

**Beaver Lake Cree Nation**  
**Consolidated Financial Statements**  
**March 31, 2017**

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# **Beaver Lake Cree Nation**

## **Consolidated Financial Statements**

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**March 31, 2017**

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## Beaver Lake Cree Nation

### Management's Responsibility for Financial Reporting

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March 31, 2017

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The accompanying consolidated financial statements of Beaver Lake Cree Nation are the responsibility of management and have been approved by the 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.

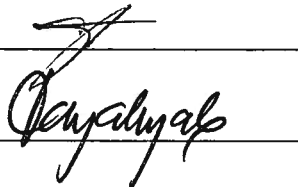
The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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 Beaver Lake Cree Nation and meet when required.

On behalf of Beaver Lake Cree Nation:

Chief



Controller

July 20, 2017  
Date

July 20, 2017  
Date

## **Independent Auditors' Report**

### **To the Members of Beaver Lake Cree Nation**

We have audited the accompanying consolidated financial statements of Beaver Lake Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility 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.

#### *Auditors' 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 generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the First Nation's preparation 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 First Nation'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, the consolidated financial statements present fairly, in all material respects, the financial position of Beaver Lake Cree Nation as at March 31, 2017, and the results of its operations, the changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Edmonton, Canada  
July 20, 2017**

*Crowe MacKay LLP*  
**Chartered Professional Accountants**


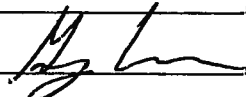
# Beaver Lake Cree Nation

## Consolidated Statement of Financial Position

March 31	2017	2016
<b>Financial Assets</b>		
Cash (Note 2)	\$ 2,310,798	\$ 2,138,402
Accounts receivable (Note 3)	725,309	1,016,390
Long-term investments (Note 4)	60,578	60,578
Trust funds held by Ottawa (Note 5)	1,987,252	2,196,084
Other trust funds (Note 6)	1,695,335	1,248,922
	<b>6,779,272</b>	<b>6,660,376</b>
<b>Liabilities</b>		
Bank indebtedness (Note 2)	-	11,120
Accounts payable and accrued liabilities	239,490	644,738
Deferred revenue (Note 7)	1,375,362	751,602
Long-term debt (Note 8)	3,217,632	3,840,823
	<b>4,832,484</b>	<b>5,248,283</b>
<b>Net financial assets</b>	<b>1,946,788</b>	<b>1,412,093</b>
<b>Non-financial Assets</b>		
Capital assets (Note 9)	10,096,723	11,061,306
Prepaid expenses	31,893	29,686
Inventory (Note 10)	157,264	142,861
	<b>10,285,880</b>	<b>11,233,853</b>
<b>Accumulated Surplus (Note 11)</b>	<b>\$ 12,232,668</b>	<b>\$ 12,645,946</b>

Contingent liabilities (Note 12)

Approved on behalf of the Council

 Chief  
 Councilor

# Beaver Lake Cree Nation

## Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Federal Government:			
Indigenous and Northern Affairs Canada	\$ 3,787,520	\$ 4,016,604	\$ 4,021,181
Health Canada	2,690,043	2,849,473	2,732,925
Canada Mortgage and Housing Corporation	106,200	123,518	124,766
Human Resource Development Canada	113,523	393,136	352,036
Interest	-	42,475	40,926
Resource revenue	-	148,693	259,973
First Nation Development Funds	-	661,307	468,653
Other revenue	1,475,605	7,475,157	8,194,129
	<b>8,172,891</b>	<b>15,710,363</b>	<b>16,194,589</b>
<b>Expenses (Note 13)</b>			
Education	1,869,457	2,370,194	2,168,316
Health	2,850,221	2,937,561	2,992,581
Economic Development	55,513	3,209,677	3,111,601
Housing	1,131,710	544,852	409,828
Social Services	829,566	739,595	704,821
Band Government	811,170	1,713,871	1,570,147
Employment Programs	-	250,925	271,013
Public Works	625,254	1,468,053	1,736,985
Amortization	972,150	972,150	1,134,069
Intergovernmental	-	1,916,763	1,511,383
	<b>9,145,041</b>	<b>16,123,641</b>	<b>15,610,744</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(972,150)</b>	<b>(413,278)</b>	<b>583,845</b>
<b>Accumulated surplus, beginning of year</b>	<b>12,645,946</b>	<b>12,645,946</b>	<b>12,062,101</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 11,673,796</b>	<b>\$ 12,232,668</b>	<b>\$ 12,645,946</b>

