

**Beaver Lake Cree Nation**

**Consolidated Financial Statements**

**March 31, 2020**

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# **Beaver Lake Cree Nation**

## **Consolidated Financial Statements**

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## Beaver Lake Cree Nation

### Management's Responsibility for Financial Reporting

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March 31, 2020

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The accompanying consolidated financial statements of Beaver Lake Cree 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.

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.

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:

Original signed by \_\_\_\_\_  
Chief

November 30, 2020  
Date

Original signed by \_\_\_\_\_  
Administrator

November 30, 2020  
Date

## Independent Auditors' Report

### To the Members of Beaver Lake Cree Nation

#### *Opinion*

We have audited the consolidated financial statements of Beaver Lake Cree Nation ("the First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2020, and the results of its consolidated operations, 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 Opinion*

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 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:

## Independent Auditors' Report (continued)

- ◆ 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 Group 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  
November 30, 2020**

A handwritten signature in black ink that reads "Crowe Mackay LLP". The signature is written in a cursive, flowing style.

**Chartered Professional Accountants**

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## Beaver Lake Cree Nation

### Consolidated Statement of Financial Position

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March 31	2020	2019
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#### Financial Assets

Cash (Note 3)	\$ 9,439,764	\$ 2,379,902
Accounts receivable (Note 4)	489,035	779,219
Long-term investments (Note 5)	4,753,487	4,726,191
Trust funds held by Ottawa (Note 6)	989,507	1,676,262
Other trust funds (Note 7)	3,399,556	2,962,252
	<b>19,071,349</b>	<b>12,523,826</b>

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#### Liabilities

Accounts payable and accrued liabilities	470,818	565,980
Deferred revenue (Note 8)	4,903,639	1,868,894
Long-term debt (Note 9)	1,701,440	2,202,734
	<b>7,075,897</b>	<b>4,637,608</b>

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<b>Net financial assets</b>	<b>11,995,452</b>	<b>7,886,218</b>
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#### Non-financial Assets

Capital assets (Note 10)	11,082,920	9,649,611
Prepaid expenses	29,279	42,129
Inventory (Note 11)	176,376	123,161
	<b>11,288,575</b>	<b>9,814,901</b>

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<b>Accumulated Surplus (Note 12)</b>	<b>\$ 23,284,027</b>	<b>\$ 17,701,119</b>
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Contingent liabilities (Note 13)

Approved on behalf of the Chief and Council

Original signed by \_\_\_\_\_, Chief

Original signed by \_\_\_\_\_, Councillor

# Beaver Lake Cree Nation

## Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Federal Government:			
Indigenous Services Canada	\$ 4,383,940	\$ 6,970,039	\$ 4,535,968
ISC - Health Canada	3,072,190	3,563,034	3,534,971
Canada Mortgage and Housing Corporation	106,200	123,928	200,436
Human Resource Development Canada	113,523	555,501	430,902
Interest	-	21,441	48,074
Resource revenue	-	91,804	67,506
First Nation Development Funds	-	559,833	573,824
Other revenue (Note 14)	1,955,611	12,947,691	9,095,879
	<b>9,631,464</b>	<b>24,833,271</b>	<b>18,487,560</b>
<b>Expenses (Note 15)</b>			
Education	2,663,178	3,188,934	2,903,885
Health	3,046,700	3,484,302	3,370,497
Economic Development	55,513	5,019,320	5,740,669
Housing	1,131,710	399,860	748,776
Social Services	808,533	1,011,172	606,516
Band Government	803,955	1,956,472	1,514,707
Employment Programs	-	262,233	247,785
Public Works	625,254	2,020,807	1,376,424
Amortization	1,068,279	1,068,279	1,029,456
Intergovernmental	-	838,984	754,062
	<b>10,203,122</b>	<b>19,250,363</b>	<b>18,292,777</b>
<b>Excess of revenue over expenses</b>	<b>(571,658)</b>	<b>5,582,908</b>	<b>194,783</b>
<b>Accumulated surplus, beginning of year</b>	<b>17,701,119</b>	<b>17,701,119</b>	<b>17,506,336</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 17,129,461</b>	<b>\$ 23,284,027</b>	<b>\$ 17,701,119</b>

