816	-	-	114,816	114,105	-	114,105	-	711
Government of Alberta Training Programs	-	-	132,235	-	(6,567)	125,668	147,271	-	147,271	21,269	(334)
Family & Community Safety	-	-	88,703	53,784	(13,472)	129,015	114,015	-	114,015	(15,000)	-
Child Welfare Designate	-	-	37,391	-	-	37,391	37,401	-	37,401	-	(10)
Consultation	-	-	120,000	-	-	120,000	120,277	-	120,277	-	(27)
First Nation Development Fund	-	-	463,047	139,137	(128,763)	473,421	473,942	-	473,942	-	(521)
Education - Building & Capital	-	-	100,000	-	(27,752)	72,248	62,248	-	62,248	(10,000)	-
Family Violence	-	-	6,868	-	-	6,868	6,868	-	6,868	-	-
Fire Smart	-	-	14,030	-	-	14,030	14,037	-	14,037	-	(7)
Heavy Equipment Purchase	-	-	675,000	-	-	675,000	-	675,000	675,000	64,259	-
Community Garden	-	-	-	-	-	-	64,259	-	64,259	15,755	-
Youth Summer Employment	-	-	-	-	-	-	15,755	-	15,755	15,755	-
Band Enterprises and Other	-	-	674,014	-	-	674,014	240,543	-	240,543	-	433,471
	3,002,915	1,709,465	3,734,127	268,566	(466,648)	8,248,425	6,866,765	681,000	7,547,765	-	700,660

The accompanying notes form part of these financial statements.

BEAVER FIRST NATION
SCHEDULE 2 - EXPENDITURES BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
	\$	\$
Salaries, wages and benefits	1,896,698	1,702,821
Contracted and general services	3,430,489	2,166,097
Materials, goods and utilities	667,729	931,749
Bank charges and interest	6,870	116,217
Social assistance	500,819	580,025
Travel	364,160	283,475
	6,866,765	5,780,384

The accompanying notes form part of these financial statements.

BEAVER FIRST NATION

SCHEDULE 3 - TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2017

	2017				2016		
	Buildings & Improvements	Vehicles & Equipment	Computers & Software	Roads	Water & Sewer	Band Housing	\$
COST:							
Balance, Beginning of Year	2,318,237	2,488,211	25,000	22,350,000	4,549,448	15,461,635	47,192,531
Acquisition of tangible capital assets	-	681,000	-	-	-	-	681,000
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, End of Year	2,318,237	3,169,211	25,000	22,350,000	4,549,448	15,461,635	47,873,531
ACCUMULATED AMORTIZATION:							
Balance, Beginning of Year	1,271,982	2,178,546	25,000	16,661,250	4,201,777	7,389,267	31,727,822
Current year amortization	92,730	161,617	-	558,750	65,879	386,541	1,265,517
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, End of Year	1,364,712	2,340,163	25,000	17,220,000	4,267,656	7,775,808	32,993,339
NET BOOK VALUE	953,525	829,048	-	5,130,000	281,792	7,685,827	14,880,192

The accompanying notes form part of these financial statements.

BEAVER FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

1. SCOPE OF FINANCIAL STATEMENTS

These financial statements consolidate the assets, liabilities, and results of operations for Beaver First Nation.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles for local government entities, as defined in the Chartered Professional Accountants of Canada Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

(a) Reporting Entity and Principles of Financial Reporting

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

These financial statements consolidate the assets, liabilities and results of operations for all operations of the First Nation.

(b) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

(c) Amortization

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Buildings and Improvements	25
Vehicles and Equipment	5-10
Computer Hardware and Software	4
Roads	40
Water and Sewer	10
Band Housing	40
Rental Units	40

BEAVER FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(d) Revenue Recognition

Revenue is recorded in the period specified in the funding agreements entered into with Government Agencies and other organizations. Assistance received in advance of making the related expenditures is deferred.

(e) Trust Funds

Disbursements from trust funds are included as revenue in these statements to the extent the amounts are received by the First Nation. The trust funds are on deposit with and managed by the Government of Canada.

(f) Financial Instruments

The First Nation's financial instruments consist of cash, accounts receivable, funds held in trust, short term investments, accounts payable and deferred revenue. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying value.

(g) Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian Public Sector Accounting 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. CASH

Cash is comprised of operating account balances held at CIBC.

4. ACCOUNTS RECEIVABLE

	2017	2016
	\$	\$
Accounts receivable consists of:		
INAC	20,549	121,802
North Peace Tribal Council	69,976	-
Government of Alberta	73,515	13,285
Government of Alberta - FNDF	118,310	180,455
Trade accounts receivable	35,934	101,782
GST	35,906	24,705
	354,190	442,029

BEAVER FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

5. CAPITAL ASSETS

	2017			2016
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Building and Improvements	2,318,237	1,364,712	953,525	1,046,255
Vehicle and Equipment	3,169,211	2,340,163	829,048	309,666
Computer Hardware and Software	25,000	25,000	-	-
Roads, Streets and Bridges	22,350,000	17,220,000	5,130,000	5,688,750
Water and Sewer	4,549,448	4,267,656	281,792	347,671
Band Housing	14,461,635	7,775,808	6,685,827	7,222,367
Rental Units	1,000,000	-	1,000,000	850,000
	47,873,531	32,993,339	14,880,192	15,464,709

6. ACCOUNTS PAYABLE

	2017	2016
	\$	\$
Accounts Payable consists of:		
Trade accounts payable	149,616	272,084
Audit accrual	60,000	60,000
	209,616	332,084
Receiver General - payroll deductions and penalties	698,223	698,223
	907,839	1,030,307

BEAVER FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

7. DEFERRED REVENUE

	2017	2016
	\$	\$

The following funds have been deferred until 2016/2017 when the funding will be utilized

First Nation Development Fund		
- First Nation Development Funding from Alberta Gaming	128,763	139,137
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Health Canada		
- Brighter Futures	-	20,302
- Nursing	100,000	55,343
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	100,000	75,645
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Alberta Government		
- Family & Community Safety	13,472	53,784
- Education - Building and Capital	27,752	-
- Government of Alberta Training Programs - Forest Stewardship	6,567	-
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	47,791	53,784
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INAC		
- Housing - Alternative Financing Model	87,537	-
- Housing - Mentoring	21,387	-
- Housing - Housing Needs Assessment	52,420	-
- Housing - Home Maintenance Training	28,750	-
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	190,094	-
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	466,648	268,566
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8. LEGAL MATTERS

In September 2001 the First Nation was successful in obtaining a judgment against Harvey Bulldog. The judgment includes the clarification of title and ownership of farm, automotive and construction equipment in favour of the First Nation and a claim against Harvey Bulldog in the amount of \$957,877 plus interest. \$15,319 of the amount due from Harvey Bulldog was collected during the fiscal year 2001-2002 and \$1,900 was collected in the current year for a total of \$17,219. Subsequent to year end, a modest repayment plan was implemented, however, the balance of the claim has not been recorded in the accounts of the First Nation as the possibility of collection is very low.

A statement of claim has been filed against the First Nation by a former employee totaling \$198,139 for failure to give proper notice and unpaid invoices. Losses, as a result of this claim, if any, are unknown at this time.