## Beaver Lake Cree Nation

### Consolidated Statement of Change in Net Financial Assets

For the year ended March 31	2017 Budget	2017 Actual	2016 Actual
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (972,150)</b>	<b>\$ (413,278)</b>	<b>\$ 583,845</b>
Acquisition of tangible capital assets	-	(16,175)	(474,802)
Amortization of tangible capital assets	972,150	972,150	1,134,069
Loss on disposition of tangible capital assets	-	8,608	-
	972,150	964,583	659,267
Use prepaid assets	-	(2,207)	11,049
Acquisition of inventory	-	(14,403)	(37,318)
<b>Increase in net financial assets</b>	<b>-</b>	<b>534,695</b>	<b>1,216,843</b>
<b>Net financial assets, beginning of year</b>	<b>1,412,093</b>	<b>1,412,093</b>	<b>195,250</b>
<b>Net financial assets, end of year</b>	<b>\$ 1,412,093</b>	<b>\$ 1,946,788</b>	<b>\$ 1,412,093</b>

# Beaver Lake Cree Nation

## Consolidated Statement of Cash Flow

For the year ended March 31	2017	2016
<b>Cash flows from</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ (413,278)	\$ 583,845
Items not affecting cash		
Amortization	972,150	1,134,069
Loss on disposal of tangible capital assets	8,608	-
	567,480	1,717,914
Change in non-cash operating working capital		
Accounts receivable	291,081	536,581
Inventory	(14,403)	(37,319)
Prepaid expenses	(2,207)	11,049
Other trust funds	(446,413)	(269,478)
Accounts payable and accrued liabilities	(405,249)	332,360
Deferred revenue	623,760	120,075
	614,049	2,411,182
<b>Capital activities</b>		
Purchase of capital assets	(16,174)	(474,802)
<b>Financing activities</b>		
Repayment of long term debt	(623,191)	(613,908)
Net funds drawn from Trust Funds held in Ottawa	400,000	-
	(223,191)	(613,908)
<b>Investing activities</b>		
Purchase of long-term investments	(191,168)	(300,897)
Proceeds on sale of long-term investments	-	200,000
	(191,168)	(100,897)
<b>Increase in cash and cash equivalents</b>	<b>183,516</b>	<b>1,221,575</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>2,127,282</b>	<b>905,707</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,310,798</b>	<b>\$ 2,127,282</b>
<b>Represented by</b>		
Cash	\$ 2,310,798	\$ 2,138,402
Bank indebtedness	-	(11,120)
	<b>\$ 2,310,798</b>	<b>\$ 2,127,282</b>



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# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

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March 31, 2017

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### 1. Basis of Presentation and Significant Accounting Policies

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

#### (a) Reporting entity principles of financial reporting

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

The consolidated financial statements include the following entities:

Beaver Lake Cree Nation  
Beaver Lake Education Authority - Amisk Community School  
Beaver Lake Wah - Pow Treatment Centre  
Beaver Lake Health Services  
Beaver Lake Intergovernmental Affairs and Industrial Relations

Inter-entity balances have been eliminated on consolidation.

#### (b) 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 is performed is deferred and recognized when the fee is earned or service performed.

Income from investments is recorded on the accrual basis.

#### (c) Cash

Cash and cash equivalents include cash on hand and balances in bank accounts, net of bank overdrafts.

#### (d) Investments

Investments are recorded at cost. Investments are written down where there has been a loss in value that is other than a temporary decline.

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# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

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March 31, 2017

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### 1. 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 the Nation's incremental cost of borrowing.