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## Beaver Lake Cree Nation

### Consolidated Statement of Change in Net Financial Assets

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For the year ended March 31	2020 Budget	2020 Actual	2019 Actual
Excess of revenue over expenses	\$ (571,658)	\$ 5,582,908	\$ 194,783
Acquisition of tangible capital assets	-	(2,501,586)	(955,556)
Amortization of tangible capital assets	1,068,279	1,068,279	1,029,456
	1,068,279	(1,433,307)	73,900
Use of prepaid asset	-	12,850	(22,042)
Acquisition of inventory	-	(53,217)	16,981
Increase in net financial assets	496,621	4,109,234	263,622
Net financial assets, beginning of year	7,886,218	7,886,218	7,622,596
Net financial assets, end of year	\$ 8,382,839	\$ 11,995,452	\$ 7,886,218

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## Beaver Lake Cree Nation

### Consolidated Statement of Cash Flow

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For the year ended March 31, 2020

2020

2019

#### Cash flows from

##### Operating activities

Excess of revenue over expenses	\$ 5,582,908	\$ 194,783
Items not affecting cash		
Amortization	1,068,279	1,029,456
Equity pickup	(27,296)	(163,707)

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	6,623,891	1,060,532
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##### Change in non-cash operating working capital

Accounts receivable	290,184	610,246
Inventory	(53,215)	16,980
Prepaid expenses	12,850	(22,042)
Other trust funds	(437,304)	(760,382)
Accounts payable and accrued liabilities	(95,163)	(165,580)
Deferred revenue	3,034,745	458,862

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	9,375,988	1,198,616
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##### Capital activities

Purchase of capital assets	(2,501,586)	(955,556)
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##### Financing activities

Repayment of long term debt	(619,294)	(517,335)
Proceeds from long term debt	118,000	91,781
Net funds drawn from Trust Funds held in Ottawa	800,000	600,000

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	298,706	174,446
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##### Investing activities

Change in long-term investments	(113,246)	(115,580)
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Increase in cash and cash equivalents	7,059,862	301,926
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Cash and cash equivalents, beginning of year	2,379,902	2,077,976
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Cash and cash equivalents, end of year	\$ 9,439,764	\$ 2,379,902
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# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

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March 31, 2020

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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 using the modified equity method where statements are provided and recorded at cost when no statements are available. 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, 2020

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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 Beaver Lake Cree 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	4 years Straight-line
Computer equipment	4 years Straight-line
Equipment	10 years Straight-line
Leasehold improvements	5 years Straight line
Infrastructure	10 years Straight-line

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

All significant financial assets, financial liabilities and equity instruments of the First Nation 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.

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# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

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March 31, 2020

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

#### (g) Use of estimates and COVID-19 measurement uncertainty

In preparing these financial statements, management made estimates and judgments including consideration for the uncertainties and economic implications of the COVID-19 pandemic on the First Nation's operations, financial performance and financial position for the year ended March 31, 2020. The uncertainty surrounding the COVID-19 pandemic could generate, in future reporting periods, a significant risk of material adjustment to the carrying amounts in the financial statements. Estimates not associated with the COVID-19 pandemic are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

At the date of publication of these financial statements, it is not possible to reliably estimate the length and severity of the COVID-19 pandemic developments and its potential impact on the First Nation's financial results, conditions and cash flows.

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 First 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 First Nation in the period that the information becomes available.

### 2. COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

At the time of approval of these financial statements, in response to the COVID-19 pandemic:

- The entity has implemented remote work arrangements for those able to do so.
- The entity has implemented stringent health and safety procedures.
- The management of the entity has been proactive and diligent in addressing the implementation of infection prevention and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic and the related economic contraction on the entity.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the First Nation's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these developments and the impact on the financial results and condition on the First Nation and its operations in future periods.