Amortization is provided on the straight-line basis over the estimated useful life of the asset as follows:

Buildings	20 years Straight-line
Automotive equipment	4 years Straight-line
Computer equipment	4 years Straight-line
Equipment	10 years Straight-line
Infrastructure	20 years Straight-line

Tangible capital assets are written down when conditions indicate that they no longer contribute to the 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) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2017

### 1. Basis of Presentation and Significant Accounting Policies (continued)

#### (g) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Oil and gas royalties and surface rights payments related to oil and gas exploration and development activities are administered directly by the Government of Canada ("Canada") under the provisions of the Indian Oil and Gas Act. The Nation records receipts based on currently available information supplied by Canada. Royalty payments from oil and gas producers are subject to periodic revision. Adjustments are recorded by the Nation in the period that the information becomes available.

### 2. Cash

	2017	2016
Externally restricted		
Province of Alberta	\$ 496,760	\$ 350,124
Canada Mortgage and Housing Corporation reserves	1,811	1,811
	<b>498,571</b>	<b>351,935</b>
Unrestricted		
General accounts	1,812,227	1,786,467
	<b>\$ 2,310,798</b>	<b>\$ 2,138,402</b>

Under the terms of agreements with Canada Mortgage and Housing Corporation, the Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are 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 Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Fund.

Funds received under the First Nation Development Fund program administered by the Province of Alberta are restricted to eligible uses outlined in the First Nation Charitable Casino Handbook and administered by the Alberta Gaming and Liquor Commission. These funds are held in a separate bank account.

The Beaver Lake Cree Nation entities have overdraft facilities totaling \$275,000 bearing interest at prime rate + 3%. The facilities are secured by a redirection of funds, as authorized by First Nation Council Resolutions acknowledged by the Department of Indigenous and Northern Affairs Canada. At March 31, 2017, the accounts were overdrawn by \$0 (2016: \$0).

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2017

### 3. Accounts receivable

	2017	2016
<b>Government funding</b>		
Indigenous and Northern Affairs Canada	\$ 70,086	\$ 71,785
Health Canada	42,979	38,671
	<b>113,065</b>	<b>110,456</b>
<b>Band members</b>		
Loans and advances	152,398	147,498
Allowance for doubtful accounts	(110,608)	(110,608)
	<b>41,790</b>	<b>36,890</b>
<b>Other</b>		
Province of Alberta - First Nation Development Funds	120,768	137,859
Miscellaneous receivables	449,686	731,185
	<b>570,454</b>	<b>869,044</b>
	<b>\$ 725,309</b>	<b>\$ 1,016,390</b>

Loans and advances receivable from band members are non-interest bearing and are unsecured.

### 4. Long-term investments

	2017	2016
Pimee Well Servicing Ltd. (17% ownership)		
10 Class A voting shares	\$ 10	\$ 10
309 Class B Voting shares	13	13
Advances - bearing interest at 15% per annum	60,056	60,056
Pimee Limited Partnership Units	110	110
Akuna Drilling Trust (1,000 units)	188	188
Seven Lakes Oilfield Services Limited partnership (8.33% ownership)	1	1
1678902 Alberta Ltd. (100 %)	100	100
Beaver Lake Cree Nation Holdings GP Inc. (100%)	100	100
	<b>\$ 60,578</b>	<b>\$ 60,578</b>

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2017

### 5. Trust funds

	2017 Opening balance	Additions	Withdrawals	2017 Closing balance
Capital	\$ 1,824,988	\$ 59,986	\$ -	\$ 1,884,974
Revenue	371,096	131,182	(400,000)	102,278
	\$ 2,196,084	\$ 191,168	\$ (400,000)	\$ 1,987,252

The trust funds accounts held in Ottawa arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by sections 64 and 69 of the Indian Act.

These funds are treated by Canada as held in trust in the Consolidated Revenue fund of the Government of Canada. The funds attract interest pursuant to Section 61(2) of the Indian Act.