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 3. Cash

	2020	2019
Externally restricted		
Province of Alberta	\$ 332,304	\$ 368,590
Canada Mortgage and Housing Corporation reserves	250,869	1,811
	<b>583,173</b>	<b>370,401</b>
Unrestricted		
General accounts	<b>8,856,591</b>	<b>2,009,501</b>
	<b>\$ 9,439,764</b>	<b>\$ 2,379,902</b>

Under the terms of agreements with Canada Mortgage and Housing Corporation, the First 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 Alberta Gaming, Liquor and Cannabis. 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% (5.95%). The facilities are secured by a redirection of funds, as authorized by First Nation Council Resolutions acknowledged by the Department of Indigenous Services Canada. At March 31, 2020, the accounts were overdrawn by \$Nil (2019: \$Nil).

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 4. Accounts receivable

	2020	2019
<b>Federal government funding</b>		
Indigenous Services Canada	\$ 221,866	\$ 102,874
Health Canada	-	61,836
	<b>221,866</b>	<b>164,710</b>
<b>Band members</b>		
Loans and advances	<b>164,341</b>	164,341
Allowance for doubtful accounts	<b>(110,608)</b>	(110,608)
	<b>53,733</b>	<b>53,733</b>
<b>Other</b>		
Province of Alberta - First Nation Development Funds	-	121,398
Government of Alberta	-	198,927
Miscellaneous receivables	<b>213,436</b>	240,451
	<b>213,436</b>	<b>560,776</b>
	<b>\$ 489,035</b>	<b>\$ 779,219</b>

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

#### 5. Long-term investments

	2020	2019
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	<b>98,738</b>	89,762
Equity - Pimee Well Servicing Ltd.	<b>899,896</b>	894,651
Pimee Limited Partnership Units	<b>110</b>	110
Equity - Pimee Limited Partnership	<b>1,742,403</b>	1,859,323
Akuna Drilling Trust (1,000 units)	<b>188</b>	188
Seven Lakes Oilfield Services Limited Partnership (8.33% ownership)	<b>1</b>	1
Equity - Seven lakes Oilfield Services Limited Partnership	<b>2,011,928</b>	1,881,933
1678902 Alberta Ltd. (100%)	<b>100</b>	100
Beaver Lake Cree Nation Holdings GP Inc. (100%)	<b>100</b>	100
	<b>\$ 4,753,487</b>	<b>\$ 4,726,191</b>

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 6. Trust funds

	2020 Opening balance	Additions	Withdrawals	2020 Closing balance
Capital	\$ 1,335,992	\$ 10,299	\$ (800,000)	\$ 546,291
Revenue	340,270	102,946	-	443,216
	<b>\$ 1,676,262</b>	<b>\$ 113,245</b>	<b>\$ (800,000)</b>	<b>\$ 989,507</b>

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.

#### 7. Other trust funds

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

	2020 Cost	2020 Market	2019 Cost	2019 Market
Pooled funds	\$ 2,267,773	\$ 1,913,928	\$ 2,301,052	\$ 2,302,626
Canadian equities	804,463	696,913	627,433	658,543
US equities	-	-	33,767	37,393
Cash and cash equivalents	327,320	327,775	-	-
	<b>\$ 3,399,556</b>	<b>\$ 2,938,616</b>	<b>\$ 2,962,252</b>	<b>\$ 2,998,562</b>

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 8. Deferred revenue

	March 31, 2019	Funding received, 2020	Revenue recognized, 2020	March 31, 2020
<b>Federal government</b>				
ISC - Health Centre	\$ 59,590	\$ 1,432,663	\$ (1,308,775)	\$ 183,478
ISC - Treatment Centre	206,856	1,581,889	(1,744,348)	44,397
ISC - Post Secondary	60,206	283,775	(243,981)	100,000
ISC - School Programs	-	1,206,222	(1,114,072)	92,150
ISC - Administration	195,000	125,000	(195,000)	125,000
ISC - Social Services	376,566	776,625	(845,362)	307,829
ISC - Adult in Home Care	7,880	59,849	(55,908)	11,821
ISC - Tuition	9,100	728,934	(678,989)	59,045
ISC - Water Treatment Plant	91,428	8,901	(100,329)	-
ISC - Administration - Lagoon	-	4,000,000	(172,500)	3,827,500
	1,006,626	10,203,858	(6,459,264)	<b>4,751,220</b>
<b>Provincial Government</b>				
First Nation Development Funds	185,197	452,055	(559,833)	<b>77,419</b>
<b>Other</b>				
ASETS-CRF	7,127	184,528	(191,655)	-
Tribal Chiefs Employment and Training Services Association	67,433	209,897	(277,330)	-
Beaver Store Expansion project	602,511	-	(527,511)	75,000
	677,071	394,425	(996,496)	<b>75,000</b>
	\$ 1,868,894	\$ 11,050,338	\$ (8,015,593)	<b>\$ 4,903,639</b>

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 9. Long-term debt

	2020	2019
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 Indigenous Services Canada and a first mortgage on housing units.	\$ 48,429	\$ 57,616
Canada Mortgage and Housing Corporation mortgage with payments of \$1,179 per month including interest at 1.30% maturing September 2025, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	75,053	88,132
Canada Mortgage and Housing Corporation mortgage with payments of \$1,031 per month including interest at 2.50% maturing June 2028, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	92,168	102,104
Canada Mortgage and Housing Corporation mortgage with payments of \$972 per month including interest at 1.86% maturing February 2029, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	95,802	105,586
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 Indigenous Services Canada and a first mortgage on housing units.	142,658	153,476
Canada Mortgage and Housing Corporation mortgage with payments of \$1,223 per month including interest at 2.52% maturing July 2028, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	111,172	123,013
Canada Mortgage and Housing Corporation mortgage with payments of \$2,847 per month including interest at 2.21% maturing February 2039, secured by a ministerial guarantee from Indigenous Services Canada and a first mortgage on housing units.	528,290	550,542
Settlement repayable in annual installments of \$416,667 without interest.	416,667	833,333
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 Indigenous Services Canada and a first mortgage on housing units.	84,187	97,151
National Leasing finance contract loan with payments of \$5,078 per month including interest at 6.06% maturing November 2020.	34,840	91,781
John Deere equipment loan with payments of \$3,609 per month including interest at 0.00% maturing November 2021.	72,174	-
	<b>\$ 1,701,440</b>	<b>\$ 2,202,734</b>

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 9. Long-term debt (continued)

	2020	2019
Principal portion of long-term debt due within the next five years:		
2021	\$ 595,602	
2022	131,470	
2023	104,444	
2024	106,325	
2025 and thereafter	763,599	
	<hr/>	
	\$ 1,701,440	
	<hr/>	

## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

March 31, 2020

#### 10. Tangible Capital Assets

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2020 net book value
Land	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Buildings	12,617,777	826,896	-	13,444,673	6,154,107	441,244	-	6,595,351	6,849,322
Automotive equipment	1,474,020	345,427	(99,690)	1,719,757	1,315,442	128,541	(99,690)	1,344,293	375,464
Computer equipment	111,619	22,210	-	133,829	91,482	10,070	-	101,552	32,277
Equipment	3,831,578	194,233	-	4,025,811	3,228,513	170,555	-	3,399,068	626,743
Leasehold improvements	-	31,013	-	31,013	-	6,203	-	6,203	24,810
Infrastructure	5,922,784	1,081,807	-	7,004,591	3,543,623	311,664	-	3,855,287	3,149,304
	<b>\$23,982,778</b>	<b>\$2,501,586</b>	<b>\$ (99,690)</b>	<b>\$26,384,674</b>	<b>\$14,333,167</b>	<b>\$ 1,068,277</b>	<b>\$ (99,690)</b>	<b>\$15,301,754</b>	<b>11,082,920</b>