### 6. Other trust funds

Funds held by corporate trustee are invested in Canada bonds and equities. The allocation of investments at market value at March 31 was as follows:

	2017 Cost	2017 Market	2016 Cost	2016 Market
Pooled funds	\$ 1,056,154	\$ 1,056,411	\$ 798,741	\$ 799,089
Canadian equities	270,470	290,315	185,909	182,334
US equities	368,711	394,396	264,272	247,099
	\$ 1,695,335	\$ 1,741,122	\$ 1,248,922	\$ 1,228,522

### 7. Deferred revenue

	2017	2016
Health Canada	\$ 91,850	\$ 103,904
INAC - school programs	198,271	5,002
INAC - social assistance	124,459	161,992
INAC - Lagoon	250,000	-
INAC - other programs	124,187	-
Province of Alberta	338,114	480,704
Insurance proceeds - Housing	142,465	-
Building Bridges program	106,016	-
	\$ 1,375,362	\$ 751,602

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2017

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#### 8. Long-term debt

	2017	2016
Canada Mortgage and Housing Corporation mortgage with payments of \$819 per month including interest at 1.19% maturing April 2025, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Corporation and a first mortgage on housing units.	\$ 75,745	\$ 84,623
Canada Mortgage and Housing Corporation mortgage with payments of \$1,179 per month including interest at 1.3% maturing September 2025, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Corporation and a first mortgage on housing units.	113,915	126,514
Canada Mortgage and Housing Corporation mortgage with payments of \$990 per month including interest at 1.67% maturing June 2028, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Corporation and a first mortgage on housing units.	122,013	131,798
Canada Mortgage and Housing Corporation mortgage with payments of \$1,160 per month including interest at 1.05% maturing June 2026, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Corporation and a first mortgage on housing units.	124,763	134,002
Canada Mortgage and Housing Corporation mortgage with payments of \$1,078 per month including interest at 1.43% maturing March 2032, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Corporation and a first mortgage on housing units.	174,894	185,081
Canada Mortgage and Housing Corporation mortgage with payments of \$1,223 per month including interest at 2.35% maturing July 2028, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Corporation and a first mortgage on housing units.	146,297	157,449
Canada Mortgage and Housing Corporation mortgage with payments of \$2,813 per month including interest at 2.08% maturing February 2039, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Corporation and a first mortgage on housing units.	595,333	616,609
Settlement repayable in annual installments of \$416,666 without interest.	1,666,667	2,083,333

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**Beaver Lake Cree Nation****Notes to Consolidated Financial Statements**

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**March 31, 2017**

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**8. Long-term debt, continued**

	2017	2016
Canada Mortgage and Housing Corporation mortgage with payments of \$975 per month including interest at 1.92% maturing February 2029, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Corporation and a first mortgage on housing units.	122,787	135,182
John Deere finance contract with interest rate of 2.9% repayable at \$9,561 per month including interest due on November, 2017 secured by heavy equipment	75,218	186,232
	<b>\$ 3,217,632</b>	<b>\$ 3,840,823</b>

Principal portion of long-term debt due within the next five years:

2018	\$ 588,056
2019	514,434
2020	516,061
2021	517,712
2022 and thereafter	1,081,369
	<b>\$ 3,217,632</b>

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2017

### 9. Tangible capital assets

	Cost			Accumulated amortization		2017 net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization end of year	
Land	\$ 25,000	-	\$ 25,000	\$ -	\$ -	\$ 25,000
Buildings	12,250,792	-	12,250,792	4,799,408	446,379	7,005,005
Automotive equipment	1,281,818	-	1,281,818	957,963	113,420	210,435
Computer equipment	84,769	-	84,769	69,098	7,836	7,835
Equipment	3,522,239	16,176	3,538,415	2,776,124	142,098	611,584
Infrastructure	5,212,037	-	5,212,037	2,712,756	262,417	2,236,864
	\$ 22,376,655	16,176	\$ 22,392,831	\$ 11,315,349	\$ 972,150	\$ 10,096,723