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2019 Net book value
Land	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Buildings	12,389,609	228,168	-	12,617,777	5,697,715	456,392	-	6,154,107	6,463,670
Automotive equipment	1,344,818	129,202	-	1,474,020	1,192,339	123,103	-	1,315,442	158,578
Computer equipment	84,769	26,850	-	111,619	84,769	6,713	-	91,482	20,137
Equipment	3,585,910	245,668	-	3,831,578	3,079,976	148,537	-	3,228,513	603,065
Infrastructure	5,597,116	325,668	-	5,922,784	3,248,911	294,712	-	3,543,623	2,379,161
	<b>\$23,027,222</b>	<b>\$ 955,556</b>	<b>\$ -</b>	<b>\$23,982,778</b>	<b>\$13,303,710</b>	<b>\$ 1,029,457</b>	<b>\$ -</b>	<b>\$14,333,167</b>	<b>\$ 9,649,611</b>

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 11. 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.

#### 12. Accumulated surplus

	2020	2019
Operating fund	\$ 3,912,635	\$ (341,662)
Capital fund	9,798,147	8,280,214
Replacement reserve fund	430,695	397,862
Trust funds	4,389,063	4,638,514
Investment fund	4,753,487	4,726,191
	<b>\$ 23,284,027</b>	<b>\$ 17,701,119</b>

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#### 13. Contingent liabilities

Government contributions related to programs 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 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.

#### 14. Other revenue

Included in other revenue is a settlement received in January 2020 of \$2,974,794 reached with the Government of Canada related to the claim referred to as the TopGas settlement.

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## Beaver Lake Cree Nation

### Notes to Consolidated Financial Statements

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March 31, 2020

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#### 15. Expenses

For the year ended March 31	2020 Budget	2020 Actual	2019 Actual
Administration fees	\$ 66,000	\$ 110,512	\$ 87,521
Amortization	1,068,279	1,068,278	1,029,456
Cultural events	290,957	444,438	380,724
Donations and advertising	15,000	27,048	43,023
Education and tuition fees	507,000	893,091	886,371
Food and kitchen supplies	110,555	124,577	104,277
Insurance	-	162,343	147,842
Interest and bank charges	15,000	19,005	17,849
Loan payments	116,000	23,973	23,503
Materials and supplies	469,130	5,093,526	5,573,660
Office expenses	141,475	319,712	254,510
Professional fees	187,165	1,059,387	528,490
Program costs	216,457	1,154,676	755,607
Renovation	938,500	96,030	487,353
Rent	17,520	37,286	24,550
Repairs and maintenance	406,726	317,592	495,351
Social assistance	564,686	701,431	398,966
Subcontracts	209,960	470,989	420,969
Travel	247,384	579,875	571,038
Utilities and telephone	205,145	350,394	385,179
Vehicle	99,292	234,992	174,962
Wages and benefits	4,158,116	5,755,866	5,314,434
Workshops and training	152,775	205,342	187,141
	\$ 10,203,122	\$ 19,250,363	\$ 18,292,776

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# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 16. Segmented information

The First 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 1. The segment results for the period are as follows:

	Education	Health	Economic Development	Social Services	Band Programs	Housing and Public works	Ottawa Trust Funds	IAIR	2020 Total
Revenue									
ISC	\$2,581,994	-	\$55,513	\$885,772	\$1,520,806	\$1,925,954	-	-	\$6,970,039
ISC - Health									
Canada	-	3,563,034	-	-	-	-	-	-	3,563,034
HRD Canada	-	277,330	-	-	278,171	-	-	-	555,501
CMHC	-	-	-	-	-	123,928	-	-	123,928
Resource revenue	-	-	-	-	-	-	91,804	-	91,804
Interest	-	-	-	-	-	-	21,441	-	21,441
Other Revenue	960,300	41,896	5,026,651	125,400	5,900,060	1,345,083	(800,000)	908,195	13,507,585
	3,542,294	3,882,260	5,082,164	1,011,172	7,699,037	3,394,965	(686,755)	908,195	24,833,332
Expenses									
Wages and benefits	1,438,280	2,087,560	364,726	262,377	741,414	683,006	-	22,500	5,599,863
Amortization	-	-	-	-	1,068,279	-	-	-	1,068,279
Materials and supplies	320,826	23,645	4,557,165	7,980	78,943	98,002	-	-	5,086,561
Utilities and telephone	27,363	43,695	5,341	-	103,624	154,963	-	16,260	351,246
Program costs	3,726	17,911	63,979	15,250	515,627	343,394	-	194,549	1,154,436
Other expenses	1,398,739	1,311,491	28,109	725,565	779,158	1,141,302	-	605,675	5,990,039
	3,188,934	3,484,302	5,019,320	1,011,172	3,287,045	2,420,667	-	838,984	19,250,424
	\$ 353,360	\$ 397,958	\$ 62,844	\$ -	\$ 4,411,992	\$ 974,298	\$ (686,755)	\$ 69,211	\$ 5,582,908

# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2020

### 16. Segmented information (continued)

	Education	Health	Economic Development	Social Services	Band Programs	Housing and Public works	Ottawa Trust Funds	IAIR	2019 Total
Revenue									
ISC	\$2,275,538	-	\$55,513	\$537,752	\$674,646	\$992,519	-	-	\$4,535,968
ISC - Health Canada	-	3,534,971	-	-	-	-	-	-	3,534,971
HRD Canada	-	183,117	-	-	247,785	-	-	-	430,902
CMHC	-	-	-	-	-	200,436	-	-	200,436
Resource revenue	-	-	-	-	-	-	67,506	-	67,506
Interest	-	-	-	-	-	-	48,074	-	48,074
Other Revenue	461,205	102,943	5,712,987	60,264	1,949,493	1,022,726	(600,000)	960,085	9,669,703
	2,736,743	3,821,031	5,768,500	598,016	2,871,924	2,215,681	(484,420)	960,085	18,487,560
Expenses									
Wages and benefits	1,393,207	2,051,451	344,808	116,793	907,088	482,069	-	22,810	5,318,226
Amortization	-	-	-	-	1,029,456	-	-	-	1,029,456
Materials and supplies	104,953	23,645	5,319,826	368	86,758	33,949	-	-	5,569,499
Utilities and telephone	28,681	59,029	6,147	420	199,230	83,324	-	8,348	385,179
Program costs	7,420	19,752	23,083	63,862	197,748	194,155	-	272,778	778,798
Other expenses	1,369,624	1,216,620	46,805	425,073	371,668	1,331,703	-	450,126	5,211,619
	2,903,885	3,370,497	5,740,669	606,516	2,791,948	2,125,200	-	754,062	18,292,777
	\$ (167,142)	\$ 450,534	\$ 27,831	\$ (8,500)	\$ 79,976	\$ 90,481	\$ (484,420)	\$ 206,023	\$ 194,783

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# Beaver Lake Cree Nation

## Notes to Consolidated Financial Statements

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March 31, 2020

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### 17. Employment retirement plan

The First Nation 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 First Nation making a matching contribution to the plan. Any voluntary amounts paid by the employee are not matched. Total employer contributions for 2020 were \$92,227 (2019: \$100,041).

### 18. 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.

### 19. Comparative amounts

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

### 20. Economic dependence

Beaver Lake Cree Nation receives a significant portion of its revenue pursuant to funding agreements with Indigenous Services Canada.

### 21. Financial instruments

The First Nation's financial instruments consist of cash, accounts receivable, long-term investments, trust funds, 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 First Nation is not exposed to significant currency risk from its financial instruments. The First 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 First Nation also has liquidity risk in respect of its accounts payable and current portions of long-term debt. The First Nation minimizes this risk by monitoring cash flows and the terms and conditions negotiated with trade creditors and lenders. The First Nation is subject to interest rate risk arising primarily from fluctuations in rates on bank overdraft facilities and long-term debt.

COVID-19 (see note 2) has resulted in an increase in risk of these financial instruments. The First Nation cannot predict changes in these risks or the impact on operating results. Such changes related to the COVID-19 pandemic, could have a material effect in the First Nation's operations and financial condition.