	Cost			Accumulated amortization		2016 Net book value
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization end of year	
Land	\$ 25,000	-	\$ 25,000	\$ -	\$ -	\$ 25,000
Buildings	12,250,792	-	12,250,792	4,272,401	527,007	7,451,384
Automotive equipment	1,012,967	268,851	1,281,818	767,056	190,907	323,855
Computer equipment	84,769	-	84,769	61,262	7,836	15,671
Equipment	3,410,046	112,193	3,522,239	2,620,222	155,902	746,115
Infrastructure	5,118,279	93,758	5,212,037	2,460,339	252,417	2,499,281
	\$ 21,901,853	474,802	\$ 22,376,655	\$ 10,181,280	\$ 1,134,069	\$ 11,061,306



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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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**March 31, 2017**

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#### 10. Inventory

Inventory consisting of fuel, tobacco and confectionaries for resale are recorded at the lower of cost and net realizable value, on a first-in first-out basis.

#### 11. Accumulated surplus

	2017	2016
Operating fund	\$ (375,223)	\$ (453,106)
Capital fund	8,545,758	9,303,816
Replacement reserve fund	379,546	350,230
Trust funds	3,682,587	3,445,006
	<b>\$ 12,232,668</b>	<b>\$ 12,645,946</b>

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#### 12. Contingent liabilities

Government contributions related to programs of the Nation are subject to conditions regarding the expenditure of funds. The Nation's accounting records are subject to audit by the funding agencies. Should any instances be identified in which the amounts charged to the 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 ministerial audits will be recorded in the period in which they become known.

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2017

### 13. Expenses

For the year ended March 31	2017 Budget	2017 Actual	2016 Actual
Administration fees	\$ 124,700	\$ 72,045	\$ 72,000
Amortization	972,150	972,149	1,134,068
Cultural events	177,688	336,328	159,506
Donations and advertising	9,000	24,706	13,988
Education and tuition fees	859,960	821,314	839,503
Food and kitchen supplies	93,021	113,046	120,583
Insurance	4,500	183,365	159,961
Interest and bank charges	12,500	12,755	26,279
Loan payments	20,000	25,683	36,295
Materials and supplies	189,045	3,288,358	3,074,929
Office expenses	140,781	381,078	426,334
Professional fees	143,435	775,605	950,854
Program costs	325,124	1,134,127	797,583
Renovation	938,500	137,118	38,226
Rent	16,334	34,710	26,201
Repairs and maintenance	309,042	471,878	470,801
Social assistance	586,270	525,471	526,173
Subcontracts	230,491	315,894	244,222
Travel	276,825	509,943	570,624
Utilities and telephone	116,519	329,531	303,029
Vehicle	96,129	158,820	322,997
Wages and benefits	3,393,472	5,276,015	5,178,514
Workshops and training	109,555	223,702	118,074
	\$ 9,145,041	\$ 16,123,641	\$ 15,610,744

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2017

### 14. Segmented information

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function. The segment revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounts Policies as described in Note 2. The segment results for the period are as follows:

	Revenue	Education	Health	Economic Development	Social Services	Band Programs	Housing and Public works	Ottawa Trust Funds	Intergovernmental	2017 Total
INAC	\$2,013,405	-	-	\$55,513	\$668,419	\$543,592	\$735,675	-	-	\$4,016,604
Health Canada	-	2,830,253	-	-	-	-	-	-	-	2,830,253
HRD Canada	-	170,711	-	-	-	250,925	-	-	-	421,636
CMHC	-	-	-	-	-	-	123,518	-	-	123,518
Resource revenue	-	-	-	-	-	-	-	148,693	-	148,693
Interest	-	-	-	-	-	-	-	42,475	-	42,475
Other Revenue	443,452	70,403	70,403	3,725,646	61,214	1,170,279	1,136,600	(400,000)	1,919,590	8,127,184
	2,456,857	3,071,367	3,071,367	3,781,159	729,633	1,964,796	1,995,793	(208,832)	1,919,590	15,710,363
Expenses										
Wages and benefits	1,015,048	1,864,403	1,864,403	199,247	134,573	976,668	635,387	-	450,689	5,276,015
Amortization	-	-	-	-	-	972,150	-	-	-	972,150
Materials and supplies	103,208	12,300	12,300	2,978,005	21,966	68,898	105,271	-	-	3,289,648
Utilities and telephone	33,538	43,587	43,587	4,884	1,205	69,454	163,544	-	13,319	329,531
Program costs	10,126	53,060	53,060	-	-	355,683	169,756	-	544,212	1,132,837
Other expenses	1,208,274	964,211	964,211	27,541	581,851	494,093	938,949	-	908,543	5,123,462
	2,370,194	2,937,561	2,937,561	3,209,677	739,595	2,936,946	2,012,907	-	1,916,763	16,123,643
	\$ 86,663 \$	133,806 \$	133,806 \$	571,482 \$	(9,962) \$	(972,150) \$	(17,114) \$	(208,832) \$	2,827 \$	(413,280)

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2017

### 14. Segmented information, continued

	Education	Health	Economic Development	Social Services	Band Programs	Housing and Public works	Ottawa Trust Funds	Intergovernmental	2016 Total
<b>Revenue</b>									
INAC	\$1,842,880	-	\$143,033	\$664,071	\$455,318	\$915,879	-	-	\$4,021,181
Health Canada	-	2,732,925	-	-	-	-	-	-	2,732,925
HRD Canada	-	129,611	-	-	222,425	-	-	-	352,036
CMHC	-	-	-	-	-	121,238	-	-	121,238
Resource revenue	-	-	-	-	-	-	259,972	-	259,972
Interest	-	-	-	-	-	-	40,926	-	40,926
Other Revenue	287,663	70,146	3,703,092	36,409	1,888,957	784,838	-	1,924,039	8,695,144
	2,130,543	2,932,682	3,846,125	700,480	2,566,700	1,821,955	300,898	1,924,039	16,223,422
<b>Expenses</b>									
Wages and benefits	922,458	1,964,275	281,746	128,717	890,486	669,481	-	321,351	5,178,514
Amortization	-	-	-	-	1,134,069	-	-	-	1,134,069
Insurance	-	-	-	-	-	159,961	-	-	159,961
Materials and supplies	93,201	15,139	2,810,577	1,480	37,692	93,881	-	-	3,051,970
Utilities and telephone	32,654	39,290	4,737	517	55,272	158,984	-	-	303,029
Program costs	3,054	18,939	-	-	392,959	327,215	-	11,575	797,583
Other expenses	1,116,949	954,938	14,541	574,107	464,751	766,124	-	1,123,041	5,014,451
	2,168,316	2,992,581	3,111,601	704,821	2,975,229	2,175,646	-	1,511,383	15,639,577
	\$ (37,773) \$	(59,899) \$	734,524 \$	(4,341) \$	(408,529) \$	(353,691) \$	300,898 \$	412,656 \$	583,845

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# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

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March 31, 2017

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### 15. Employment retirement plan

The organization has a defined contribution plan for its employees. Participation in the pension plan is available to substantially all 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 2017 were \$81,894 (2016: \$85,400).

### 16. Budget information

The unaudited budget data presented in these consolidated financial statements is based upon information provided by management.

Amortization was not contemplated on development of the budget and has been recognized at the amount expensed in the current year.

### 17. Comparative amounts

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

### 18. Economic dependence

Beaver Lake Cree Nation receives a significant portion of its revenue pursuant to funding agreements with Indigenous and Northern Affairs Canada and Health Canada.

### 19. Financial instruments

The Nation's financial instruments consist of cash, accounts receivable, long-term investments, trust funds, bank indebtedness, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, the carrying value of its financial instruments approximates fair value.

It is management's opinion that the Nation is not exposed to significant currency risk from its financial instruments. The Nation is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that the entities may experience financial difficulty and be unable to fulfil their obligations. The large amount of annual funding received from the Government of Canada minimizes credit risk. The Nation also has liquidity risk in respect of its accounts payable and current portions of long-term debt. The Nation minimizes this risk by monitoring cash flows and the terms and conditions negotiated with trade creditors and lenders. The Nation is subject to interest rate risk arising primarily from fluctuations in rates on bank overdraft facilities and long-term debt.